

# CITY OF PASADENA COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) CERTIFICATION APPLICATION

*NOTE: This portion outlines the application process to qualify as CHDO.*



COMMUNITY DEVELOPMENT  
Pasadena, Texas



**Thomas Schoenbein, Mayor**

**Applications Due: Monday, March 16, 2026 at 4:00 p.m. CST**

**NO LATE APPLICATIONS WILL BE ACCEPTED**

Applications may be either mailed or hand delivered to:

Office of the City Secretary  
1149 Ellsworth Drive, 2<sup>nd</sup> Floor  
Pasadena, Texas 77506

Any application received after the above stated date and time will be returned unopened. Your application will not be evaluated if all the submission requirements are not met and the documentation is not attached.

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## I. OVERVIEW

The City of Pasadena Community Development Department is committed to expanding the capacity of Community Housing Development Organizations (CHDOs) to develop and manage decent and affordable housing and to promote partnerships between public, private and nonprofit organizations that effectively utilize all available resources to provide more affordable housing choices to low-to-moderate income citizens of Pasadena.

To be eligible for a certification as a CHDO, the CHDO must be organized and structured according to the definition of a CHDO as defined in 24 CFR Part 92. Additionally, an organization seeking certification as a CHDO must submit and receive an award of HOME CHDO set-aside funds. The applications will be reviewed and approved concurrently.

CHDO Certification is valid for one year, after which CHDOs must be recertified. CHDOs will also be recertified each time the City commits HOME funds to a new CHDO project.

### **Qualification as a CHDO**

HUD has established the following standard criteria for organizations to be eligible for CHDO certification:

- **Organized Under State/Local Law:** A nonprofit organization must show evidence in its Articles of Incorporation that it is organized under state or local law.
- **Nonprofit Status:** The organization must be conditionally designated or have a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c) of the Internal Revenue Code of 1986. A 501(c) certificate from the IRS must evidence the ruling.
- **Purpose of the Organization:** Among its primary purposes, the organization must have the provision of decent housing that is affordable to low- and moderate-income people. This must be evidenced by a statement in the organization's Articles of Incorporation and/or Bylaws.
- **Board Structure:** The board of directors must be organized to contain no more than one-third representation from the public sector and a minimum of one-third representation from the low-income community.
- **No For-Profit Control:** The organization may not be controlled by, nor receive directions from, individuals or entities seeking profit from or that will derive direct benefit from the organization.
- **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 organization's Articles of Incorporation.
- **Clearly Defined Service Area:** The organization must have a clearly defined geographic service area outlined in its Articles of Incorporation and/or Bylaws.
- **Low-Income Advisory Process:** A formal process must be developed and implemented for low-income program beneficiaries and low-income residents of the organization's service area to advise the organization in all of its decisions regarding the design, location, development and management of affordable housing projects.
- **Capacity/Experience:** To qualify as a CHDO, a non-profit must have paid staff whose experience qualifies them to undertake CHDO set-aside activities. Capacity cannot be demonstrated by the use of a consultant, except in the first year that a CHDO becomes certified. The key staff and board of directors must also have significant experience and capacity to carry out CHDO-eligible, HOME-assisted projects in the community where it intends to develop affordable housing.
- **Community Service:** A minimum of one year of relevant experience serving the community(ies) where applicant intends to develop affordable housing must be demonstrated.

- **Financial Accountability Standards:** The organization must meet and adhere to the financial accountability standards as outlined in 2 CFR Part 200 Subpart D, “Post Federal Award Requirements.”

In addition to the regulatory requirements from HUD, the City has established additional criteria for CHDO certification. The organization must:

- Maintain a record of good standing with the Texas Secretary of State’s Office; and
- Maintain a clear history of no significant compliance findings on City funded projects.

## **CHDO Roles and Eligible Activities**

The evaluation of whether an organization can be designated as a CHDO always takes place in the context of awarding funds from the CHDO set-aside—that is, in consideration of a housing project that is being or is likely to be funded. The rule requires that the City certify that an organization meets the CHDO definition “each time it commits funds to the organization.”

The evaluation of an organization’s capacity, in particular, is closely connected to the organization’s role as an “owner,” “developer,” or “sponsor” of affordable housing. Those terms are carefully defined in the HOME regulation at §92.300(a)(2)-(6) and require that the CHDO be solely in charge of the project.

This application for CHDO Certification was developed to assist the City in evaluating whether or not an organization can be certified as a CHDO. It is intended to accompany an application for project funding and does not provide all information the City’s HOME Program will need to evaluate and underwrite the project itself.

**CHDO as Owner:** As owner, the CHDO owns the property in fee simple absolute or has a long term ground lease. If the housing is to be rehabilitated or constructed, the CHDO hires and oversees the developer that rehabilitates or constructs the housing. At minimum, the CHDO must hire or contract with an experienced project manager to oversee all aspects of the development. The CHDO must own the housing during the development for a period of at least equal to the period of affordability.

**CHDO as Developer:** A CHDO is a developer when the CHDO is the owner of the property in fee absolute or has a long term ground lease and the developer of new housing that will be constructed or existing substandard housing that will be rehabilitated.

- For HOME Assisted Rental Housing: The CHDO must be in sole charge of all aspects of the development process. At minimum, the CHDO must own the housing during development and for a period at least equal to the period of affordability.
- For HOME Assisted Homebuyer Projects: The CHDO must arrange financing of the project and be in sole charge of construction. The CHDO may provide direct homeownership assistance (e.g., down payment assistance) when it sells the housing to the low-income families and the CHDO will not be considered a subrecipient. The HOME funds for down payment assistance shall not be greater than 10 percent of the amount of HOME funds for development of the housing.

**CHDO as Sponsor:** CHDOs may sponsor HOME-assisted rental housing or homebuyer projects. HUD offers two models of sponsoring a project by a CHDO.

- For HOME-assisted rental housing, Model 1 – The CHDO is sponsor if the rental housing is “owned” or “developed” by a subsidiary of a CHDO, a limited partnership of which the CHDO or its subsidiary is the sole general partner or a limited liability company of which the CHDO or its subsidiary is the sole managing member.
  - The subsidiary of the CHDO may be a for-profit or nonprofit organization. The subsidiary must also be wholly owned by the CHDO. If the limited partnership or limited liability

company agreement permits the CHDO to be removed as general partner or sole managing member, the agreement must provide that the removal must be for cause and the CHDO must be replaced by another CHDO.

- HOME funds must be provided to the entity that owns the project.
- For HOME-assisted rental housing, Model 2 – The CHDO is sponsor if the CHDO “developed” the rental housing project that the CHDO agrees to convey the project to an identified private nonprofit organization at a predetermined time after completion of the developed project. The following requirements apply:
  - The identified private nonprofit organization may not be created by a government entity.
  - HOME funds must be invested in the project owned by the CHDO sponsor.
  - The CHDO sponsor must name the nonprofit organization that will obtain ownership of the property prior to commitment of CHDO set-aside funds.
  - The identified private nonprofit must assume all HOME obligations (repayment of loans and tenant and rent requirements), including affordability periods, for the project after conveyance. If the property is not transferred, the CHDO sponsor will remain liable for all HOME obligations.
- For HOME- assisted homebuyer projects – the CHDO is a sponsor when it owns the property and shifts responsibility to an identified private nonprofit at a specified time in the development process. The following requirements apply:
  - HOME funds must be invested in the project owned by the CHDO, and
  - The identified private nonprofit must acquire the completed units or complete the rehabilitation or construction of the property.
  - Upon completion of the project, the identified private nonprofit is required to transfer property, along with all HOME obligations, to a HOME-qualified homebuyer.

A CHDO acting as owner, developer or sponsor may use the minimum 15 percent CHDO set-aside for the following eligible activities:

- Acquisition and/or rehabilitation of rental or homebuyer property;
- New construction of rental or homebuyer property; and
- Direct financial assistance to homebuyers or HOME-assisted property developed or sponsored by the CHDO.

Ineligible uses of the HOME CHDO set-aside funds include:

- Non-development activities;
- Homeowner rehabilitation;
- Tenant-based rental assistance (TBRA); and
- Brokering or other real estate transaction.

## II. APPLICATION INSTRUCTIONS

The City receives HOME Investment Partnerships Program (HOME) funds annually from the U.S. Department of Housing and Urban Development (HUD) to fund activities that provide affordable housing opportunities to benefit low-income households of Pasadena. These funds are based on a formula for entitlement communities. HUD HOME regulations, 24 CFR Part 92, require the City to set aside a minimum of 15 percent of its HOME allocation for qualified, eligible CHDO projects.

A CHDO is a private, non-profit, community based organization whose primary purpose is to develop affordable housing for the community it serves. The CHDO must have paid staff with demonstrated capacity to develop affordable housing. The HOME Program definition of a CHDO is found at 24 CFR Part 92.2.

Prospective CHDOs should complete this application in its entirety and provide all applicable required attachments. For any required attachment not submitted, an explanation shall be provided to demonstrate why the attachment is not applicable to your organization.

Attachments should be highlighted by the prospective CHDO to mark key sections of core organizational documents (for example, highlighting where the Bylaws address limitations on the number of board members who are governmental officials or employees) to aid the City's review.

Applicants shall submit **two (2)** unbound copies with "ORIGINAL" signatures, and include with the HOME Program Application.

Applicants must return all applications to the following location by the date and time specified:

**City of Pasadena  
City Secretary's Office  
1149 Ellsworth Drive, 2<sup>nd</sup> Floor  
Pasadena, Texas 77506**

Late applications will not be accepted, and will be returned to applicant unopened.

### **Attachment A – General Information**

Submit the completed form found in attachments. The form must have an original signature for the CHDO applicant.

### **Attachment B – CHDO Certification**

Submit the completed CHDO Certification form. The certification form must be dated with an original signature for the CHDO applicant.

### **Attachment C – Legal Status**

#### *Texas Nonprofit Corporation Act*

The organization must have among its purpose(s) the provision of decent housing that is affordable to low and moderate income people, as evidenced by a statement in the organization's organizational document (Charter, Bylaws, or Articles of Incorporation). Submit the organizational document and label the portion that states the Act that the nonprofit organization is organized under and its purpose regarding affordable housing.

#### *Net Earnings*

Label the portion of the organizational document (Charter, Bylaws, or Articles of Incorporation) that states that no part of the net earnings inure benefits to any member, founder, contributor or individual of the organization.

#### *Organizational Purpose*

Label the portion of the organizational document (Charter, Bylaws, or Articles of Incorporation) that states the organization's purpose.

#### *Tax Exemption*

Submit a copy of the IRS 501 (c) (3) or (4) letter evidencing the organization's nonprofit status.

#### *Account Status*

Submit a Certificate of Fact for the organization from the Office of the Secretary of State.

### *UEI Number*

Verify that the CHDO itself is registered with SAM.gov and has a Unique Entity Identifier (UEI) number by submitting a proof of registration with SAM.GOV or other documentation.

### *Third Party Legal Opinion*

Submit a third-party legal opinion letter for the nonprofit. A template of the required legal opinion is included herein. \*\*Please note, the language must be word for word as written in the template.

## **Attachment D – Business Plan**

Submit a comprehensive business plan for the organization. The business plan must outline a plan for CHDO eligible housing development activities and citizen participation. The plan must have enough detail to communicate the organizational concept and strategies. The business plan must describe what the CHDO organization has evolved from, its current state, and what it is anticipated to evolve to. The Business Plan must include all of the following sections and information.

### *Statement of Purpose*

This section must state the organization's purpose and identify housing production objectives over a 2-year period. The plan must include how the purpose relates to the proposed development project and other ongoing and/or future initiatives. Include a statement of what the organization plans to achieve in the next three years.

### *Organizational Description*

This section must describe the organization's history, status, number of employees and location. The plan must answer the following questions: Why will this CHDO business plan be successful? What is the organization's experience in the housing industry? How have you researched the feasibility of developing affordable housing in your target area? What commitment(s) has the organization obtained? What resources does the organization have to ensure success?

### *Market Analysis*

This section must describe the organization's knowledge of housing in the proposed community and present highlights and an analysis of the organization's market research. Describe the organization's target area, its characteristics and neighborhood conditions and trends. The plan must answer the following questions: Who is the organization's competition for available property and who are the organization's prospective homebuyers or tenants? Do not attach a Market Study.

### *Target Development Area*

This section must define the organization's target neighborhood or development area and what needs are not currently being met in that area/neighborhood. Describe how the organization plans to meet the needs of the target and/or development area. Attach a target area map of the proposed neighborhood.

### *Neighborhood Investment*

This section must describe any activities the organization has undertaken which involved the local community, residents, neighborhood and/or civic organizations where the proposed development is to be located. Describe any partnerships/alliances/memorandum of understanding the organization has formed or will form with organizations in the community where the proposed development is to be located.

### *Marketing and Sales Strategies*

This section must describe the strategies and activities that will allow the organization to meet the organization's housing production goals. Describe the media (publications, radio, television, direct mail, etc.) and marketing strategies that the organization will utilize to influence the organization's potential market area. Describe how the organization will conduct community events, meetings, and pre-leasing activities. Describe the frequency of the organization's community meetings (weekly, monthly, or quarterly). Describe how the organization uses a management company that understands the target population and income requirements under the HOME Program.

### *Location*

This section must describe what factors influenced the organization's choice of target location(s) (i.e., number and costs of available properties, flood plain, platting, and infrastructure issues).

### *Housing Units*

This section must reflect the CHDO's housing production goals for the next three (3) years. Explain whether or not the CHDO plans to partner with other organizations. If so, please elaborate and describe current and future plans to involve outside partners.

### *Development Team*

This section must identify the members of the organization's development team (i.e., contractors, architect, engineer, lenders, and attorney). Describe the organization's experience with the management of federal funds and meeting federal requirements/obligations.

### *Risk Management*

This section must present a plan for insuring the property, builder's risk and general liability on the development project(s).

### *Organizational Management*

This section must describe the management and staff structure for the organization. Provide an organization chart listing current personnel and a brief description of each individual's position description, primary responsibilities and authority in the organization, unique skills and experiences that add to the capacity and experience of the organization.

### *Board of Directors*

This section must present the names, board position, and extent of Board involvement with the organization, background, and contribution to the organization's success historically and in the future.

### *Advisory Resources*

This section must name individuals who will contribute to your organization, as volunteers, representing banks, accounting firms, attorneys, insurance agents, and consultants.

## **Attachment E – Financial Management**

### *Financial Accountability*

The organization must meet and adhere to the financial accountability standards of 2 CFR 200 Subpart D, "Post Federal Award Requirements."



Submit a notarized Affidavit (included in Attachments) signed by the Executive Director or Financial Officer of the organization or Certification of Compliance letter from a Certified Public Accountant or a HUD approved audit summary.

#### *Internal Control*

Submit a written narrative describing the internal controls used to ensure separation of financial duties and safeguarding corporate assets. Include a description of the organization's conflict of interest policy governing employees and development activities.

### **Attachment F – Capacity and Community Service**

#### *CHDO Capacity*

The CHDO must have a demonstrated capacity for carrying out the HOME-assisted activities that the application is proposing. Submit documentation that describes the names, titles and area of expertise of staff members who have successfully completed projects similar to those to be assisted with HOME funds or submit copies of contract(s) to train key staff of the organization. Consulting individuals or firms must have housing experience similar to the project to be assisted with HOME funds.

#### *Community Service*

The CHDO must have a history of serving the community within which housing to be assisted with HOME funds is to be located. Submit documentation that evidences at least one year of experience in serving the city or county where HOME funds are to be used. The evidence must document and describe the organization's history (or its parent organization's history) of serving the city/county in which the housing to be assisted with HOME funds is to be located by describing and documenting CHDO eligible activities which it provided (or its parent organization provided), such as, developing new housing, rehabilitating existing 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. The evidence must be signed by the president or other official of the organization.

For newly created organizations formed by local churches, service or community organizations, submit documentation that evidences that its parent organization has at least one year of experience in serving the city or county where HOME funds are to be used. In the submission, the organization must document and describe its history (or its parent organization's history) of serving the city or county in which the housing to be assisted with HOME funds is to be located by describing and documenting CHDO eligible activities which it provided (or its parent organization provided), such as, developing new housing, rehabilitating existing 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. The statement in the submission package must be signed by the president or other official of the organization.

Additionally, submit board meeting minutes from a board meeting in each quarter of the previous year (board minutes of the parent organization must be submitted for newly formed organizations with less than one year experience).

Submit a statement naming the city of the proposed property where HOME funds are to be used. Describe in detail the boundaries of the service area that the CHDO serves. A map of the service area is acceptable if the service area is clearly identified.

### **Attachment G – Organizational Structure**

#### *Board Structure*

The organization's governing board must maintain at least one-third of its membership for residents of low income neighborhoods, other low-income community residents, or elected representatives of low income neighborhood organizations. Submit the appropriate organizational document (Charter, By Laws or Articles of Incorporation) and Affidavit (included in Attachments) signed by the organization's Executive Director and notarized. Additionally, submit a current roster of all Board of Directors, including names and mailing addresses. The required one-third low income resident(s) or elected representative(s) must be annotated on the list.

#### *Low-Income Input*

Submit a formal, written process for low income, program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of affordable housing projects, as well as, written procedures as to how the formal process will be implemented (public hearings, flyers, media, etc.). Submit the organization's bylaws, with written procedures approved by the governing board as documentation of a low-income input policy; or a resolution, with written procedures approved by the governing board; or a written statement describing the operating procedures approved by the governing body. The statement must be on letterhead, signed by the Executive Director and evidenced with the date of governing body approval. Include copies of all actions that have been taken, dates for marketing outreach and/or planned neighborhood meetings.

**Please note:** Under the HOME Program, "Low income" is defined by the U.S. Department of Housing and Urban Development (HUD) as an annual income that does not exceed eighty percent (80%) of the median income for the area, with adjustments for family size.

#### *CHDO Charter*

A CHDO may be chartered by a state or local government, but the following restrictions apply:

1. The state or local government may not appoint more than one-third of the membership of the organization's governing body;
2. The board members appointed by the state or local government may not, in turn, appoint the remaining two-thirds of the board members; and,
3. No more than one-third of the governing board members are public officials including employees of the Participating Jurisdiction or state recipients, elected officials, appointed public officials, and individuals appointed by public officials. Elected officials include, but are not limited to, state legislators or any other statewide elected officials. Appointed public officials include, but are not limited to, members of any regulatory and/or advisory boards or commissions that are appointed by a state official. Public officials who themselves are low-income residents or representatives do not count toward the one-third minimum requirement of community representatives.

Submit the organizational document (Charter, By Laws or Articles of Incorporation) that evidences the Act under which the organization is organized. Label the portion of the organizational document (Charter, By Laws or Articles of Incorporation) that states the composition of the Board.

#### *CHDO Sponsor*

The for-profit entity may not appoint more than one-third of the membership of the CHDO's board. The board members appointed by the for-profit entity cannot appoint the remaining two-thirds of the board members of the board. The CHDO must own the property prior to the development phase of the project. The CHDO Sponsor must select the nonprofit that will obtain ownership of the property prior to the commitment of HOME funds. Submit a written statement identifying and naming the nonprofit. The nonprofit organization must be financially and legally separate from the CHDO Sponsor. Submit documentation, such as a legally binding agreement, evidencing that the nonprofit is financially and legally separate from the CHDO Sponsor. Label the portion of the document that states the board composition.

## **Attachment H – Religious or Faith Based Organization Certification**

HOME funds may not be used for the acquisition, construction, or rehabilitation of structures if those structures are used for inherently religious activities. Sanctuaries, chapels, or other rooms which a faith-based CHDO uses as its principal place of worship are always ineligible for HOME-funded improvements. Submit the completed Religious or Faith Based Organization Certification behind this section. The certification form must be dated with a signature for the CHDO Applicant. Additionally, submit and label the portion of the organizational document (Charter, Bylaws, or Articles of Incorporation) that states the proposed development will not be used for inherently religious activities.

## **Attachment I – Relationship with For-Profit Entities**

### *Effective Control*

The CHDO must not be controlled, nor receive direction from individuals, or entities seeking profit from the organization. Submit documentation that evidences that the CHDO has effective control over the proposed development. Submit and highlight the document that states the CHDO is not controlled nor receives direction from the for-profit organization.

### *For-Profit CHDO Sponsor*

The for-profit entity's primary purpose must not include the development or management of housing. Submit the organizational document that states the for-profit's organizational purpose.

### *Partnership Agreements*

The CHDO must not be controlled, nor receive direction from individuals, or entities seeking profit from the organization. Submit and highlight the portion of the document that states the CHDO is not controlled nor receives direction from the for-profit organization. Submit all legally binding agreements pertaining to the development, partnership, sponsorship and ownership of the proposed development. Highlight the portion of the document that states the CHDO is free to contract for goods and services from the vendor(s) of its own choosing and states the primary purpose of the for profit entity.

### III. APPLICATION FOR FUNDING

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*NEXT PAGE IS THE BEGINNING OF THE APPLICATION*



**COMMUNITY DEVELOPMENT**  
Pasadena, Texas

**COVERSHEET**  
**CHDO CERTIFICATION APPLICATION**

FILL IN NAME OF YOUR ORGANIZATION IN SECTION BELOW:

ALL APPLICATIONS **MUST BE TYPED** AND SUBMITTED TO:

City of Pasadena  
Office of the City Secretary  
1149 Ellsworth Dr. 2<sup>nd</sup> Floor  
Pasadena, Texas 77506

**APPLICATION DUE: Monday, March 16, 2026 at 4:00 pm**

**NO LATE APPLICATIONS WILL BE ACCEPTED**

Please initial the following statements and sign were indicated.

1. \_\_\_\_\_ I have read & executed the Conflict of Interest form in this application.
2. \_\_\_\_\_ I have thoroughly reviewed the 2026 Application Workshop PowerPoint.
3. \_\_\_\_\_ I have read & understand the application instructions prior to submitting this application.
4. \_\_\_\_\_ I have read & signed the Terms and Conditions section of this application

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Signature of Applicant

Title

Date

## Attachment A – General Information

|                                                                                                                                                                                                                                                                                                                                                                         |        |        |                                                  |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|--------------------------------------------------|--|
| Organization Name:                                                                                                                                                                                                                                                                                                                                                      |        |        |                                                  |  |
| Organization's Physical Address:                                                                                                                                                                                                                                                                                                                                        |        |        |                                                  |  |
| Organization's Mailing Address:                                                                                                                                                                                                                                                                                                                                         |        |        |                                                  |  |
| UEI Number:                                                                                                                                                                                                                                                                                                                                                             |        |        | <input type="checkbox"/> Registered with SAM.GOV |  |
| Phone:                                                                                                                                                                                                                                                                                                                                                                  | Fax:   | Email: | Web Address:                                     |  |
| Authorized Organization Official Signatory:                                                                                                                                                                                                                                                                                                                             |        | Phone: | Email:                                           |  |
| *Primary Contact:                                                                                                                                                                                                                                                                                                                                                       | Phone: | Email: |                                                  |  |
| * Alternate Contact:                                                                                                                                                                                                                                                                                                                                                    | Phone: | Email: |                                                  |  |
| <i>*Both the primary and alternate contact (provided above) will serve as intermediaries between the agency and the City of Pasadena Community Development Department. Therefore, the primary and alternate contact shall be responsible for the distribution of information, provided by the City of Pasadena Community Development Department, within the agency.</i> |        |        |                                                  |  |
| Proposed Program Name:                                                                                                                                                                                                                                                                                                                                                  |        |        |                                                  |  |
| Location of Project:                                                                                                                                                                                                                                                                                                                                                    |        |        |                                                  |  |
| Amount Requested:                                                                                                                                                                                                                                                                                                                                                       |        |        |                                                  |  |
| Date of Incorporation:                                                                                                                                                                                                                                                                                                                                                  |        |        | Tax ID Number:                                   |  |
| IRS Tax Status<br><input type="checkbox"/> 501(c)(3) Received: _____<br><input type="checkbox"/> 501(c)(4) Received: _____                                                                                                                                                                                                                                              |        |        |                                                  |  |

## Attachment B – CHDO Certification

Name of CHDO

Date of Formation

On behalf of the Community Housing Development Organization Applicant (hereinafter “Applicant”), I hereby certify that the Applicant is familiar with the provisions of the federal HOME Final Rule, as published in 24 CFR §92, the state Uniform Multifamily Rules, as published in 10 TAC Chapters 1, 2, and 10, 13, or 20 and 23 as applicable, and other related administrative rules and regulations and court rulings issued by the Federal government or state of Texas with respect to CHDOs and the HOME Investment Partnerships Program and will comply with such rules during the application process and in the event of award, for the duration of the development process and/or affordability period.

- I hereby certify that the Applicant will comply with the applicable requirements of the conflict of interest provisions stated in 24 CFR §92.356 and 2 CFR §200.112.
- I hereby certify that the Applicant meets the requirements of the CHDO definition in 24 CFR §92.2.
- I hereby certify that no person or entity that would benefit from the award of HOME funds has provided a source of Match as defined in 24 CFR §92.220 or has satisfied the Applicant’s obligation pursuant to 10 TAC §10.307(a)(5) or made promises in connection therewith.
- I hereby certify any funds granted to the CHDO as CHDO Operating Expenses will be expended in compliance with 24 CFR §92.208, and 2 CFR §§200.320 and 200.330.
- I hereby certify the CHDO will create and follow a tenant participation plan as required in 24 CFR §92.303 for rental development activities.
- I hereby certify that all statements I have provided in this application and in this Sections herein are true; that I am authorized to sign this application, and to make these statements, on behalf of the applicant organization; and that the organization understands that misrepresentation of any facts which lead to the improper allocation and expenditure of public funds may result in legal action against the organization for retrieval of any such funds and appropriate penalties.
- I agree the City of Pasadena may, at its discretion, request additional information and/or documentation in its evaluation of this Application.
- I hereby certify that (I) we, as a CHDO, will qualify as the of **--Select One--** rental housing as defined in 24 CFR §92.300(a)(2)-(5) or will qualify as the owner and developer of housing for homeownership as defined in 24 CFR §92.300(a)(6).

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Title

\_\_\_\_\_  
Printed Name of Individual

\_\_\_\_\_  
Date

## Attachment C – Legal Status

Insert the required documents for this section as indicated in the instructions. A legal opinion letter template is provided below; the legal opinion letter must be typed verbatim on the attorney's letterhead. The portions that are underlined and enclosed by brackets should be replaced with the described information.

Legal Opinion Letter

[Date]

Community Development Department  
P.O. Box 672  
Pasadena, Texas 77501

RE: [Name of Development]  
[Address of Development]  
[Development Owner]

Ladies and Gentlemen:

[Applicant] is a Community Housing Development Organization (CHDO) within the meaning in Title 24 of the Code of Federal Regulations (CFR) Subpart A, §92.2. We understand that you require this opinion as a prerequisite to your consideration of a CHDO Certification.

In rendering our opinion, we have reviewed the Articles of Incorporation and Bylaws of [Applicant] as well as the Letter of Determination dated [Date] from the Internal Revenue Service. We have also examined the records of [Applicant] to determine whether or not there exists an identity of interests between [Applicant] and any for-profit sponsors of the above-referenced development, (the "Development").

Based upon our review of the foregoing, it is our opinion that:

1. [Applicant] is not affiliated with, or controlled by, a for-profit organization with respect to the development. [Provide the basis for that opinion]
2. [Applicant] is an organization described in paragraph (3) or (4) of section 501(c) and is exempt from tax under section 501(a) of the Internal Revenue Code.
3. [Applicant] is an organization which specifically has the fostering of low-income housing as one of its tax exempt purposes.
4. [Applicant] or a wholly owned subsidiary will be the [owner or managing general partner of the owner and/or developer] of the Development and [Applicant's] role will meet the requirements described in 24 CFR §92.300(a)(1) that housing assisted with HOME funds under the 15% set-aside reserved for CHDOs be developed, sponsored or owned by a community housing development organization and any subsequent guidance from the United States Department of Housing and Urban Development.

It is our intention that this opinion be relied upon by you in making your determination as to the eligibility Set-Aside.

Sincerely,

[Name of Attorney or Firm rendering opinion]



## **Attachment D – Business Plan**

Submit a business plan for the CHDO. Include all components indicated in Section II. Application Instructions.

## **Attachment E – Financial Management**

### **Internal Controls**

Please submit all of the following:

- Written narrative describing the internal controls used to ensure separation of financial duties and safeguarding corporate assets. Include a description of the organization's conflict of interest policy governing employees and development activities.

### **Financial Accountability**

The organization must have financial accountability standards as defined in 2 CFR 200 Subpart D, "Post Federal Award Requirements."

- a notarized Affidavit of Standards for Financial Management Systems (included below) signed by the Executive Director or Financial Officer of the organization; OR
- a Certification of Compliance letter from a Certified Public Accountant; OR
- A HUD approved audit summary

If applying for CHDO Operating funds, please include a copy of the organization's procurement policy that complies with 2 CFR §200.318-200.327.

## IV. AFFIDAVIT OF STANDARDS FOR FINANCIAL MANAGEMENT SYSTEMS

Date:

Affiant:

Applicant:

(Exact Legal Name of Organization)

Affiant on oath swears that the following statements are true and are within the personal knowledge of Affiant:

1. Affiant is the President AND/OR Chief Financial Officer of the Applicant and is authorized to make this affidavit on behalf of Applicant.
2. Applicant's financial management systems conform to the financial accountability standards that provide for and incorporate the following:
  - a. Accurate, current, and complete disclosure of the financial results of each federally-sponsored project;
  - b. Records which identify the source and application of funds for federally-sponsored activities. These records contain information pertaining to federal awards, authorizations, obligations, un-obligated balances, assets, outlays, income, and interest;
  - c. Control over and accountability for all funds, property and other assets; adequate safeguards of all such assets shall be adopted to assure that all assets are used solely for authorized purposes;
  - d. Comparison of outlays with budget amounts for each award;
  - e. Written procedures to minimize the time elapsing between the receipt of funds and the issuance or redemption of checks for program purposes by the recipient;
  - f. Written procedures for determining the reasonableness, allocability, and allowability of costs in accordance with the provisions of federal cost principles and the terms and conditions of the award;
  - g. Accounting record, including cost accounting records that are supported by source documentation.

By: \_\_\_\_\_

Signature of Authorized Representative

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that \_\_\_\_\_ who signed the foregoing statement, and who is known to be one and the same, has acknowledged before

me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

(Seal)

\_\_\_\_\_  
Notary Public Signature

\_\_\_\_\_  
Notary Public, State of

\_\_\_\_\_  
County of

\_\_\_\_\_  
My Commission Expires

## **Attachment F – Capacity and Community Service**

Submit the documentation regarding CHDO capacity and record of community service outlined in Section II. Application Instructions.

## **Attachment G – Organizational Structure**

Submit the required materials for board structure, low-income community/individual input, CHDO Charter (if applicable) and CHDO Sponsor (if applicable). Templates for an affidavit of low-income board representation and resolution for formal process of low-income input are found on the following pages.

Highlight the following information in submitted documents:

- Portion(s) of the organizational document(s) that states the Texas Act or Code under which the nonprofit organization is organized;
- Portion(s) of the organizational document(s) that states nonprofit organization's purpose regarding affordable housing;
- Portion(s) of the organizational document(s) that states that no part of the net earnings inure to the benefit of any member, founder, contributor, or individual of the organization;
- Portion(s) of the organizational document(s) that states the organization's purpose; and
- Portion(s) of the organizational document(s) that outlines the procedure for appointing board members.

## V. AFFIDAVIT OF LOW-INCOME BOARD REPRESENTATION

I hereby certify that the individuals identified in the following exhibits are residents of a low income neighborhood, other low-income community resident, or elected representative of a low income neighborhood organization and is an active member of the Board of Directors of \_\_\_\_\_, a private nonprofit corporation.

“Low income” is defined as households whose annual incomes do not exceed 80% of the median income for the area, as determined by HUD with adjustments for smaller and larger families.

**I certify that the above statement is true and correct. I understand that any misstatement or falsification of information shall be grounds for denial or revocation of certification for CHDO status.**

By: \_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that \_\_\_\_\_ who signed the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

(Seal)

\_\_\_\_\_  
Notary Public Signature

\_\_\_\_\_  
Notary Public, State of

\_\_\_\_\_  
County of

\_\_\_\_\_  
My Commission Expires

## VI. BOARD MEMBER INFORMATION FORM

This form must be completed, signed and dated by **each** member of the Board of Directors of your organization.

I am a board member of the following nonprofit organization seeking CHDO status:

Name of Organization: \_\_\_\_\_

Board Member: \_\_\_\_\_

Home Address: \_\_\_\_\_

Home Phone: \_\_\_\_\_

Occupation and Employer: \_\_\_\_\_

Business Address: \_\_\_\_\_

Business Phone: \_\_\_\_\_

### PLEASE CHECK ANY OF THE FOLLOWING THAT APPLIES TO YOU:

- ☐ I qualify as a low-income resident under the HOME Program definition. The gross annual income of my household of \_\_\_\_\_ people is at or below 80% of the \_\_\_\_\_ county area median income in the amount of \$\_\_\_\_\_ (80% AMI limit); OR
- ☐ I live in a low-income area (where 51% or more of the households in my US Census tract have incomes at or below 80% of the median household income, as defined by HUD; OR
- ☐ I am an elected representative of a low-income neighborhood organization. Name of organization and your title: \_\_\_\_\_

*A signed resolution or signed minutes and election roster from the neighborhood organization naming the individual as its representative on the CHDO's board of directors must be provided.*

- ☐ I am a representative of the public sector [a public sector representative is any elected official, any appointed public official, any employee of a public agency or department, or any individual who is appointed by a public official to serve on a CHDO board].



**I certify that the above statement is correct as of the date indicated below:**

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

## VII. FORMAL PROCESS FOR LOW-INCOME INPUT

**[Applicant]**

**RESOLUTION NO.** \_\_\_\_\_

The Chairman of the Board submits the following resolution for consideration by the [Applicant] Board of Directors:

### FORMAL PROCESS FOR PUBLIC INPUT

**[Applicant]** at a minimum will implement the formal process for public input by holding neighborhood advisory meetings at least bi-annually. Also, the organization will make the community aware of any housing developments it undertakes through broadcast media, flyers, contacts with a broad array of social service agencies, and newspaper articles. It will also accept public comment at all times via telephone, mail, e-mail, and other forms of communication. Comment may be directed to the organization's Executive Director, **[Name]**, via regular mail at **[Complete Address]**, or by telephone at **[Phone Number]** or by e-mail at **[E-mail]**.

Signed:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Approved by \_\_\_\_\_ (Applicant's) Board meeting on

\_\_\_\_\_, 20\_\_\_\_, as witnessed by: \_\_\_\_\_(Name),

\_\_\_\_\_(Board Secretary).

## **Attachment H – Religious or Faith Based Organization**

Submit the documentation regarding Religious or Faith Based Organization outlined in Section II. Application Instructions.

## VIII. RELIGIOUS OR FAITH BASED ORGANIZATION CERTIFICATION

On behalf of the Religious and/or Faith Based organization and all affiliates of the Applicant (hereinafter "Applicant"), I (We) hereby certify that the Applicant is familiar with the provisions of 24 CFR §92.257, with respect to Religious and/or Faith Based Organizations and the HOME Investment Partnerships Program and will comply with such rules during the application process and in the event of award, for the duration of the proposed development.

I certify that the Applicant will comply with the requirements listed below:

- Housing developed will be made available exclusively for the residential use of program beneficiaries and will be made available to all persons regardless of religious affiliations or beliefs.
- I will not use HOME funds to support any explicitly religious activities such as worship, religious instruction, or proselytizing.
- I will not use HOME funds for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for explicitly religious activities.

I hereby certify that all statements I have provided in this Certification are true; that I am authorized to sign this application, and to make these statements, on behalf of the applicant organization; and that the organization understands that misrepresentation of any facts which lead to the improper allocation and expenditure of public funds may result in legal action against the organization for retrieval of any such funds and appropriate penalties.

---

Printed Name

---

Title

---

Date

---

Signature of Authorized Representative

---

Title

## **Attachment I – Relationship with For-Profit Entities**

Submit the documentation regarding Relationship with For-Profit Entities outlined in Section II. Application Instructions.

## IX. SUBMISSION CHECKLIST

| Item                                                                                                                                                                                                                                                                                                   | Note                                                  | Applicant's Initials |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|----------------------|
| 1. Overview                                                                                                                                                                                                                                                                                            | I acknowledge reading and understanding the Overview. | _____                |
| PLEASE REMEMBER:                                                                                                                                                                                                                                                                                       |                                                       |                      |
| 2. Applicants shall submit <b>two (2)</b> unbound copies with "ORIGINAL" signatures and submit with HOME Program Application.                                                                                                                                                                          |                                                       | _____                |
| <b>DID YOU REMEMBER TO:</b>                                                                                                                                                                                                                                                                            |                                                       |                      |
| 3. Fill out, sign and return the Community Development (CHDO) Submission Checklist.<br>Fill out, sign and return the CHDO Certification Application, including attachments. <b>Must include all required documentation submitted for attachments found under Section II. Application Instructions.</b> |                                                       | _____                |
| 4. <b>Instructions.</b><br>Fill out, sign and return the Affidavit of Standards for Financial Management Systems. <b>Must be</b>                                                                                                                                                                       |                                                       | _____                |
| 5. <b>Notarized.</b><br>Fill out and return the Affidavit of Low-Income Board Representation – Authorized Representative.                                                                                                                                                                              |                                                       | _____                |
| 6. <b>Must be Notarized.</b>                                                                                                                                                                                                                                                                           |                                                       | _____                |
| 7. Fill out and return Board Member Information Form.                                                                                                                                                                                                                                                  |                                                       | _____                |
| 8. Fill out and return Formal Process for Low-Income Input.                                                                                                                                                                                                                                            |                                                       | _____                |
| 9. Fill out and return the Religious or Faith Based Organization Certification.                                                                                                                                                                                                                        |                                                       | _____                |
| 10. Submit a copy of Certificate of Good Standing from the Texas Secretary of State                                                                                                                                                                                                                    |                                                       | _____                |

**I CERTIFY THAT THE INFORMATION CONTAINED IN THIS APPLICATION IS TRUE AND CORRECT AND THAT IT CONTAINS NO FALSIFICATIONS, MISREPRESENTATIONS, INTENTIONAL OMISSIONS, OR CONCEALMENT OF MATERIAL FACTS. I FURTHER CERTIFY THAT NO CONTRACTS HAVE BEEN AWARDED, FUNDS COMMITTED, OR CONSTRUCTION BEGUN ON THE PROPOSED PROGRAM AND THAT NONE WILL BE DONE PRIOR TO ISSUANCE OF A RELEASE OF FUNDS BY THE CITY OF PASADENA.**

---

**SIGNATURE OF AUTHORIZED PERSON LISTED ABOVE**

**DATE**

---

**PRINT NAME**

**TITLE**