

Experience, Capacity and Financial Accountability

To be certified as a CHDO, the HOME Program requires organizations to demonstrate sufficient: **Experience**, **Capacity** and **Financial Accountability**.

Experience

CHDOs must demonstrate a history of serving the community where the housing to be assisted with HOME funds will be located.

Types of experience required

HUD requires that organizations show a history of serving the community by providing:

A statement that documents at least one year of experience serving the community.

For newly created organizations formed by churches, service or community organizations, providing a statement that the parent organization has at least one year experience serving the community.

Example of CHDO experience

The United Way of Hometown creates a new nonprofit corporation to develop single-family homes for homebuyers. Although the nonprofit is new, the United Way of Hometown was chartered 50 years ago and has considerable low-income community experience. By sponsoring the creation of the new nonprofit, the United Way has fulfilled this requirement.

Capacity

CHDOs must demonstrate the capacity of key staff to carry out the HOME-assisted activities they are planning.

Types of capacity required

CHDOs must demonstrate that their staff has the relevant experience necessary to perform the HOME-assisted activities they are planning. CHDOs must have either:

Resumes and/or statements of key staff members that describe their experience of successfully completed projects similar to those proposed.

OR

A plan in place for experienced consultants to help plan and develop proposed projects as well as train key staff.

Example of CHDO capacity

The Cranberry Orchard Neighborhood Development Organization (CONDO) has successfully developed more than 100 units of housing for homebuyers by acquiring, rehabilitating and selling existing single-family homes. CONDO plans to use a similar stock of single-family homes for a scattered-site, 30-unit rental housing development project that it will own and manage. This is CONDO's first experience in rental housing development. To demonstrate key staff capacity to carry out the HOME-assisted activity that they are proposing, CONDO will retain a consultant who will develop a training plan and assist CONDO's key staff during the development of their first rental housing project on development issues specifically related to rental housing.

Financial Accountability

CHDOs must have financial accountability standards that conform to the requirements detailed in 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Rewards (the "Uniform Guidance").

Financial Accountability Requirements

Providing a notarized statement by the president or chief financial officer of the organization.

Furnishing a certification from a certified public accountant.

OR

Supplying HUD with an approved audit summary.

Example of CHDO Financial Accountability

The Growville Housing Corporation (GHC), a nonprofit organization, has been in existence for years. They sell rehabilitated homes to first-time homebuyers who are low-income. GHC is applying to be a CHDO. In the past, the majority of their funds have come from private donations. However, with housing material costs rising, GHC is looking for additional sources of funds. By becoming a CHDO, they will be able to receive HOME funds to do eligible projects. To meet the financial accountability requirement of becoming a CHDO, GHC will have its accountants submit a certification to the local PJ which states its accounting systems meet the financial standards of 2 CFR Part 200.