



**COUNTY OF ESSEX, NEW JERSEY**

**REQUEST FOR STATEMENT OF QUALIFICATIONS #16-255**

**FOR COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDO'S)**

**DEPARTMENT: ECONOMIC DEVELOPMENT TRAINING & EMPLOYMENT**

**DIVISION: HOUSING & COMMUNITY DEVELOPMENT**

**Prepared By: George F. Serio, Jr., Director - Housing & Community Development**

**Due Date: January 17, 2017**

**Contact Person: Housing & Community Development**

**GENERAL INFORMATION**  
**REQUEST FOR QUALIFICATIONS**

**SUBJECT OF RFQ:**                      REQUEST      FOR      QUALIFICATIONS      FOR  
COMMUNITY      HOUSING      DEVELOPMENT  
ORGANIZATIONS (CHDO'S)

**REQUESTING AGENCY:**                      HOUSING & COMMUNITY DEVELOPMENT

**SUBMISSION REQUIREMENTS:**                      One (1) original and two (2) copies should be sent to:  
  
**Essex County Division of Housing & Community  
Development  
20 Crestmont Road  
Verona, New Jersey 07076  
Attn: George F. Serio, Jr., Director**

**PROPOSAL ACTIVITIES:**

<b>1. <u>Timetable:</u></b>	<b><u>Date</u></b>
RFQ Release:	December 20, 2016
Proposer's Conference	N/A
Closing Date for Receipt of Proposal	January 17, 2017 by 5:00 PM



**REQUEST FOR QUALIFICATIONS**  
*FOR*  
**COMMUNITY HOUSING DEVELOPMENT  
ORGANIZATIONS (CHDO'S)**



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**County of Essex Consortium  
RFQ Certification Process for CHDO's  
(Community Housing Development Organizations)**

**I. INTRODUCTION**

The County of Essex is requesting qualifications from non-profit organization vendors capable of creating affordable rental housing in Essex County. Successful organizations will be designated as a certified Essex County Community Housing Development Organization (CHDO) and become eligible to participate in subsequent application funding processes.

**II. SCOPE OF WORK**

**HOME INTRODUCTION**

The HOME Investment Partnerships Program (HOME) was created as part of the National Housing Act of 1990. The United States Department of Housing and Urban Development (HUD) has historically awarded the County of Essex Consortium approximately \$810,459 in HOME Program funds each fiscal year. The County of Essex Consortium has selected three (3) major program activities under the HOME Program. The activities include: Rental Housing Production, Affordable Housing Development, and a First-Time Homebuyers Program.

The Consortium includes eighteen (19) municipalities in Essex County the exclusions being the City of Newark, City of East Orange and Township of Irvington. The County of Essex acts on behalf of the participating municipalities to provide a comprehensive approach to affordable housing issues. The purpose of the HOME Program is to expand the supply of decent, safe and affordable housing, and one way to do this is through Community Housing Development Organizations (CHDO's).

**COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDO) PROGRAM**

The County of Essex Consortium is seeking qualified CHDO's to assist in the development of affordable housing for low-income individuals/families. The Consortium provides approximately \$121,569 for this element each fiscal year, and project funding is determined and allocated through a competitive application process which follows this RFQ process. All funding under the CHDO Program requires a twenty-five (25) percent match of the federal funds for each program year.

CHDO's are non-profit organizations that meet specific criteria designated in the HOME regulations promulgated by HUD. Any non-profit requesting this status must submit a response to this Request for Qualifications (RFQ). The Essex County Division of Housing & Community Development is the designated agency for certifying CHDO's. As noted in the following timeline, the first step in the funding process is to seek certification as a CHDO from the County. In order to participate in the subsequent application process under the Consortium's HOME Program, the CHDO must demonstrate that it has received certification from the Essex County Division of Housing & Community Development.

The Appropriations Act of 2012 and guidance in the HUD CPD notice 12-007 will require specific underwriting, market analysis, capacity and staffing that CHDOs need to prepare for should they submit a response to the RFP. This requirement will be implemented with all 2016 HOME funds and those projects identified in the Consolidated Plan and Action Plan. A CHDO may need to partner with an experienced entity should their experience be limited in the type of project for which they are requesting HOME Program set-aside funds.

CHDO certification does not guarantee the allocation or award of HOME CHDO funds. All rental housing production funds are awarded on the basis of project feasibility, consistency with the HOME Program regulations, the Consortium’s 2015-2019 Five Year Consolidated Plan, and availability of funding.

**FUNDING TIMELINES**

According to the funding limits established in the HOME Program guidelines, the Consortium must certify, enter into written agreements and designate CHDO’s in the cash management system within two (2) years of receiving the fiscal year federal allocation. This process constitutes the commitment of federal HOME funds. Failure to commit HOME funds within the designated time period will result in the loss of funds for the Consortium.

The following is a tentative timeline of the activities required from CHDO qualification through the commitment of HOME funds. The dates for these activities are subject to change.

**DATE/ACTIVITY**

- December 20, 2016 .....County Releases RFQ for CHDO Certification
- January 17, 2017.....County Receives RFQ from CHDO for Certification
- January 24, 2017 .....County Designates and Certifies CHDO’s
- January 2017 .....County Releases Applications for the HOME program
- January 2017 .....County Receives applications from CHDO’s and Reviews applications
- July 2017.....Essex County Board of Chosen Freeholders Awards funding & Executes Agreements
- August 2017.....County Designates CHDO Eligible Projects. Funds must be committed and in the Cash Management and IDIS System this timeline is Non-negotiable
- June 30, 2019 .....All FY 2015-2016 HOME Funds Expended

## **ADDITIONAL PROGRAM REQUIREMENTS**

Following the certification of area CHDO's, the County of Essex will begin the process of CHDO sponsored project selection. The County will prepare and distribute an application for projects consistent with the HOME Program description and the 2015-2019 Five Year Consolidated Plan. Following the project review phase, the County will recommend to the Essex County Board of Chosen Freeholders that they enter into a contract for the implementation of the selected CHDO project(s). The agreement shall remain in effect for the entire affordability period of the project. The contract for affordable housing production will include the following:

1. Compliance with the HOME federal requirements regarding affordable housing production.
2. Compliance with the HOME federal requirements regarding new construction, acquisition, and/or rehabilitation activities.
3. Compliance with federal mandates including equal opportunity, fair housing, civil rights, age discrimination, 504 rehabilitation acts, lead based paint, conflict of interest, etc.
4. Compliance with the HOME Cash Management System and record keeping procedures.
5. Adherence to the established contractual time frames.
6. Preparation of the required HOME and County reporting documents.
7. Compliance with the County and Federal voucher and file system.
8. Please consult the following website for HOME program final rule and regulations and for reference in completing this Request for Qualifications;  
<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm>

### **III. PROPOSAL**

In order to obtain CHDO certification from the County of Essex, the organization must provide evidence of various items relating to legal status, financial capabilities, project experience, organizational structure and relationships with non-profit entities. A description of each item is contained in the CHDO Checklist included in Appendix A of this document.

**Please complete the CHDO Checklist included in Appendix A of this document and provide an original CHDO Resolution as described in Appendix B of this document. This includes providing 501(c)(3) Certification from the Internal Revenue Service.**

#### IV. SUBMISSION REQUIREMENTS

- A. Sealed responses must be submitted to:

**Essex County Division of Housing & Community Development  
20 Crestmont Road  
Verona, New Jersey 07076  
Attn: George F. Serio, Jr., Director**

at which time said proposals will be recorded and subsequently opened publicly.

- B All proposals must be enclosed in **one (1) sealed envelope containing one (1) original and two (2) copies of the proposal**, each identified and bearing the name and address of the proposer, the name of the proposal and the date of the opening on the outside of the envelopes. All proposals must arrive at the Essex County Division of Housing & Community Development **no later than 5:00 pm on January 17, 2017**.
- C. The County will not be responsible for late mail deliveries and no proposals will be accepted if received after the time stipulated in this application.
- D. The County will accept questions and inquiries from all organizations that have received this RFQ. Lengthy or multiple questions should be submitted in writing by fax (973-655-0982) or mailed to: George F. Serio, Jr., Director, 20 Crestmont Road, Verona, NJ 07044.

Short inquiries can be accepted by telephone (973-655-0200) but oral explanation or instructions given over the telephone before the award of contract shall not be binding. Any significant clarification or change to this RFQ resulting from a question or inquiry will be finalized in an addendum that will be mailed to all potential consultants who have requested the application. You may contact the following person if you have any questions or require clarification on any topics covered in this Request for Qualifications:

**Esther Martinez**  
Senior Loan Advisor  
Voice: 973-655-0200 Ext. 317  
Email: emartinez@essexhcd.com

#### V. EVALUATION CRITERIA

A committee consisting of the Director, a Project Coordinator and a Program Monitor from the Division of Housing & Community Development will review all responses to this RFQ and either approve or disapprove CHDO certification for each submitting entity. The review committee will determine eligibility in accordance with the requirements stated in the CHDO Checklist and Resolution.

Upon completion of proposal evaluation, the County will make its recommendation(s) to the Board of Chosen Freeholders to designate organization(s) as certified Essex County CHDO and deem the organization(s) eligible to participate in a subsequent application funding process.

**APPENDIX A - CHDO CHECKLIST**

**COUNTY OF ESSEX CONSORTIUM - CHDO CHECKLIST**

The information contained in this checklist refers to the definition of Community Housing Development Organizations (CHDO's) in Subpart A, Section 92.2 of the HOME Rule.

**I. LEGAL STATUS**

*The nonprofit organization is organized under the State of New Jersey, as evidenced by:*

\_\_\_\_\_ a Charter, OR

\_\_\_\_\_ Articles of Incorporation (current)

*No part of its net earnings inure to the benefit of any member, founder, contributor, or individual, as evidenced by:*

\_\_\_\_\_ a Charter, OR

\_\_\_\_\_ Articles of Incorporation

*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) Certificate from the IRS, AND

\_\_\_\_\_ Current copy of annual information return (form 990 or Form 990-EZ)

*Has among its purposes the provision of decent housing that is affordable to low- and moderate-income people, as evidenced by a statement in the organization's:*

\_\_\_\_\_ Charter

\_\_\_\_\_ Articles of Incorporation

\_\_\_\_\_ By-laws, OR

\_\_\_\_\_ Resolutions

**II. CAPACITY**

*Has standards of accountability that conform to 24 CFR84.21, "Standards of 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.

\_\_\_\_\_ documentation demonstrating the CHDO has paid staff

***Has a demonstrated capacity for carrying out activities assisted with HOME funds, 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 projects to be assisted with HOME funds, to train appropriate key staff of the organization.

***Has a history of serving the community where housing to be assisted with HOME funds will be used, as evidenced by:***

\_\_\_\_\_ a statement that documents at least one year of experience in serving the community,

OR

\_\_\_\_\_ for newly created organizations formed by local churches, service or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community.

The CHDO, or its parent organization must be able to show one year of serving the community from the date the participating jurisdiction provides HOME funds to 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 stock and managing housing stock, or delivering non-housing services that have had lasting benefits for the community, such as counseling, food relief, or child care facilities. The statement must be signed by the president of the organization or by a HUD approved representative.

### **III. ORGANIZATIONAL STRUCTURE**

***Maintains at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or election by representatives of low-income neighborhoods organizations as evidenced by the organization's:***

\_\_\_\_\_ By-laws

\_\_\_\_\_ Charter, OR

\_\_\_\_\_ Articles of Incorporation.

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.

***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

\_\_\_\_\_ a written statement of operating procedures approved by the governing body.

***A CHDO may be chartered by a State or government; however, the State or local government may not appoint: (1) 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 boards members are public officials, as evidenced by the organization's:***

\_\_\_\_\_ By-laws

\_\_\_\_\_ Charter, OR

\_\_\_\_\_ Articles of Incorporation.

***NOTE: Only complete if CHDO is chartered by a State or government.***

If the CHDO 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 two-thirds of the board members, as evidenced by the CHDO's:

\_\_\_\_\_ By-laws

\_\_\_\_\_ Charter, OR

\_\_\_\_\_ Articles of Incorporation.

**NOTE: Only complete if CHDO is created by a for-profit entity.**

#### IV. RELATIONSHIP WITH FOR-PROFIT ENTITIES

**NOTE: Only complete Section IV if the CHDO is created by a for-profit entity.**

*Is not controlled, nor receives directions from individuals, or entities seeking profit from the organization, as evidenced by:*

\_\_\_\_\_ the organization's By-laws, OR

\_\_\_\_\_ A Memorandum of Understanding (MOU).

A Community Housing Development Organization 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 By-laws.

AND

*The CHDO is free to contract for goods and services from vendor(s) of its own choosing, as evidenced in the CHDO's:*

\_\_\_\_\_ By-laws

\_\_\_\_\_ Charter, OR

\_\_\_\_\_ Articles of Incorporation

#### V. CHDO BOARD

Include with this application a list of all Board Members including name, addresses and phone number. Identify which board members are residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhoods/organizations.

**VI. GEOGRAPHIC AREA**

Provide a map and/or description of the geographic designated area highlighted for which the CHDO will be responsible.

## APPENDIX B - CHDO RESOLUTION

### Directions for Drafting Your Organization's CHDO Resolution

*Please read the following directions carefully. Statement sections in the directions refer to statement sections in the sample CHDO Resolution. The sample has examples of responses underlined or blank to be filled in.*

1. Fill in all blanks ( \_\_\_\_\_ ) with appropriate information.

2. For statement number 1,6,7,8,9,11 specify the following:

Statement # 1      Specify which laws your agency is organized under, State or local; and  
Specify what your supporting documentation is:  
Charter and/ or Articles of Incorporation;

Statement # 6      Specify what your supporting documentation is:  
By-laws, Charter of Articles of Incorporation

Statement # 7      Specify what your supporting documentation is:  
A notarized statement, a certification from a CPA, or a HUD  
approved audit summary;

Statement # 8      Specify what your supporting documentation is:  
Charter, Articles of Incorporation, Resolution or By-laws;

Statement # 9      Specify what your supporting documentation is:  
By-laws, resolution or a written statement of operating  
procedures;

Statement # 11     Specify what your supporting documentation is:  
resumes and/or a statement.

NOTE: The resolution submitted to the County Administrator's Office must be executed with original signatures.

## RESOLUTION

WHEREAS, the Cranston-Gonzalez National Affordable Housing Act of 1990 (Act) authorizes federal funds to expand the supply of decent affordable housing for very low, low and moderate income households; and

WHEREAS, the Act authorizes funding assistance through the HOME Investment Partnerships Act (HOME Program); and

WHEREAS, the Act specifies the a non-profit agency organized under State or local law as a Community Housing Development Organization (CHDO) is eligible for HOME funds for housing to be developed, sponsored, or owned by that CHDO; and

WHEREAS, the State of New Jersey's HOME Program Description, approved by HUD, reserves a specific allocation of funds for eligible CHDO's, as defined by the federal regulations; and

WHEREAS, 24 CFR Part 92, Subpart G, specifies the requirements for participation jurisdictions to use in determining whether organizations qualify as eligible CHDO's; and

WHEREAS, the Board of Trustees of \_\_\_\_\_ has reviewed the applicable regulations and does certify to the following:

- 1) We are organized under the Non-Profit Corporation Act, Title 15A of the New Jersey Statutes as evidenced by \_\_\_\_\_.
- 2) No part of our net earnings inure to the benefit of any member, founder, contributor or individual as evidenced in both our Certificate of Incorporation and By-laws.
- 3) We are neither controlled by nor under the direction of individuals or entities seeking to derive profit or gain from the organization.
- 4) We have a tax exemption ruling from the Internal Revenue Service as evidenced by a letter of determination as a 501(c) (3) organization.
- 5) Our organization does not include a public entity (including a state, county, city, district, public authority, public agency) or an instrumentality of a public entity.
- 6) We are accountable to low income community residents by specifying in our By-laws that at least one third of our governing Board's membership is made up of any combination of the following:
  - i) residents of low income neighborhoods; or
  - ii) other low income community residents; or
  - iii) elected representatives of low income neighborhood organizations.

- 7) We comply with the following requirements regarding Board membership as a state chartered organization, no more than one third of our governing body and board members are public officials and/or appointed by public officials as evidenced by our By-laws.
- 8) Our standards of financial accountability conform to Attachment F of OMB Circular Number A-110 (rev.) "Standards for Financial Management Systems" as evidenced by a certification from a Certified Public Accountant.
- 9) One of our purposes is to provide decent affordable housing for low and moderate income persons, as evidenced in both our Certificate of Incorporation and By-laws.
- 10) We provide a formal process for low-income program beneficiaries to have input into our decisions regarding the design, siting, development, and management of affordable housing as evidenced by a written statement of operating procedures approved by the governing body.
- 11) We have a history (at least one year) of serving the community where HOME funds as evidenced by resumes that describe the experience of key staff members who have successfully completed housing projects.

NOW, THEREFORE, BE IT RESOLVES by this Board of Chosen Freeholders that we have completely read and understood the above standards and requirements and do hereby certify that we have satisfied all the applicable federal requirements mentioned above for qualifications as a CHDO.

BE IT FUTHER RESOLVED that the Board acknowledges that any false statements made with the intent to deliberately mislead shall result in the loss of CHDO status and the immediate repayment of an HOME program funds received.

IN WITNESS WHEREOF, we, the duly authorized officers of \_\_\_\_\_,  
 have hereunto set our hands this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
 BOARD PRESIDENT

Date: \_\_\_\_\_

\_\_\_\_\_  
 BOARD SECRETARY

Date: \_\_\_\_\_