

HOME Investment Partnerships

CHDO Operating Grant Program Guidelines



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INTRODUCTION

The North Dakota Housing Finance Agency (“Agency”) recognizes a Community Housing Development Organization (“CHDO”) is an integral part of its effort to provide affordable housing opportunities for low- to moderate-income families throughout the State.

The Agency’s HOME CHDO Operating Grant Program (“HCOG Program”) provides operating expense grants to eligible certified CHDOs that have received, are receiving, or are anticipating receiving, CHDO set-aside HOME funds (“CR Funds”). The CHDO must be actively managing the long-term compliance of a project which was committed CR Funds while that project subject to the HOME Affordability Period, are currently developing or constructing a project in which CR Funds have been committed, or in a pre-development stage of a specific project and have a reasonable expectation of receiving a commitment of CR Funds within 24-months.

CHDO Operating Expense Application (“Application”)

To provide limited financial support to a CHDO managing a current affordable housing project or attempting to develop an affordable housing project, the Agency is prepared to commit funding through the HCOG Program to promote the capacity of CHDOs to sponsor, own, and/or develop affordable housing projects which are consistent with the goals and objectives of the current State Consolidated Plan. The maximum amount of operating assistance a CHDO may receive under any specific HOME grant year is \$50,000. **The Agency reserves the right to increase or decrease the total amount of the HCOG Program funds within the approved HCOG Program guidelines.**

The Agency will provide HCOG Program funds via a HOME CHDO Operating Grant Agreement (“Agreement”). Each Agreement shall have a term which does not exceed 12-months.

A CHDO which has not fully expended HCOG Program funds currently awarded may apply for HCOG Program funds under a more recent HOME grant year; however, if awarded, requests for payment covered by an award of a more recent grant year may not be submitted to the Agency until previously awarded HCOG Program funds have been fully expended or forfeited.

The Agency will award available HCOG Program funds taking into consideration the following six (6) criteria:

1. Need for the HCOG Program funds; and
2. Feasibility of any proposed HOME-assisted CHDO set-aside project; and
3. Capacity to complete HOME CHDO project(s) in a timely manner; and
4. Experience and qualifications of CHDO employees; and
5. Timeliness and accuracy of past draw submissions; and
6. Utilization rate of previous HCOG Program fund awards.

The Application will be evaluated by HOME Program staff for compliance with the minimum threshold criteria and guidelines established for the HCOG Program and HOME Program regulations. A fully complete Application which does not contain all attachments will NOT be considered for funding. HOME Program staff will make a final recommendation regarding each Application, including the approved amount of HCOG Program funds, to the Executive Director. HCOG Program awards will be provided via written notice.

Please email any questions regarding the HCOG Program to hfaplan@nd.gov.

The Application and other required forms are available at www.ndhfa.org. Documents should be completed electronically.

The Agency, at its sole discretion, with or without cause, and without liability of any kind to any Applicant, reserves the right to accept or reject any and/or all Applications either in whole or in part, waive any informalities or irregularities of any programs, cancel this Application at any time, and take any action in the best interest of the Agency.

SUMMARY

These guidelines provide the policies, procedures, and standards for the management and funding of HCOG Program awards by the Agency. From time to time, HOME funds may be made available to provide general operating assistance to CHDOs that are receiving CHDO set-aside funds or realistically anticipate receiving a commitment of CHDO set-aside funds within 24 months. The Agency has the option of allocating up to five percent (5%) of its annual HOME allocation to provide funds for CHDO operating expenses. This allocation of HOME funds does not count toward the required 15% CHDO set-aside funds used by CHDOs for projects.

These guidelines are based on HOME Program regulations and Agency policies. It is the responsibility of the CHDO to understand and ensure compliance with the applicable regulations, policies, and procedures. It is the intent of these guidelines to create a consistent and equitable system of providing operating assistance grants to State-certified CHDOs in North Dakota.

OBJECTIVES

The principal objectives of the HCOG Program are to provide limited financial support and promote the capacity of State-certified CHDOs that either currently have a project underway funded with HOME CHDO set-aside funds or realistically anticipate receiving a funding commitment for a project funded with HOME CHDO set-aside funds within 24 months of the date of receiving HCOG Program

commitment, both of which are consistent with the goals and objectives of the State Consolidated Plan.

HCOG PROGRAM GUIDELINES

The Agency will consider Applications which conform with the guidelines set forth herein and the rules and regulations of the HOME Program.

1. Prior to the ending of the CHDO's fiscal year, the Applicant must email an HCOG Application's Intent to Apply to the Agency at hfaplan@nd.gov. NDHFA will provide an application portal for uploading application documents.
2. Prior to the ending of the CHDO's fiscal year, the Applicant must upload:
 - a. Fully completed and executed HCOG Grant Application
 - i. Exhibit A (Excel)
 - ii. Exhibit B: Assurances Certification
 - iii. Exhibit C: Equal Opportunity Certification
 - iv. Exhibit D: Section 504 Certification
 - b. Current NDHFA CHDO Certification
 - c. Copy of CHDO Board of Directors resolution approving:
 - i. submission of the Application
 - ii. grant amount requested "up to amount"
 - iii. authorized signatory for contracts and other documents related to the HCOG Program
 - d. Copy of board approved financial documents:
 - i. Previous fiscal year Budget and Income & Expense Statement
 - ii. Current fiscal year Budget and year-to-date Income & Expense Statement
 - iii. Next fiscal year Budget
 - e. CHDO job description(s)
 - f. CHDO current employee resume(s)
 - g. Report detailing an up-to-date accounting of the receipt and expenditure of CHDO proceeds, if applicable
3. The Applicant must disclose the CHDO's receipt of any HUD funds awarded through intermediaries for organization support and housing education (under 24 CFR Part 92.302, HUD is authorized to provide education and organizational support assistance in conjunction with HOME funds made available to CHDOs in accordance with section 233 of the Act).
4. HCOG Program funds are not guaranteed from year to year. A CHDO may or may not be allocated operating assistance funds or the full amount of operating assistance funds requested in any given year. The Applicant should develop a plan which details a strategy to eliminate the need for CHDO operating assistance.
5. The Applicant must use all HCOG Program funds for general operating costs. HCOG Program funds may not be used for project-specific costs.
6. The HCOG Program is only for the reimbursement of eligible CHDO operating expenses that are adequately documented. Backup documentation such as invoices and payroll details must be in the name of the CHDO. A nonprofit entity's operating expenses must be reasonably allocated among all its programs based upon an equitable distribution basis, and CHDO expense reimbursement will be limited to what is reasonably allocatable to CHDO objectives. The Applicant should review 2 CFR 200 for the principles that are to be applied in establishing expense eligibility.
7. An Agreement's term shall not exceed 12 months.

8. The Agency will periodically evaluate the performance of any CHDO which is awarded HCOG Program funds to ensure these funds are contributing to the continued improvement of the CHDO development capacity.
9. The Agency reserves the right to delay disbursement of HCOG Program funds if any of the CHDO's projects are experiencing excessive delay.
10. The Agency reserves the right to reduce the amount of, or decline awarding, HCOG Program funds based upon the Agency's evaluation of the CHDO's project(s) progress and overall performance.
11. Quarterly draw requests must include sufficient documentation to verify qualified expenses. Documentation shall include, but is not limited to, time sheets, invoices, receipts, and statements showing the expenses incurred by the CHDO. Such documentation must be in the name of the CHDO.
12. An Applicant must:
 - a. have a project currently funded with HOME CHDO set-aside funds; or
 - b. realistically anticipate receiving a funding commitment for a project funded with CR Funds within 24 months of the Effective Date of the HCOG Program Grant Agreement.

ELIGIBLE USES OF HCOG PROGRAM FUNDS

Operating expenses are defined as reasonable and necessary costs associated with the operation of a CHDO. HCOG Program funds may be used for the reimbursement of:

1. Salaries and wages
2. Employee Education and Training
3. Travel

The Applicant should review 2 CFR 200 for the principles that are to be applied in establishing the eligibility of the above costs.

INELIGIBLE USES OF HCOG PROGRAM FUNDS

Costs associated with a CR Funds funded project are not eligible for CHDO operating assistance. Project-specific costs such as initial feasibility studies, engineering studies/reports, consultant fees, costs of preliminary financial applications, site control and title clearance costs, legal fees related to a specific project, purchase option fee and compensation for development of a HOME project in lieu of a developer's fee are not eligible costs. CHDO operating assistance cannot be used to reimburse costs of administering HOME activities associated with the CHDO acting in a role as a subrecipient or contractor.

PROCESS FOR DRAWING HCOG PROGRAM FUNDS

Reimbursement requests for eligible expenditures should be made on a calendar quarter basis (the HOME CHDO must first expend the funds and then request reimbursement from the Agency). For example, the CHDO may submit a draw request in January for eligible expenses incurred and paid by the CHDO in the previous calendar quarter October - December.

APPLICATION PROCESS

The Agency will review each Application and attachments for consistency with the Program Guidelines, the HCOG Program, and the rules and regulations of the HOME Program as follows.

1. **Applicant must email the CHDO Operating Grant Program's Notice of Intent to Apply to hfaplan@nd.gov prior to the CHDO's next fiscal year.** Shortly thereafter, Applicant will receive an application portal for application uploading.
2. HOME Program staff will conduct an initial review of all applications to determine if the application and attachments have been properly completed. An application determined to be substantially incomplete will be rejected. HOME Program Staff will communicate specific corrective action with the Applicant. Applicants will have seven (7) calendar days to correct or cure all deficiencies. Failure to correct or cure all deficiencies within the prescribed time period will halt application processing.
3. If the application is accepted for processing, HOME Program staff will review the application for program compliance, HCOG Program Guidelines, HOME Program regulations, and evaluate the need and amount of operating assistance for the Applicant.
4. HOME Program staff will complete the review of the applications and will issue an approval or denial letter within 30-days of application acceptance.
5. Successful Applicants should be prepared to execute a Grant Agreement and other required documents within thirty (30) days of the issuance of an approval letter.

RESOURCES

In addition to these guidelines, the Applicant should consult the following resource documents and regulations for more information concerning HCOG Program funds.

- Building HOME: A HOME Program Primer:

<https://www.onecpd.info/resource/2368/building-home-a-home-program-primer/>

- CPD Notices:

<https://www.onecpd.info/home/home-cpd-notices/>

- Code of Federal Regulations (CFR) for the HOME Program:

http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&tpl=/ecfrbrowse/Title24/24cfr92_main_02.tpl

- 2 CFR 200:

http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl