

**COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS  
THE CITY OF SCRANTON  
OFFICE OF ECONOMIC AND COMMUNITY DEVELOPMENT  
THROUGH THE FEDERALLY FUNDED HOME PROGRAM**

**REQUESTS PROPOSALS  
FROM  
NON-PROFIT 501 (c)  
COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDOs)**

**FOR ALL OR PART OF AT LEAST \$143,945.70 AVAILABLE FOR USE ON  
PROJECTS TO DEVELOP, SPONSOR OR OWN IN SCRANTON, PA.**

The City of Scranton, Office of Economic and Community Development (OECD), issues a public notice that it is requesting proposals from eligible non-profit Community Housing Development Organizations (CHDOs) to develop, sponsor or own and/or do site and infrastructure improvements in the City of Scranton, Pa. to:

**PROPOSAL MUST INCLUDE THE FOLLOWING ELEMENTS:**

- Either Purchase and/or demolish existing housing units, clear land and make ready for construction of new housing units.
- And/Or Construct new housing units to be sold as affordable housing to income eligible households (using HOME Program guidelines).
- And/Or Purchase land and build new, or purchase and/or rehabilitate existing housing units to be made available (for sale, lease purchase or rental) for persons in need of housing and/or eligible households, which are temporarily displaced due to poor or inadequate housing conditions. (i.e. safe housing for families in need of temporary housing in conjunction with the City/OECD Lead Paint Hazard Reduction Program).
- And/Or Implementation of a large scale revitalization in a Scranton Neighborhood.

**Written proposal information is available at the following:**

**Office of Economic and Community Development  
Scranton Municipal Building  
340 North Washington Avenue  
Scranton, Pennsylvania 18503  
Phone: 570/348-4216  
[icarroll@scrantonpa.gov](mailto:icarroll@scrantonpa.gov)**

- And Incorporate into all federally funded housing the Final HUD Regulation on Lead-Based Paint Hazards in Federally Owned Housing and Housing Receiving Federal Assistance. A copy of the regulations will be made available to the non-profits receiving federal funds for housing programs.

*Submit one original of the proposal.* All proposals from CHDOs must be submitted to City of Scranton's City Controller's Office, 2<sup>nd</sup> Floor, City Hall, 340 North Washington Avenue, Scranton, PA 18503 before **10:00 p.m. on April 5, 2019.**

The HOME Program sets aside at least **\$143,945.70** for non-profit Community Housing Development Organizations (CHDO) for such activities. This is a combination of CHDO funding from 2017 (\$59,816.10) and 2018 (\$84,129.60).

The City of Scranton, through the OECD is interested in receiving proposals from interested and eligible non-profit Community Housing Development Organizations (CHDOs) to develop, sponsor own or revitalize housing. The City has addressed in Five (5) Year Consolidated Plan the need for affordable housing for low/moderate income households.

## **BACKGROUND**

The Office of Economic and Community Development (OECD) seeks to identify CHDO(s) to develop a project within the City of Scranton and to clarify the eligibility of such CHDO(s).

Among its purposes, the National Affordable Housing Act was created to:

1. Promote partnerships between units of general local government and non-profit organizations.
2. To expand non-profit organizations capacity to own, develop and manage decent and affordable housing. While there are many types of non-profit organizations, only funds going to Community Housing Development Organizations (CHDOs) may count against the minimum 15% of Scranton's HOME allocation. The 15% set aside from HOME funds available for CHDO(s) totals **\$143,945.70**. However, the OECD may infuse additional federal HOME funds when and if they are available to accomplish the elements of the respective proposed project(s). A CHDO must be a Developer, Sponsor or Owner of HOME assisted housing who has effective management control of a project, and is organized and structured according to the HOME regulations.

The OECD is requesting proposals from CHDO(s) that are capable of carrying out certain elements of the City of Scranton's Five (5) Year Consolidated Plan.

DEFINITIONS OF WHAT IS A "CHDO" in conjunction with the use of the funds are included in these documents.

Although many non-profit organizations share common characteristics with CHDOs, not all non-profits qualify as CHDOs under the HOME program. Only non-profit organizations that will be certified by Scranton OECD as CHDOs can receive part or all of the HOME Program 15% set aside funds along with any additional federal funds which may become available. CHDOs have, and will continue to play a role in developing affordable housing in Scranton. The City will continue to build and strengthen partnerships with these organizations.

## CHDO CHECKLIST

The information contained in this checklist refers to the definition of Community Housing Development Organization (CHDO) in Subpart A, Section 92.2 of the HOME Final Rule. This checklist should be used as a tool to educate participating jurisdictions about the documents they must receive from a nonprofit before it may be certified as a CHDO.

### 1. LEGAL STATUS

- A. The nonprofit organization is organized under State or local laws, as evidence by:

\_\_\_\_\_ **A Charter, OR**  
\_\_\_\_\_ **Articles of Incorporation**

- B. No part of its net earnings inure to the benefit of member, founder, contributor, or individuals, as evidence by:

\_\_\_\_\_ **A Charter, OR**  
\_\_\_\_\_ **Articles of Incorporation**

- C. Has a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501 (c) of the Internal Revenue Code of 1986 as evidence by:

\_\_\_\_\_ **A 501 (c) Certificate from the IRS**

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

\_\_\_\_\_ **Charter**  
\_\_\_\_\_ **Articles of Incorporation**  
\_\_\_\_\_ **By-Laws, OR**  
\_\_\_\_\_ **A HUD approved audit summary**

### 2. CAPACITY

- A. Conforms to the financial accountability standards of **Subpart D of OMB OMNI Circular 2 CFR 200, 200.300 to 200.309 "Standards for Financial and Program Management"** as evidence 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**

- B. Has a demonstrated capacity for carrying out activities assisted with HOME funds, as evidence 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 consulting firms or individuals who have housing experience similar to projects to be assisted**

**with HOME funds to train appropriate key staff of the organization.**

- C. Has a history with serving the community where housing to be assisted with HOME funds will be used, as evidence by:

\_\_\_\_\_ **Statement that documents at least one (1) year 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 (1) year experience in serving the community.**

**NOTE:** The CHDO or its parent organization must be able to show one (1) 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, rehabilitation of existing stock, and managing housing stock, or developing non-housing services that have had lasting benefits for the community, such as counseling, food relief, or childcare facilities. The statement must be signed by the president of the organization or by a HUD-approved representative.

### **3. ORGANIZATIONAL STRUCTURE**

- A. Maintain at least one-third of its governing board's membership for residents of low income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations, as evidence 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).

- B. Provides a formal process for low-income, program beneficiaries to advise the organization in all of its decisions regarding the design, site, development, and management of all HOME-assisted affordable housing projects, as evidence by:

\_\_\_\_\_ **The organization's By-laws**

\_\_\_\_\_ **Resolutions, OR**

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

- C. A CHDO may be chartered by a State or local 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 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, as evidence by the organization's:

\_\_\_\_\_ **By-Laws**  
\_\_\_\_\_ **Charter, OR**  
\_\_\_\_\_ **Articles of Incorporation**

- D. 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 evidence by the CHDO's:

\_\_\_\_\_ **By-Laws**  
\_\_\_\_\_ **Charter, OR**  
\_\_\_\_\_ **Articles of Incorporation.**

#### **4. RELATIONSHIP WITH FOR-PROFIT ENTITIES**

- A. CHDO is not controlled, nor received directions for individuals or entities seeking profit from the organization, as evidenced by:

\_\_\_\_\_ **The organization's By-Laws, OR**  
\_\_\_\_\_ **A Memorandum of Understanding (MOU)**

- B. A CHDO may be sponsored or created by a for-profit entity, however; (1) The for-profit entity's primary purpose does not include the development or management of housing, as evidence by:

\_\_\_\_\_ **The For-Profit organization's By-Laws**

**And;**

- (2) The CHDO is free to contract for goods and services from vendor(s) of its own choosing, as evidence by the CHDO's:

\_\_\_\_\_ **By-Laws**  
\_\_\_\_\_ **Charter, OR**  
\_\_\_\_\_ **Articles of Incorporation**

**THE CITY OF SCRANTON  
OFFICE OF ECONOMIC AND COMMUNITY DEVELOPMENT**

**SELECTION OF CHDOs:**

The City may, at its' option, through OECD, review the CHDO proposals and will select potential CHDOs on the following basis.

**Qualifications:** Eligibility and experience of CHDO as stated on written proposal. Demonstration of the experience of the CHDO in sponsoring, owning or developing affordable housing. List the address of such housing.

30 points (maximum)

**Levering Funds** Ability to leverage HOME Program CHDO funding with private, state, local, and other federal funding.

20 points (maximum)

**CHDO Stability:** Demonstrate the sensitivity, ability and continuity of both the staff and management (and their consultants) of the CHDO to create housing which will be available and affordable and energy efficient to low income persons/households.

30 points (maximum)

**Completeness of Request For Proposal:** Proof of legal status, 501 (c), listing of members of Board and their home address.

20 points (maximum)

The OECD will review each CHDO proposal. The OECD will at its discretion apply the point system as stated above to each potential CHDO in considering the successful CHDO.

The OECD reserves the right to reject any and all CHDO proposals at any stage of the review process and at its own and exclusive discretion make an award to a prospective CHDO(s).