

I- II. QUALIFIED NONPROFIT ORGANIZATIONS

A. Certification Process. To certify a nonprofit organization as a “Qualified Nonprofit” to exercise a Right of First Offer and/or a Right of First Refusal under COPA, MOHCD will review the prospective nonprofit organization’s qualifications according to the criteria in Section 41B.4(a) under Section II(B) below. MOHCD will solicit applications to become certified as a Qualified Nonprofit (the “**Application**”) at least once each calendar year, at which time existing Qualified Nonprofits whose certification has expired will be allowed to apply for renewed certification. MOHCD will accept applications for a new certification or a renewal of a certification on a continuous basis throughout the year. If approved by MOHCD, A Qualified Nonprofit’s certification will be valid for three (3) years. Existing Qualified Nonprofits may apply for renewed certification concurrently with any application for funding from MOHCD. Assuming there is no information raising doubts about an existing nonprofit organization’s entitlement to certification as a Qualified Nonprofit, a MOHCD will routinely and swiftly approve the an application for renewal. Certification as a Qualified Nonprofit cannot be retroactive, thus Qualified Nonprofits are encouraged to promptly apply for renewed certification prior to expiration. MOHCD will publish advance notice of the Application and related process on its website.

B. Qualifications Criteria. Nonprofit organizations must be certified by MOHCD as satisfying the minimum criteria described in Section 41B.4(a) to exercise a Right of First Offer and/or a Right of First Refusal under COPA. In addition, nonprofit organizations must also demonstrate the experience to acquire, own, finance, and manage affordable housing with mixed-income tenants, particularly with low-income tenants. Applicants that do not have the in-house staff expertise to acquire, own, finance, and manage affordable housing may provide MOHCD evidence of consultants and/or organizations under contract to provide the required expertise.

CB. Application. Prospective nonprofit organizations must submit an Application for certification in the form and manner prescribed by MOHCD and publicly available on its website, accompanied by the following information and documentation demonstrating an applicant’s qualifications:

- 1) A copy of a letter from the Department of Treasury Internal Revenue Service that confirms its tax-exempt status under 26 U.S.C. § 501(c)(3);
- 2) A profile describing: (1) mission, length of existence, staff experience, and characteristics of its Board of Directors, (2) any changes in activities, budget, and, if applicable, accreditation and licensing, and (3) its commitment to affordable housing and anti-displacement efforts;
- 3) Evidence of relationships with neighborhood-based organizations and/or tenant counseling programs, and a list of at least (3) neighborhood-based or tenant counseling organizations with which the applicant has collaborated on anti-displacement work in the City, giving adequate role descriptions and specific examples of collaboration for each;
- 4) Narrative describing the applicant’s experience with, and capacity, including but not limited to financial and legal capacity, to effectively acquire and manage any Multi-Family Residential Building in the City; and
- 5) Documentation demonstrating that the applicant has acquired, or partnered with another housing development organization to acquire, at least two (2) residential buildings within the last five (5) years that have received funding from MOHCD.

For the purposes of the foregoing criteria, “partnered” means one or more of the following:

(a) Joint ownership of a residential building under a California legal entity, including, but not limited to, a corporation, limited liability company, partnership, or limited partnership.

approved by MOHCD. The applicant (or the applicant's affiliate) and another housing development organization must be equal owners of the residential building. The applicant must demonstrate active participation in the acquisition, management, and/or administration of the residential building.

(b) The applicant has provided extensive financial and technical assistance to QNP's to support the acquisition and ownership of at least two residential buildings under Chapter 41B.

(c) The applicant's staff were former employees of a QNP or other housing development organization and each staff person has no less than [five (5)] years of experience in acquisition, ownership, and management of residential buildings with mixed-income tenants.

If an applicant meets the requirements under (1)-(4), but has not been an owner of a residential building, the applicant must establish a joint venture with a housing development organization with extensive experience in affordable housing [in order to exercise its rights under this program](#), and such joint venture must be approved by MOHCD.