Community-Based Development Organization (CBDO) Application

One eligible category of CDBG-funded activities is a “Special Activity by CBDO,” that offers certain advantages, such as exemption from the 15% expenditure cap otherwise applicable to public service activities, authorization to carry out new housing construction (normally prohibited with CDBG funds), and discretion to allow income generated by a CDBG-funded activity to not be considered CDBG program income.

The following four tests established at CFR Title 24 §570.204 governing CDBG funds must be met to qualify as a “Special Activity by CBDOs:”

1. Sponsor entity qualifies as a CBDO, including 51% board membership test;
2. CBDO will undertake an eligible project;
3. CBDO will carry out the funded activity directly or with an entity other than the grantee;
4. CBDO will not carry out a prohibited activity.

CBDO-eligible projects must qualify as one or more of the following project types:
- neighborhood revitalization;
- community economic development, including projects designed to increase economic opportunities through job training/placement and other employment support services;
- energy conservation projects.

Designation of a “Special Activity by CBDO” is a two-step process. The first step is determination that the sponsor organization qualifies as a CBDO. The second step is determination that the project to be undertaken qualifies as an eligible “Special Activity by CBDO.”

The IURA will designate CBDOs for each annual Action Plan funding round to allocate CDBG funds. The IURA will determine if the project to be undertaken with CDBG funds is eligible under CFR 24 §570.204 as part of the review of funding applications for inclusion in the Annual Action Plan.

Each application will be reviewed based on the following CBDO criteria:

<table>
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<tr>
<th>REQUIREMENT PER 570.204(c)(1)</th>
<th>DOCUMENTATION</th>
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<tbody>
<tr>
<td><strong>Legal Status:</strong> Organized under state law to undertake community development activities.</td>
<td>Articles of Incorporation &amp; proof of filing.</td>
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<td><strong>Board Composition:</strong> Maintain at least 51% of governing body either LMI residents of area of operation, owners or senior officers of private establishments and institutions in the service area, or representatives of neighborhood organizations in the service area.</td>
<td>CBDO Board certification form. By-Laws identify number of board members.</td>
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Board Membership:
Members of the board must be nominated and approved by membership or permanent governing body, except that up to ⅓ of the board may be appointed or be elected officials.

By-Laws.

Purpose of Organization:
Have as its primary purpose the improvement of the physical, economic, or social environment of its service area with particular emphasis on LMI persons.

Articles of Incorporation & adopted mission statement.

Organizational Status:
Must be either non-profit or for-profit with only incidental monetary benefit for its members.

Articles of Incorporation.

Assets:
Must not be subject to reversion of assets to the grantee upon dissolution, except for assets related to specific grants.

By-Laws & adopted policies.

Contracting:
Must be free to contract for goods and services from vendors of its own choosing.

Adopted procurement policies.

 CBDO Application Instructions

Applications for local designation as a Community-Based Development Organization (CBDO) should submit the following information:

A. **Cover Letter.** Please include a cover letter briefly describing your organization, your mission, and primary service area.

B. **Articles of Incorporation.** Submit copy of Articles of Incorporation as a Not-for-Profit Corporation.

C. **Legal Status.** Submit copy of the receipt of filed Articles of Incorporation with the NYSDOS or print-out of the organization’s status as an active corporation in the NYSDOS on-line corporation database.

D. **By-Laws.** Submit copy of current By-Laws.

E. **Board Composition.** Complete and sign the CBDO Board Certification Form, and include the applicable Self-Certification Form for each qualifying board member.

F. **Policies Regarding Procurement, Mission Statement, or Reversion of Assets.** Submit copies of adopted policies governing procurement, mission, or reversion of assets. Note in cover letter if organization has no adopted policies on these topics.

**FOR APPLICATIONS FOR RE-CERTIFICATION:** Articles of Incorporation and By-Laws need not be resubmitted — if the cover letter states that prior submitted documents remain unchanged. Please specify exactly which documents remain unchanged.

**Questions:** Please contact either Anisa Mendizabal or Nels Bohn, at: amendizabal@cityofithaca.org or nbohn@cityofithaca.org.