SPECIAL MEETING AGENDA
IURA Neighborhood Investment Committee (NIC)
12:00 p.m., Thursday, January 19, 2023

IN-PERSON/HYBRID MEETING
(public, staff, & presenters may join remotely)

Common Council Chambers (Third Floor) | 108 E. Green St. | Ithaca, NY 14850

Join Zoom Meeting: https://us02web.zoom.us/j/86544854910?pwd=S1FEVkJWtWS2tGRlFsHdKMWk0QT09
Meeting ID: 842 0867 5492
Passcode: QB1L3z
Dial By Your Location: +1 646 558 8656 US (New York)
Meeting ID: 842 0867 5492
Phone Passcode: 355642

I. Call to Order

II. Changes/Additions to Agenda

III. Public Comments (if any)

IV. New Business

A. ACTION ITEM: Application for Designation of Community-Based Development Organization (CBDO)
   Status — Black Hands Universal (BHU)
   1. Discussion
   2. Proposed Resolution: 2023 Designation of Black Hands Universal as Community-Based Development Organization (CBDO)

V. Motion to Adjourn

PUBLIC COMMENTS

WRITTEN public comments may be e-mailed until 3:00 p.m., the day before the meeting to: amendizabal@cityofithaca.org. Members of the public who would prefer to deliver VERBAL comments at the meeting (3-min. max.) should either appear in person or use above Zoom link and log-in credentials (for video) or dial-in number and log-in credentials (for telephone).

If you have a disability and require specific accommodation in order to fully participate, please contact the CITY OF ITHACA CLERK’S OFFICE at 274-6570 or clerk@cityofithaca.org at least 72 hours prior to the meeting.
To: IURA Board & NI Committee Members  
From: Anisa Mendizabal, Community Development Planner  
Re: Application to Designate Black Hands Universal (BHU) as a CBDO  
Date: January 10, 2023

The Board of Black Hands Universal (BHU) has applied for Community Based Development Organization (CBDO) status for the 2023 Action Plan. Black Hands Universal intends to submit a proposal(s) to the 2023 Action Planning Process which may require CBDO status.

The following table compares the requirements for CBDO status against information submitted by BHU:

<table>
<thead>
<tr>
<th>Requirement per 570.204(c)(1)</th>
<th>Staff Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organizational Purpose:</strong> Organized under state law to undertake community development activities</td>
<td><strong>YES</strong></td>
</tr>
<tr>
<td>Mission Statement: “The mission of Black Hands Universal is to provide services and programs that address the needs and concerns of disenfranchised people in the City of Ithaca and Tompkins County. Black Hands Universal is a BIPOC led grassroots’ organization whose strength lies in community connection, community voice, and community action.”</td>
<td></td>
</tr>
<tr>
<td>Article 2 (Purpose, Objectives, and Governing Instruments) of BHU’s Bylaws states “Black Hands Universal’s purpose is to create opportunities for those who are disenfranchised by the system by providing them with job placement and training, financial literacy, mental health resources, health and wellness, as well as cultural and educational resources for children and adults.”</td>
<td></td>
</tr>
<tr>
<td><strong>Board Composition:</strong> A. 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 LMI neighborhood organizations in the service area.</td>
<td><strong>YES</strong></td>
</tr>
<tr>
<td>BHU’s Articles of Incorporation indicate there shall be no fewer than 3 and no more than 15 members.</td>
<td></td>
</tr>
<tr>
<td>The organization’s Board is currently comprised of four (4) members. All four members (100%) meet a CBDO composition requirement.</td>
<td></td>
</tr>
<tr>
<td><strong>Note:</strong> BHU’s Chief Executive Officer also serves as a Board Member for the organization.</td>
<td></td>
</tr>
</tbody>
</table>
IURA staff’s research indicates that while it is unusual for an employee of a non-profit organization to serve as a voting board member, it is not illegal. A 2015 report by BoardSource found that 12% of nonprofits included their executive director or chief executive officer as a voting board member, more commonly among large organizations.\(^1\) Some professional organizations in the nonprofit sector suggest that when an executive director is on a nonprofit board that they be a non-voting member\(^2\) and/or there be an “effective” conflict of interest policy.\(^3\) Some sources caution that board members who are employees may have a greater influence over other board members than non-employees. Since boards take action that may directly affect employees, and such decisions should be made “at arm’s length.”\(^4\)

BHU’s Conflict of Interest Policy describes the process by which the Board may determine whether officers or directors of the Corporation stand to benefit from any transaction. Article V (a) (Compensation) states of this policy states “A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member’s compensation.”

**YES**

As of January 9, 2023, none of the board members are elected officials or employees/appointees of the City of Ithaca.

<table>
<thead>
<tr>
<th>Board Membership:</th>
<th>YES</th>
<th>As evidenced by list of Board of Directors and BHU Bylaws, Article 4.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members of the board must be nominated and approved by membership or permanent governing body, except that up to 1/3 of the board may be appointed or be elected officials.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purpose of the Organization:</th>
<th>SEE “CBDO RECOMMENDATION” BELOW BHU Bylaws, Article 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have as its primary purpose the improvement of the physical, economic, or social environment of</td>
<td></td>
</tr>
</tbody>
</table>

---

\(^1\) BoardSource, https://blog.boardsource.org/blog/2016/01/05/should-your-ceo-serve-as-a-board-member/
\(^3\) Candid Learning, https://learning.candid.org/resources/knowledge-base/executive-director-on-board/
its service area with particular emphasis on LMI persons

<table>
<thead>
<tr>
<th>Organizational Status:</th>
<th>YES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Must be either non-profit or for-profit with only incidental monetary benefit for its members.</td>
<td>Certificate of Incorporation, NYS Department of State, Division of Corporations, Under Section 402 of the Not-for-Profit Corporation Law</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assets:</th>
<th>YES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Must not be subject to reversion of assets to the grantee upon dissolution, except for assets related to specific grants.</td>
<td>No such reversion clause included in By-laws or Articles of Incorporation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contracting:</th>
<th>YES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Must be free to contract for goods and services from vendors of its own choosing</td>
<td>The organization’s Procurement Policy does not require use of certain vendors. The Policy describes a number of considerations in the organization’s selection process.</td>
</tr>
</tbody>
</table>

| Reviewer Note: | When documents submitted contained a discrepancy between a written number and a numeral, the written number was used. |

**CBDO Recommendation**
Black Hands Universal’s vision for future projects and desire to eventually lead implementation of economic development and new construction activities led the organization to determine that CBDO status could facilitate such activities.

BHU initiated its CBDO application process in Fall 2023 and submitted its final application on January 9, 2023. BHU has remained in contact with IURA staff to provide any necessary follow-up documentation. Community development aims are central to BHU’s mission. BHU’s 2021 CDBG-CV “Health and Wellness” project included job readiness components for its youth workers. BHU’s 2022 CDBG “Pre-Apprenticeship Program Work Services,” has not yet been implemented but similarly proposes to include employment readiness and training.

IURA staff notes that the inclusion of BHU’s Chief Executive Officer on its Board of Directors is not a standard practice for most nonprofits, though neither is it illegal. Nonprofit governance literature cautions taking care against perceived or actual undue influence or personal benefit. BHU’s Bylaws and Conflict of Interest Policy contain procedures for addressing governance questions. After reviewing its Mission Statement, Bylaws, Certificate of Incorporation, and Board Member Self-Certification Forms, it is the opinion of IURA Staff that Black Hands Universal meets HUD’s standards and requirements for certification as a Community-Based Development Organization (CBDO).

**CDBG Public Service Cap Exemption**
One category of eligible CDBG activity is “special activities by CBDOs”. Under certain circumstances, a CBDO is not subject to the 15% CDBG expenditure cap otherwise applicable to Public Services.

To be exempt from the Public Service cap, the CBDO must both:
(1) Undertake an eligible CBDO project, and
(2) Carry out a service designed to increase economic opportunities for low- and moderate-income persons through job training and placement and other employment support services (e.g., child care, peer support programs, counseling, child care, transportation and other similar services).

Eligible CBDO projects include any of the following:
- Neighborhood revitalization,
- Community economic development, or
- Energy conservation project.

According to HUD’s CDBG Desk Guide, a CBDO “community economic development” project must include activities that increase economic opportunity, principally for low- and moderate-income persons, or that are expected to create or retain businesses or permanent jobs within the community. HUD has emphasized that the provision of general job readiness training is not sufficient to qualify an activity as a CBDO Community Economic Development project; job placement must be the intended and actual outcome of such an activity. Black Hands Universal does not currently operate a CDBO-required project (such as any in the bulleted list above) but it may apply for one in the future. CBDO certification does not assure approval of proposed CDBG-funded projects.

If a certified CBDO organization is awarded CDBG funding to carry out a Special Activity by a CBDO, IURA will administer a point-in-time (“snapshot”) test at the time of contract execution to ensure continued compliance.
Proposed Resolution
Ithaca Urban Renewal Agency (IURA) Neighborhood Investment Committee (NIC)
January 19, 2023

2023 IURA Designation of Black Hands Universal (BHU) as a Community-Based Development Organization

WHEREAS, the Board of Black Hands Universal (BHU) seeks designation by the Ithaca Urban Renewal Agency (IURA) as a Community-Based Development Organization (CBDO), and

WHEREAS, the City of Ithaca has designated the IURA to administer the City’s HUD Entitlement Program that oversees Community Development Block Grant funds awarded to the City, and

WHEREAS, an eligible category of CDBG 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, and

WHEREAS, the following four tests established at CFR Title 24 §570.204 must be met to qualify under a category of “Special Activity by CBDOs”:
1. The entity qualifies as a CBDO, including the 51% board membership test;
2. The CBDO will undertake an eligible project;
3. That the CBDO will carry out the funded activity directly or with an entity other than the grantee;
4. That the CBDO will not carry out a prohibited activity, and

WHEREAS, a CBDO must maintain at least 51% of its governing body’s membership to be made up of any combination of the following:
- Low- and moderate income residents of its area of operation
- Owners or senior officers of private establishments and other institutions located in its area of operation
- Representatives of low- and moderate-income neighborhood organizations located in its area of operation, and

WHEREAS, a CBDO must have as its primary purpose the improvement of the physical, economic, or social environment of its geographic area of operation, with a particular emphasis on the needs of low- and moderate-income persons, and

WHEREAS, the project undertaken by the CBDO must qualify as one or more of the following project types:
- neighborhood revitalization;
- community economic development;
• energy conservation project; and

Whereas, IURA evaluated BHU’s CBDO application and recommended the following; now, therefore, be it

RESOLVED, that the IURA determines that Black Hands Universal meets the requirements for eligibility as a CBDO, and be it further

RESOLVED, that the IURA hereby designates Black Hands Universal as a Community-Based Development Organization (CBDO).
Gladys Brangman- Board Treasurer
Business Leaders of Colors Founder and Principal
https://www.businessleadersofcolors.com
(607)279-7835
125 N Fulton st
Ithaca NY 14850

Darell Tate- Chair
darell.tate@gmail.com
529 W. Green st.
Ithaca NY 14850

Louisiana Santos- Secretary
sianjs@gmail.com
(607) 280-5373
111 N. Plain st #5
Ithaca NY 14850

Harry L. Smith- C.E.O.
harrylsmith1979@gmail.com
blackhandsuniversalbhv@gmail.com
150 W Village pl #321
Ithaca NY 14850
INSTRUCTIONS: CDBG regulations at 24 §570.204(c) authorize a CDBG grantee to designate certain types of entities as Community-Based Development Organizations (CBDO) to carry out a range of otherwise ineligible activities, including new construction of housing or providing funding for certain public services not subject to the normal applicable 15% expenditure cap. An eligible CDBG activity is a “Special Activities by CBDOs.” To qualify, an eligible CBDO entity must be undertaking an eligible project. In order to qualify as an eligible CBDO, an entity must meet board composition criteria specified at §570.204(c)(1)(vi).

At least 51% of the governing body's membership must meet one of the following standards:
A. Low- and moderate-income residents of the geographic service area of operations; or
B. Owners or senior officers of private establishments and other institutions located in and serving the geographic area of operation; or
C. Representatives of low- and moderate-income neighborhood organizations located in the geographic area of operations.

Additionally, no more than 33% of the governing body’s membership may be appointed by or consist of elected or other public officials or employees of the grantee (City of Ithaca).

To document compliance with the above criteria, please list all current members, indicate their category of qualification, sign the certification, and submit appropriate Self-Certification Form for each qualifying board member. Provide further explanation as necessary.

<table>
<thead>
<tr>
<th>CBDO NAME: Black Hands Universal_Inc</th>
<th>Date: 10/18/22 revised 1/01/2023</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Board Member Name</th>
<th>Home Address</th>
<th>At least 51% must be:</th>
<th>Not more than 33%:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gladys Brangman</td>
<td>125 N Fulton st Ithaca NY 14850</td>
<td>Low-to-Moderate-Income Resident of Service Area (SIL-Cert T. Form A)</td>
<td>Owner/Senior Officer of Private Establishment or Institution in Service Area (SIL-Cert T. Form B)</td>
</tr>
<tr>
<td>X</td>
<td></td>
<td>Representative of LMI Neighborhood Organ. in Service Area (SIL-Cert T. Form C)</td>
<td>Elected or Public Officials or Employees or Appointees of City of Ithaca</td>
</tr>
<tr>
<td>Darell Tate</td>
<td>529 W Green st Ithaca NY 14850</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Board Member Name</td>
<td>Home Address</td>
<td>At least 51% must be:</td>
<td>Not more than 33%:</td>
</tr>
<tr>
<td>-------------------</td>
<td>-------------------------------</td>
<td>----------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Louisiana Santos</td>
<td>111 NPlain st#5 Ithaca NY 14850</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Harry Smith</td>
<td>150 W. Village Pl Ithaca NY 14850</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td></td>
<td>4</td>
<td></td>
</tr>
<tr>
<td><strong>MEET CBDO CRITERIA</strong></td>
<td></td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

Geographic Service Area: City Of Ithaca
I certify the above information provided is true to the best of my knowledge.

Signature

Harry Smith

Name (please print)

Date

10/18/22 - revised 1/9/2023

CEO

Title
Explanation of Board Member Qualifications

Low- to Moderate-Income Resident of Service Area (Self-Certification Form A)
In order to qualify under this criterion, the board member must have income of 80% or less of the Area Median Income (AMI) adjusted for family size and reside within the service area of the organization. Income information for the City of Ithaca, which includes all of Tompkins County, is available at: https://www.huduser.gov/portal/datasets/il.html and http://www.cityofithaca.org/540/Income-Guidelines. An attached one-page income certification form should be filled out and submitted along with your application for each member who qualifies under this criterion.

Representative of LMI Neighborhood Organization in Service Area (Self-Certification Form B)
In order to qualify under this criterion, the board member must be a member of a neighborhood organization serving a low- to moderate-income neighborhood. The board member does not have to be low-income. Such organization might include a block group, neighborhood association, neighborhood watch groups, or a member of Community Housing Development Organization. The group may not be the CBDO itself.

Identify the name of the neighborhood organization that the board member belongs to and maintain documentation of membership of board member’s membership on file.

Owner/Senior Officer of Private Establishment/Organization in Service Area (Self-Certification Form C)
In order to qualify under this criterion, the board member must be the owner or senior officer of a private entity located within the service area. Please identify the board member’s title, name, and address of the private establishment or organization. Maintain documentation of board member’s membership.

Public Officials, Employees, or Appointees of City of Ithaca
To maintain independence of the CBDO separate from the City of Ithaca, no more than 33% of the Board may be elected or public officials, or employees or appointees of the City of Ithaca or the Ithaca Urban Renewal Agency. Check By-Laws for required membership categories and disclose all board members who qualify under this category.

Enclosure: Self-Certifying Income Forms
SELF-CERTIFICATION FORM B
BUSINESS OWNER/SENIOR OFFICER REPRESENTATIVE

A Community-Based Development Organization (CBDO) is required to “maintain at least 51 percent of its governing body’s membership for low- and moderate-income residents of its geographic area of operation, owners or senior officers of private establishments and other institutions located in and serving its geographic area of operation, or representatives of low- and moderate- income neighborhood organizations located in its geographic area of operation” (24 CFR 570.204 (c) (1) (iv)).

Board members who qualify as owners or senior officers of private establishments and other institutions that are located in and serving the CBDO’s geographic area of operation should complete this form.

Each owner or senior officer must provide a description of the private establishment or other institution with which they are affiliated, including the type of services provided by the establishments/institution, as well as its targeted service area.

Name of CBDO:  Black Hands Universal

Name of Private Establishment/Institution:  Business Leaders of Colors

Address of Private Establishment/Institution:  1255 Fulton St, Ithaca, NY 14850

Board member’s title and brief description of duties at the private establishment/institution:

Gladys Brancman
CEO, Business Leaders of Colors

Brief description of the goods and/or services provided by the private establishment/institution:

Business Coaching
Training & Development
Conflict Resolution

Geographic service area of the private establishment/institution:

City of Ithaca, and all areas in Tompkins, Schuyler, and Steuben Counties in New York

I certify the information provided on this form is accurate and complete. I further acknowledge the information I have provided in this self-certification may be subject to further verification by the U.S. Department of Housing and Urban Development, the City of Ithaca, and/or the Ithaca Urban Renewal Agency.

Board Member’s Name (please PRINT):  Gladys Brancman

Board Member’s Address:  6 Myers St, Lansing, NY 14882

Board Member’s Signature:  [Signature]

Date:  4/9/2023
SELF-CERTIFICATION FORM A
LOW- & MODERATE-INCOME REPRESENTATIVE

A Community-Based Development Organization (CBDO) is required to "maintain at least 51 percent of its governing body's membership for low- and moderate-income residents of its geographic area of operation, owners or senior officers of private establishments and other institutions located in and serving its geographic area of operation, or representatives of low- and moderate-income (LMI) neighborhood organizations located in its geographic area of operation" (24 CFR 570.204 (c)(1)(iv)). This form is to be completed by low- and moderate-income residents of the CBDO's geographic area of operation.

Each low- and moderate-income board member must use this form to indicate the number of persons in his/her family, and indicate whether total annual family income exceeds or falls below the listed figure for appropriate family size by placing a check mark in the appropriate boxes below.

NOTE: "Income" is the total annual income of all family members. All income for all persons in the family must be included in calculating family income. The definition of "family" includes a single person, or group of persons residing together and having a familial relationship, regardless of actual or perceived sexual orientation, gender identity, or marital status.

Annual Family Income — Check Appropriate Box:

<table>
<thead>
<tr>
<th>Family Size</th>
<th>Total Annual Family Income is Above Amount Shown at Right</th>
<th>Total Annual Family Income is Below Amount Shown at Right</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 person</td>
<td>☐</td>
<td>☑</td>
<td>$56,150</td>
</tr>
<tr>
<td>2 people</td>
<td>☐</td>
<td>☐</td>
<td>$64,150</td>
</tr>
<tr>
<td>3 people</td>
<td>☑</td>
<td>☐</td>
<td>$72,150</td>
</tr>
<tr>
<td>4 people</td>
<td>☐</td>
<td>☐</td>
<td>$80,150</td>
</tr>
<tr>
<td>5 people</td>
<td>☐</td>
<td>☐</td>
<td>$86,600</td>
</tr>
<tr>
<td>6 people</td>
<td>☐</td>
<td>☐</td>
<td>$93,000</td>
</tr>
<tr>
<td>7 people</td>
<td>☐</td>
<td>☐</td>
<td>$99,400</td>
</tr>
<tr>
<td>8 people</td>
<td>☐</td>
<td>☐</td>
<td>$105,600</td>
</tr>
</tbody>
</table>

I certify the information provided on this form is accurate and complete, and I am a low- and moderate-income resident of the [CBDO's name] area of operation. I further acknowledge that eligibility for meeting HUD's 51% low- and moderate-income board requirement is based upon having a qualifying annual family income level and that the income levels and/or status I have indicated in this self-certification may be subject to further verification by the U.S. Department of Housing and Urban Development, the City of Ithaca, and/or the Ithaca Urban Renewal Agency.

Board Member's Name (please PRINT): Darrell Tate

Board Member's Address: 529 West Green Street, Ithaca, NY 14850

Board Member's Signature: [Signature]

Date: 10/15/2023
SELF-CERTIFICATION FORM A
LOW- & MODERATE-INCOME REPRESENTATIVE

A Community-Based Development Organization (CBDO) is required to "maintain at least 51 percent of its governing body's membership for low- and moderate-income residents of its geographic area of operation, owners or senior officers of private establishments and other institutions located in and serving its geographic area of operation, or representatives of low- and moderate-income (LMI) neighborhood organizations located in its geographic area of operation" (24 CFR 570.204 (c)(1)(iv)). This form is to be completed by low- and moderate-income residents of the CBDO's geographic area of operation.

Each low- and moderate-income board member must use this form to indicate the number of persons in his/her family, and indicate whether total annual family income exceeds or falls below the listed figure for appropriate family size by placing a check mark in the appropriate boxes below.

NOTE: "Income" is the total annual income of all family members. All income for all persons in the family must be included in calculating family income. The definition of "family" includes a single person, or group of persons residing together and having a familial relationship, regardless of actual or perceived sexual orientation, gender identity, or marital status.

Annual Family Income — Check Appropriate Box:

<table>
<thead>
<tr>
<th>Family Size</th>
<th>Total Annual Family Income Is Above Amount Shown at Right</th>
<th>Total Annual Family Income Is Below Amount Shown at Right</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 person</td>
<td>☐</td>
<td>☑</td>
<td>$66,160</td>
</tr>
<tr>
<td>2 people</td>
<td>☑</td>
<td>☐</td>
<td>$64,150</td>
</tr>
<tr>
<td>3 people</td>
<td>☐</td>
<td>☐</td>
<td>$72,150</td>
</tr>
<tr>
<td>4 people</td>
<td>☐</td>
<td>☐</td>
<td>$80,150</td>
</tr>
<tr>
<td>5 people</td>
<td>☐</td>
<td>☐</td>
<td>$86,600</td>
</tr>
<tr>
<td>6 people</td>
<td>☐</td>
<td>☐</td>
<td>$93,000</td>
</tr>
<tr>
<td>7 people</td>
<td>☐</td>
<td>☐</td>
<td>$98,400</td>
</tr>
<tr>
<td>8 people</td>
<td>☐</td>
<td>☐</td>
<td>$105,800</td>
</tr>
</tbody>
</table>

I certify the information provided on this form is accurate and complete, and I am a low- and moderate-income resident of the Black Hands Universal Inc. (CBDO's name) area of operation. I further acknowledge that eligibility for meeting HUD's 51 % low- and moderate-income board requirement is based upon having a qualifying annual family income level and that the income levels and/or status I have indicated in this self-certification may be subject to further verification by the U.S. Department of Housing and Urban Development, the City of Ithaca, and/or the Ithaca Urban Renewal Agency.

Board Member's Name (please PRINT): Louisiana Santos

Board Member's Address: 111 N Plain st #5 Ithaca NY 14850

Board Member's Signature: __________________

Date: 1/9/23
A Community-Based Development Organization (CBDO) is required to "maintain at least 51 percent of its governing body's membership for low- and moderate-income residents of its geographic area of operation, owners or senior officers of private establishments and other institutions located in and serving its geographic area of operation, or representatives of low- and moderate-income (LMI) neighborhood organizations located in its geographic area of operation" (24 CFR 670.204 (c)(1)(iv)). This form is to be completed by low- and moderate-income residents of the CBDO's geographic area of operation.

Each low- and moderate-income board member must use this form to indicate the number of persons in his/her family, and indicate whether total annual family income exceeds or falls below the listed figure for appropriate family size by placing a check mark in the appropriate boxes below.

NOTE: "Income" is the total annual income of all family members. All income for all persons in the family must be included in calculating family income. The definition of "family" includes a single person, or group of persons residing together and having a familial relationship, regardless of actual or perceived sexual orientation, gender identity, or marital status.

Annual Family Income — Check Appropriate Box:

<table>
<thead>
<tr>
<th>Family Size</th>
<th>Total Annual Family Income is Above Amount Shown at Right</th>
<th>Total Annual Family Income is Below Amount Shown at Right</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 person</td>
<td>☐</td>
<td>☐</td>
<td>$56,150</td>
</tr>
<tr>
<td>2 people</td>
<td>☐</td>
<td>☐</td>
<td>$64,150</td>
</tr>
<tr>
<td>3 people</td>
<td>☐</td>
<td>☐</td>
<td>$72,150</td>
</tr>
<tr>
<td>4 people</td>
<td>☐</td>
<td>☐</td>
<td>$80,150</td>
</tr>
<tr>
<td>5 people</td>
<td>☐</td>
<td>☐</td>
<td>$86,600</td>
</tr>
<tr>
<td>6 people</td>
<td>☐</td>
<td>☐</td>
<td>$93,000</td>
</tr>
<tr>
<td>7 people</td>
<td>☐</td>
<td>☐</td>
<td>$99,400</td>
</tr>
<tr>
<td>8 people</td>
<td>☐</td>
<td>☐</td>
<td>$105,600</td>
</tr>
</tbody>
</table>

I certify the information provided on this form is accurate and complete, and I am a low- and moderate-income resident of the ______________________ (CBDO's name) area of operation. I further acknowledge that eligibility for meeting HUD's 51% low- and moderate-income board requirement is based upon having a qualifying annual family income level and that the income levels and/or status I have indicated in this self-certification may be subject to further verification by the U.S. Department of Housing and Urban Development, the City of Ithaca, and/or the Ithaca Urban Renewal Agency.

Board Member's Name (please PRINT):  

Harry Smith

Board Member’s Address:  

150 W Village Pl. #321  
Ithaca NY 14850

Board Member’s Signature:  

Date: 10/13/22
BYLAWS OF BLACK HANDS UNIVERSAL

Article 1. Definitions

Section 1.1 Name. The “Corporation” shall mean: Black Hands Universal Inc, its successors and assigns.

Section 1.2 Board. The “Board” shall mean the Board of Directors of the Corporation.

Article 2. Purposes, Objectives and Governing Instruments

Charitable, Educational, and Scientific Purposes and Powers. The purposes of the Corporation, as set forth in the Articles of Incorporation, are exclusively charitable, educational, or religious, within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future Federal tax law (“Section 501(c)(3)”). In furtherance of such purposes, the Corporation shall have the same powers as an individual to do all things necessary or convenient to carry out the purposes, as set forth in the Articles of Incorporation and these Bylaws.

Black Hands Universal is an organization formed in response to racial injustice in the criminal justice system. We believe in rehabilitation rather than punishment, as well as creating and maintaining a platform for the disenfranchised. Our purpose is to create opportunities for those who are disenfranchised by the system by providing them with job training, financial literacy, education, housing, physical, and mental health resources. We offer opportunities in trades, construction and access to other professions through external job services programs. We will expand our efforts towards housing programs and substance abuse aftercare.

Section 2.1

Section 2.02 Governing Instruments. The Corporation shall be governed by its Articles of Incorporation and its Bylaws.

Section 2.03 Nondiscrimination Policy. The Corporation will not practice or permit any unlawful discrimination on the basis of sex, age, race, color, national origin, religion, physical handicap or disability, or any other basis prohibited by law.
Section 2.04 Limitations on Activities. No part of the activities of the Corporation shall consist of participating in, or intervening in, any political campaign on behalf of or in opposition to any candidate for public office, nor shall the Corporation operate a social club or carry on business with the general public in a manner similar to an organization operated for profit. Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any activity not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future federal tax law.

Article 3. Membership
The corporation will develop members over time.

Article 4. Directors
Section 4.1 Annual Meeting. A meeting of the Board shall be held annually at such place, on such date and at such time as may be fixed by the Board, for the purpose of electing Directors, receiving annual reports of the Board and Officers, and for the transaction of such other business as may be brought before the meeting.

Section 4.2 Number. The number of Directors constituting the entire Board shall be fixed by the Board, but such number shall not be less than three (3) and no more than fifteen (15).

Section 4.3 Election and Term of Office. The Directors shall be elected by the current sitting Directors at the annual meeting. The election of Directors shall be elected to serve a term of three (2) years. Once a Director has served two (2) consecutive terms or a maximum of seven (4) years, that Director will have the option of serving an additional year, after their two (2) terms have expired, if approved upon by the Board of Directors. S/he shall not be eligible for reelection to said Board after a lapse of one (18) months.

Section 4.4 Powers and Duties. Subject to the provisions of law, of the Certificate of Incorporation and of these ByLaws, but in furtherance and not in limitation of any rights and powers thereby conferred, the Board shall have the control and management of the affairs and operations of the Corporation and shall exercise all the powers that may be exercised by the Corporation.

Section 4.5 Additional Meetings. Regular meetings of the Board may be held at such times as the Board may from time to time determine. Special meetings of the Board
may also be called at any time by the President or by a majority of the Directors then in office.

Section 4.6 Notice of Meetings. No notice need be given of any annual or regular meeting of the Board. Notice of a special meeting of the Board shall be given by service upon each Director in person or by mailing the same to him at his or her post office address as it appears upon the books of the Corporation at least two business days (Saturdays, Sundays and legal holidays not being considered business days for the purpose of these ByLaws) if given in person, or at least four business days, if given by mailing the same, before the date designated for such meeting specifying the place, date and hour of the meeting. Whenever all of the Directors shall have waived notice of any meeting either before or after such meeting, such meeting shall be valid for all purposes. A Director who shall be present at any meeting and who shall not have protested, prior to the meeting or at its commencement, the lack of notice to him, shall be deemed to have waived notice of such meeting. In any case, any acts or proceedings taken at a Directors' meeting not validly called or constituted may be made valid and fully effective by ratification at a subsequent Directors' meeting that is legally and validly called. Except as otherwise provided herein, notice of any Directors' meeting or any waiver thereof need not state the purpose of the meeting, and, at any Directors' meeting duly held as provided in these ByLaws, any business within the legal province and authority of the Board may be transacted.

Section 4.7 Quorum. At any meeting of the Board, a majority of the Directors then in office shall be necessary to constitute a quorum for the transaction of business. However, should a quorum not be present, a majority of the Directors present may adjourn the meeting from time to time to another time and place, without notice other than announcement at such meeting, until a quorum shall be present.

Section 4.8 Voting. At all meetings of the Board, each Director shall have one vote. In the event that there is a tie in any vote, the President shall have an additional vote to be the tiebreaker.

Section 4.9 Action Without a Meeting. Any action required or permitted to be taken by the Board or any committee thereof may be taken without a meeting if all members of the Board or any such committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the Board or any such committee shall be filed with the minutes of the proceedings of the Board or such committee.
Section 4.10 Removal. Any Director may be removed for cause by vote of the Board provided there is a quorum of not less than a majority present at the meeting at which such action is taken.

Section 4.11 Resignation. Any Director may resign from office at any time by delivering a resignation in writing to the Board of Directors, and the acceptance of the resignation, unless required by its terms, shall not be necessary to make the resignation effective.

Section 4.12 Vacancies. Any newly created directorships and any vacancy occurring on the Board arising at any time and from any cause may be filled by the vote of a majority of the Directors then in office at any Directors’ meeting. A Director elected to fill a vacancy shall hold office for the unexpired term of his or her predecessor.

Section 4.13 Committee. The Board, by resolution adopted by a majority of the entire Board, may designate from among the Directors an executive committee, a finance committee, a fundraising committee, a programming committee, a personnel committee, a building/facilities committee, and any other standing committees, each consisting of three or more Directors, to serve at the pleasure of the Board, and each of which, to the extent provided in such resolution, shall have the authority of the Board. The Board may designate one or more Directors as alternate members of any such committee, who may replace any absent member or members at any meeting of such committee.

Section 4.14 Participation by Media. Any one or more members of the Board or any committee thereof may participate in a meeting of the Board or such committee by means of a conference telephone, video conference, Skype or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Article 5. Officers
Section 5.1 Election and Qualifications; Term of Office. The Officers of the Corporation shall be a President, a Secretary, a Treasurer, and a Vice-President. The Officers shall be elected by the Board at the annual meeting of the Board and each Officer shall hold office for a term of one year and until such Officer’s successor has been elected or appointed and qualified, unless such Officer shall have resigned or shall have been removed as provided in Sections 8 and 9 of this Article V. The same person may hold more than one office, except that the same person may not be both President and
Secretary. The Board may appoint such other Officers as may be deemed desirable, including one or more Vice Presidents, one or more Assistant Secretaries, and one or more Assistant Treasurers. Such Officers shall serve for such period as the Board may designate.

Section 5.2 Vacancies. Any vacancy occurring in any office, whether because of death, resignation or removal, with or without cause, or any other reason, shall be filled by the Board.

Section 5.3 Powers and Duties of the President. The President shall be the Chief Executive Officer of the Corporation. The President shall from time to time make such reports of the affairs and operations of the Corporation as the Board may direct and shall preside at all meetings of the Board. The President shall appoint standing committees, and other committees as selected by the Board. The President shall have such other powers and shall perform such other duties as may from time to time be assigned to the President by the Board.

Section 5.4 Powers and Duties of the Vice President. The Vice President will perform the duties of the President in the event of his/her absence, resignation, or inability to perform his/her duties. The Vice President, if any, shall have such powers and shall perform such duties as may from time to time be assigned to such Vice President by the Board.

Section 5.5 Powers and Duties of the Secretary. The Secretary shall record and keep the minutes of all meetings of the Board. The Secretary shall be the custodian of, and shall make or cause to be made the proper entries in, the minute book of the Corporation and such books and records as the Board may direct. The Secretary shall be the custodian of the seal of the Corporation and shall affix such seal to such contracts, instruments and other documents as the Board or any committee thereof may direct. The Secretary shall have such other powers and shall perform such other duties as may from time to time be assigned to the Secretary by the Board.

Section 5.6 Powers and Duties of the Treasurer. The Treasurer shall be the custodian of all funds and securities of the Corporation. Whenever so directed by the Board, the Treasurer shall render a statement of the cash and other accounts of the Corporation, and the Treasurer shall cause to be entered regularly in the books and records of the Corporation to be kept for such purpose full and accurate accounts of the Corporation’s receipts and disbursements. The Treasurer shall at all reasonable times exhibit the books and accounts to any Director upon application at the principal office.
of the Corporation during business hours. The Treasurer shall have such other powers and shall perform such other duties as may from time to time be assigned to the Treasurer by the Board.

Section 5.7 Delegation. In case of the absence of any Officer of the Corporation, or for any other reason that the Board may deem sufficient, the Board may at any time and from time to time delegate all or any part of the powers or duties of any Officer to any other Officer or to any Director or Directors.

Section 5.8 Removal. Any Officer may be removed from office at any time, with or without cause, by a vote of a majority of the Directors then in office at any meeting of the Board.

Section 5.9 Resignation. Any Officer may resign his or her office at any time, such resignation to be made in writing and to take effect immediately without acceptance by the Corporation.

Article 6. Bank Accounts, Checks, Contracts and Investments

Section 6.1 Bank Accounts, Checks and Notes. The Board is authorized to select the banks or depositaries it deems proper for the funds of the Corporation. The Board shall determine who shall be authorized from time to time on the Corporation's behalf to sign checks, drafts or other orders for the payment of money, acceptances, notes or other evidence of indebtedness.

Section 6.2 Contracts. The Board may authorize any Officer or Officers, agent or agents, in addition to those specified in these ByLaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized by the Board, no Officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or render it liable for any purpose or to any amount.

Section 6.3 Investments. The funds of the Corporation may be retained in whole or in part in cash or be invested and reinvested from time to time in such property, real, personal or otherwise, or stocks, bonds or other securities, as the Board may deem desirable.
Article 7. Indemnification

Section 7.1 Indemnity Under Law. The Corporation shall indemnify and advance the expenses of each person to the full extent permitted by law.

Section 7.2 Additional Indemnification.

The Corporation hereby agrees to hold harmless and indemnify each of its Directors, Officers, employees and agents (the “Indemnitee”) from and against, and to reimburse the Indemnitee for, any and all judgments, fines, liabilities, amounts paid in settlement and reasonable expenses, including attorneys’ fees actually and necessarily incurred, as a result of or in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than one by or in the right of the Corporation to procure a judgment in its favor, including any action, suit or proceeding by or in the right of any other corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise for which the Indemnitee served in any capacity at the request of the Corporation, to which the Indemnitee is, was or at any time becomes a party, or is threatened to be made a party, or as a result of or in connection with any appeal therein, by reason of the fact that the Indemnitee is, was or at any time becomes a Director or Officer of the Corporation, or is or was serving or at any time serves such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, whether arising out of any breach of the Indemnitee’s fiduciary duty as a Director, Officer, employee or agent of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise under any state or federal law or otherwise; provided, however, that no indemnity pursuant to this Section 2 shall be paid by the Corporation (i) if a judgment or other final adjudication adverse to the Indemnitee establishes that the Indemnitee’s acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that the Indemnitee personally gained in fact a financial profit or other advantage to which the Indemnitee was not legally entitled; or (ii) if a final judgment by a court having jurisdiction in the matter shall determine that such indemnification is not lawful. The termination of any such civil or criminal action or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create any presumption that the Indemnitee acted in bad faith and/or was dishonest.
(a) The obligation of the Corporation to indemnify contained herein shall continue
during the period the Indemnitee serves as a Director, Officer, employee or agent of the
Corporation and shall continue thereafter so long as the Indemnitee shall be subject to
any possible claim or threatened, pending or completed action, suit or proceeding,
whether civil, criminal, administrative or investigative, by reason of the fact that the
Indemnitee was a Director or Officer of the Corporation or served at the request of the
Corporation in any capacity for any other corporation, partnership, joint venture,
trust, employee benefit plan or other enterprise.

(b) Promptly after receipt by the Indemnitee of notice of the commencement of any
action, suit or proceeding, the Indemnitee will, if a claim in respect thereof is to be
made against the Corporation under this Section 2, notify the Corporation of the
commencement thereof; but the omission so to notify the Corporation will not relieve
it from any liability which it may have to the Indemnitee otherwise than under this
Section 2. With respect to any such action, suit or proceeding as to which the
Indemnitee notifies the Corporation of the commencement thereof:

(i) The Corporation will be entitled to participate therein at its own expense; and,

(ii) Except as otherwise provided in the last sentence of this subpart ii, to the extent
that it may wish, the Corporation jointly with any other indemnifying party similarly
notified will be entitled to assume the defense thereof, with counsel satisfactory to the
Indemnitee. After notice from the Corporation to the Indemnitee of its election so to
assume the defense thereof, the Corporation will not be liable to the Indemnitee under
this Section 2 for any legal or other expenses subsequently incurred by the Indemnitee
in connection with the defense thereof other than reasonable costs of investigation or
as otherwise provided in the last sentence of this subpart ii. The Indemnitee shall have
the right to employ his or her own counsel in such action, suit or proceeding but the
fees and expenses of such counsel incurred after notice from the Corporation of its
assumption of the defense thereof shall be at the expense of the Indemnitee unless (A)
the employment of counsel by the Indemnitee has been authorized by the Corporation
in connection with the defense of such action, (B) the Indemnitee shall have reasonably
concluded that there may be a conflict of interest between the Corporation and the
Indemnitee in the conduct of the defense of such action, or (C) the Corporation shall
not in fact have employed counsel to assume the defense of such action, in each of
which cases the fees and expenses of counsel for the Indemnitee shall be borne by the
Corporation (it being understood, however, that the Corporation shall not be liable for
the expenses of more than one counsel for the Indemnitee in connection with any action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances). The Corporation shall not be entitled to assume the defense of any action, suit or proceeding brought by or on behalf of the Corporation or as to which the Indemnitee shall have made the conclusion provided for in clause (B) of the preceding sentence of this subpart ii.

(iii) Anything in this Section 2 to the contrary notwithstanding, the Corporation shall not be liable to indemnify the Indemnitee under this Section 2 for any amounts paid in settlement of any action or claim effected without its written consent. The Corporation shall not settle any action or claim in any manner which would impose any penalty or limitation on the Indemnitee without the Indemnitee’s written consent. Neither the Corporation nor any such person will unreasonably withhold their consent to any proposed settlement.

(c) In the event of any threatened or pending action, suit or proceeding which may give rise to a right of indemnification from the Corporation to the Indemnitee pursuant to this Section 2, the Corporation shall pay, on demand, in advance of the final disposition thereof, expenses incurred by the Indemnitee in defending such action, suit or proceeding, other than those expenses for which the Indemnitee is not entitled to indemnification pursuant to clause (ii) of the proviso to part (a) of this Section 2 or part (b) of this Section 2. The Corporation shall make such payments upon receipt of a written request made by the Indemnitee for payment of such expenses, (ii) an undertaking by or on behalf of the Indemnitee to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation hereunder, and (iii) evidence satisfactory to the Corporation as to the amount of such expenses. The Indemnitee’s written certification together with a copy of the statement paid or to be paid by the Indemnitee shall constitute satisfactory evidence as to the amount of such expenses.

(d) The rights to indemnification and advancement of expenses granted to the Indemnitee under this Section 2 shall not be deemed exclusive, or in limitation of any other rights to which the Indemnitee may now or hereafter be entitled under the Corporation’s Certificate of Incorporation or otherwise under the Corporation’s ByLaws, as now in effect or as hereafter amended, any agreement, any vote of members or Directors, any applicable law, or otherwise.
Section 7.3 Limitation. No amendment, modification or rescission of this Article VII shall be effective to limit any person's right to indemnification with respect to any alleged cause of action that accrues or other incident or matter that occurs prior to the date on which such modification, amendment or rescission is adopted.

**Article 8.** Dissolution
The Corporation may be dissolved only upon adoption of a plan of dissolution and distribution of assets by the Board that is consistent with the Certificate of Incorporation and with State law.

**Article 9.** Amendments
These ByLaws may be altered, amended, added to or repealed at any meeting of the Board called for that purpose by the vote of a majority of the Directors then in office.

**Article 10.** Construction
In the case of any conflict between the Certificate of Incorporation of the Corporation and these ByLaws, the Certificate of Incorporation of the Corporation shall control.

These Bylaws were adopted at a meeting of the Board of Directors of Black Hands Universal, 2020.

Harry Smith
Chief Executive Officer

Nia Nunn
President

Darell Tate
Vice President

Gladys Brangman
Secretary
CERTIFICATE OF INCORPORATION
OF
BLACK HANDS UNIVERSAL, INC.
Under Section 402 of the Not-for-Profit Corporation Law

Filer's Name: Sujata S. Gibson
Mailing Address: 407 N Cayuga Street, Suite 201
CERTIFICATE OF INCORPORATION
OF
BLACK HANDS UNIVERSAL, INC.

Under Section 402 of the Not-for-Profit Corporation Law

FIRST: The name of the corporation is: BLACK HANDS UNIVERSAL, INC.

SECOND: The corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-for-Profit Corporation Law.

THIRD: The purpose for which the corporation is formed is: any purpose for which corporations may be organized under the Not-for-Profit Corporation Law as a charitable corporation.

FOURTH: The corporation is not formed to engage in any activity or for any purpose requiring consent or approval of any state official, department, board, agency, or other body. No consent or approval is required.

FIFTH: The corporation is a charitable corporation under Section 201 of the Not-for-Profit Corporation Law.

SIXTH: The office of the corporation is to be located in the County of TOMPKINS, State of New York.

SEVENTH: The names and addresses of the initial directors of the corporation are:
1) Harry Smith
   111 N Plain Street, Number 5
   Ithaca, NY 14850

2) Gladys Brangman
   6 Myers Heights
   Lansing, NY 14882

3) Sujata Gibson
   407 N Cayuga Street
   Ithaca, NY 14850

EIGHTH: The Secretary of State is designated as agent of the corporation upon whom process against it may be served. The address to which the Secretary of State shall mail a copy of any process accepted on behalf of a corporation is:
Sujata Gibson  
407 N Cayuga Street  
Ithaca, NY 14850

NINTH: The following language relates to the corporation’s tax-exempt status and is not a statement of purpose and powers. Consequently, this language does not expand or alter the corporation’s purposes or powers set forth in paragraph THIRD.

This corporation is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in paragraph THIRD of this document. No substantial part of the activities of the corporations shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code or the corresponding section of any future federal tax code. Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government or to a state or local government, for a public purpose. Any assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of any county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

SUJATA S. GIBSON, Incorporator  
The Gibson Law Firm, PLLC  
407 N Cayuga Street, Suite 201  
Ithaca, New York 14850
Conflict of Interest Policy

Article I

Purpose

The purpose of the conflict of interest policy is to protect Black Hands Universal Inc. (the “Corporation”) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to non-profit and charitable corporations.

Article II

Definitions

1. Interested Person Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

   a. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,

   b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or

   c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.
Article III
Procedures

1. Duty to Disclose In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest
a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the governing board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy
a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of
the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV
Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:
a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing boards or committee's decision as to whether a conflict of interest in fact existed.
b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V
Compensation

a. A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.
Article VI
Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

a. Has received a copy of the conflicts of interest policy,
b. Has read and understands the policy,
c. Has agreed to comply with the policy, and
d. Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax exempt purposes.

Article VII
Periodic Reviews

To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm’s length bargaining.
b. Whether partnerships, joint ventures, and arrangements with management Corporations conform to the Corporation’s written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VIII
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.
Black Hands Universal
Company procurement policy
Issued November 29, 2022 The goal of this procurement policy is to provide a centralized process for requests and funding for the purchase of a product or service for company or departmental use. In addition, this policy aims to streamline and compress the process to align and support company goals and values, while still providing the necessary due diligence with vendor selection.

Procurement policy overview
Pre-request requirements All purchases must be approved before the request is submitted through the online form. Each manager is responsible for adhering to their respective departmental budgets and must be able to track their spend throughout the year.
Request submission When a need for a new or replacement vendor is identified, submit a request for purchase. This form must capture required details of the request and allows a review of the request and initiate the project.
When the procurement team receives a new request, they will assess the information provided within three business days and will reach out with next steps.
Depending on the anticipated cost and complexity of the purchase, this may include a short requirements discovery (usually 30 minutes or less). This Q&A session explores more details about product or service needs, requirements for successful implementation and potential vendors for the solution.
Vendor selection and contracting is not required after, proposals and quotes from suitable vendors are reviewed. Next, procurement will lead pricing discussions, contractual negotiations and contract review. This part of the process includes a review and assessment of current incumbents, if any.

When a final vendor has been selected, procurement is responsible for routing any contractual documents for signatures, engaging with accounts payable to facilitate the transaction and entering any agreements into the procurement system of record. Further, all agreements, whether an executable document, or online terms, will need to be reviewed and approved by before the purchase can be finalized.
Black Hands Universal
Reversion of Assets.
Upon the expiration of this Contract or termination with or without cause, the Subrecipient shall transfer to the Grantee any funds on hand at the time of expiration and any accounts receivable and/or Program Income attributable to the use of funds. Any real property under the control of the Subrecipient, improved in whole or in part with funds, and using funds in excess of twenty-five thousand dollars ($50,000), must continue to meet the National Objective described in this Contract until five (5) years after expiration or termination of this Contract, or such longer period of time as determined to be appropriate by the Grantee, or must be disposed of in a manner to cause the Grantee to be reimbursed in the amount of the current fair market value of the property less any portion thereof attributable to expenditure of non-profit and Non-City funds for acquisition of, or improvements to, property. The Subrecipient shall repay to the Grantee the full amount of any funds lost, misapplied, unaccounted for or inadequately accounted for, in violation of this Contract, within thirty (90) days of notification of the debt.
Special Activities by CBDOs

Preface

The purpose of this preface is to emphasize the distinction between subrecipients and Community-Based Development Organizations (CBDOs) as they relate to the CDBG program.

- The term "subrecipient" is defined at §570.500(c) to mean a public or private nonprofit agency, authority, or organization, or a for-profit entity authorized under §570.201(c) to provide microenterprise assistance, receiving CDBG funds from the grantee to undertake activities eligible under the CDBG program.

- While the types of organizations that qualify as CBDOs generally would meet the above description, the subrecipient definition at §570.500(c) excludes CBDOs unless the CBDO is specifically designated by the grantee to be a subrecipient for CDBG program purposes.

- Designation of an entity as a subrecipient affects the following:
  - whether any income that may be generated by a CDBG-funded activity that is received by the entity is considered to be CDBG program income;
  - whether the grantee must enter into a written agreement with the entity containing requirements specified at §570.503 (although the grantee could elect to enter into such an agreement with a CBDO whether or not it is designated as a subrecipient); and
  - whether the entity is bound by the general administrative requirements imposed by the OMB Circulars in its administration of the CDBG funds provided to it by the grantee (although a grantee could require a CBDO to abide by these requirements as a condition of providing CDBG funds to the entity, without the need to designate it as a subrecipient).
Fundamentally, in order to use the authority provided under this category of Special Activities by CBDOs, the grantee must ensure that four key tests are met:

- that the entity selected qualifies as a CBDO under §570.204(c),
- that the project that the CBDO will undertake qualifies under §570.204(a)(1), (2) or (3),
- that the CBDO will be "carrying out" the activities as defined at §570.204(a)(4), and
- that the CBDO is not carrying out an activity specifically prohibited in §570.207(a).

Eligible Activities

This category authorizes a grantee to designate certain types of entities to carry out a range of activities that may include activities the grantee may otherwise not carry out itself. While the "otherwise ineligible" activities covered by this authority may take many forms, the most frequent use of this provision in the CDBG program has been to carry out new construction of housing. However, there are also other advantages of using a CBDO in the CDBG program specifically, for the purpose of providing public services that in certain circumstances are not subject to the expenditures cap otherwise applicable to Public Services. This exception is explained in more detail in the following subsections.

Eligible Projects

Under this category, a qualified CBDO can only carry out any or all of the following three types of projects:

- Neighborhood revitalization: Activities undertaken under this provision must be of sufficient size and scope to have an impact on the decline of a designated geographic location within the jurisdiction of the grantee (but not the entire jurisdiction of an entitlement community unless it has a population of 25,000 or less). The activities to be considered for this purpose are not limited to those funded (or to be funded) with CDBG assistance.

- Community Economic Development: This type of project must include activities that increase economic opportunity, principally for low- and moderate-income persons, or that are expected to create or retain businesses or permanent jobs within the community. Housing activities may be included within this project type if they can clearly link the need for affordable housing accessible to existing or planned jobs, or otherwise address the Consolidated Plan's definition of "expanded economic opportunity" at 24 CFR Part 91.11(a)(1)(iii).
Energy Conservation: Activities carried out under this provision are clearly designed to conserve energy for the benefit of residents within the grantee’s jurisdiction. An example of this type of project may involve the construction of energy efficient housing where substantial savings in heating and/or cooling costs can expect to be realized.

Application Tips: The typical CDBG eligibility categories (e.g., public facilities and improvements, public services, rehabilitation) may appear either singly or in virtually any combination under any one of these three types of projects. CDBG funds do not have to constitute the only source of funding in the project.

Note also that the definitions of these terms are not synonymous with the use of these terms in other parts of the CDBG regulations (see §570.201(a), 570.202(b)(4) and 570.203).

Eligible Entities

In order to qualify as a CBDO, an entity must meet the criteria specified at §570.204(c)(1), (2), or (3). Generally, this means that the entity must:

- Be organized under State or local law to carry out community development activities. For entitled communities, the entity must operate primarily within an identified neighborhood within the grantee’s jurisdiction.

- Maintain at least 51% of its governing body’s membership to be made up of any combination of the following:
  - low- and moderate-income residents of its area of operation,
  - owners or senior officers of private establishments and other institutions located in and serving its geographic area of operation, or
  - representatives of low- and moderate-income neighborhood organizations located in its geographic area of operation.

- Require that members of the governing body must be nominated and approved by the organization’s general membership or by its permanent governing body (except as otherwise authorized in §570.204(c)(1)(v)).

- Have as its primary purpose the improvement of the physical, economic, or social environment of its geographic area of operation, with particular emphasis on the needs of low- and moderate-income persons.
Be either nonprofit or for-profit, but, if a for-profit, only incidental monetary benefits to its members are allowed.

Not be an agency or instrumentality of the grantee, and not permit more than one-third of its governing body to be appointed by or consist of elected or other public officials or employees of the grantee (or of any other entity that could not qualify as a CBDO), even if such persons would otherwise meet the requirements described above.

Not be subject to the reversion of its assets to the grantee upon dissolution (although a grantee may specify as a condition of providing CDBG funds to the entity that any assets related to the specific CDBG assistance being provided must revert to the grantee, whether or not the grantee designates the CBDO as a subrecipient. (Application of the reversion of assets clause under §570.503(b)(8) would be required for any CBDO designated as a subrecipient and would function to permit the specific assets purchased with the CDBG funds to revert back to the grantee. This would not constitute a violation of the §570.204 requirement.)

Be free to contract for goods and services from vendors of its own choosing (a sign that the entity is not an agent of the grantee).

Application Tips: Entities which do not meet the CBDO requirements are not prohibited from establishing a subsidiary organization to carry out an activity under this category, but the subsidiary organization in such case would need to be in control of itself and not be merely a "front" for the parent organization.

The regulations at §570.204(c)(2) also provide other ways that an entity may qualify as a CBDO (e.g., Small Business Administration Section 301(d) entity, Section 501, Section 502, or Section 503 Companies). Most notably, it qualifies as a CBDO any entity that has been designated by a HOME participating jurisdiction as a Community Housing Development Organization (CHDO), and which has a geographic area of operation that is not greater than one neighborhood and which has received, or expects to receive, HOME funding. This could include a CHDO that does not meet the standard 51% board membership requirements discussed above for CBDOs. It should also be noted that a CHDO that meets the standard requirements to qualify as a CBDO (and thus does not need to qualify under this exception) would not be subject to the single neighborhood limitation.

§570.204(c)(3) of the regulations further allows the grantee an opportunity to show, to HUD's satisfaction, that an entity that does not meet the specific criteria at §570.204(c)(1) or (2) is nevertheless sufficiently similar in purpose, function, and scope to those eligible entities to qualify as a CBDO. In reviewing such an entity's charter and by-laws for this purpose, HUD will be looking for evidence that the organization's principal purpose is consistent
with the grantee’s objectives for improving the area in question and that key stakeholders in that area have substantial input in how the organization operates.

Note: If a grantee is unsure whether a particular organization qualifies as a CBDO under this category, it should seek assistance from its local HUD field office.

"Carry out"

The authority conveyed under this category requires that the CBDO "carry out" the funded activities. This means that the CBDO will undertake the activity directly or through contracts with an entity other than the grantee. In any case where the CBDO provides CDBG funds to another entity, it must be clear that the CBDO has a direct and controlling interest in how and where the activities are undertaken. The purpose of this restriction is to ensure that the grantee itself is not playing a major and controlling interest in the funded activities. Perhaps the “litmus test” for this purpose is whether the entity has the authority, independent of the grantee, to stop the project if something is going wrong.

Application Tips: The CBDO is not prevented from entering into a contract with another entity to assist in project implementation so long as the contract provides the CBDO with sufficient control over the project to ensure compliance with all program requirements (e.g., a CBDO can contract with a developer to build housing and not have to use CBDO staff to construct the units).

Ineligible Activities

Special activities by CBDOs do not include:

- Any activity described in §570.207(a) as ineligible. That is, buildings for the general conduct of government, general government expenses, and political activities.

- Any activity which would violate the specific limitations described below:

  - provision of public services in violation of the prohibition against substituting CDBG for State or local funds as set forth in §570.201(e), or that would exceed the dollar limitations described under §570.201(e)(1) and (2) unless the regulations otherwise provide that the services are exempt from that cost limitation (see discussion under Additional Considerations subsection, below). Reference: §570.204(b)(2)
- provision of assistance for a special economic development activity eligible under §570.203 that does not comply with the Public Benefit requirements of §570.209. 
  References: §570.204(b)(3) and §570.209

- planning and administrative activities that are eligible under §570.205 or §570.206 which would result in the grantee exceeding the 20% cost limitation on such activities, unless the regulations specifically provide that the activity is exempt from that cost limitation. Reference: §570.204(b)(4)

Since the majority of activities carried out by a CBDO under this authority are also eligible under other categories covered in this Guidebook, refer to the applicable sections in this chapter concerning the considerations necessary to determine how to meet the CDBG national objectives. Where otherwise ineligible housing activities are being carried out, see the section on Construction of Housing for guidance.

The use of CDBG funds by a grantee to fund CBDOs does not relieve the grantee of its responsibility for meeting program requirements on how those funds are used. Thus, even if the grantee does not designate the CBDO as a subrecipient, it should nevertheless give serious consideration to developing a written, contractual agreement with the CBDO that would be comparable to that required with subrecipients. Such an agreement would include the scope of work, the activity(ies) to be carried out, the national objective(s) to be met, time frames, termination criteria, reporting requirements, and applicability of other requirements (e.g., those specified in Subpart K of the CDBG regulations).

It is important to note that when an activity is being carried out by a CBDO under this category and the activity is of such nature that it would also qualify under the category of Special Economic Development Activities at §570.203, that activity will be subject to the Public Benefit requirements set forth in §570.209 and further described in Appendix B of this Guide (although if the CBDO is carrying out any such activities pursuant to a HUD-approved Neighborhood Revitalization Strategy [NRS], the grantee may elect to exempt the activities from the aggregate public benefit standards.) See Appendix E for information on NRS and Appendix B for information on the aggregate standards.
It should also be noted that, while as a general rule CBDOs cannot carry out public services that are not subject to the cost limitation on the amount that the grantee may obligate for public services (i.e., 15% cap), there are two exceptions to this rule. The exceptions include:

- Any services provided by a CBDO that are specifically designed to increase economic opportunities through job training and placement and other employment support services (e.g., peer support programs, counseling, child care, transportation, and other similar services); and

- Services of any type being provided by a CBDO pursuant to a Neighborhood Revitalization Strategy approved by HUD. (Reference: 24 CFR 91.215(e) and Appendix E of this Guide for further information on such strategies.)

Note that, if a grantee does not designate the CBDO as a subrecipient, any revenue generated by its CDBG-funded activities is not classified as CDBG program income, since by definition, program income is money that is received by the grantee or a subrecipient. While this may be a way to help a high-performing CBDO secure ongoing funding to continue its mission following completion of the CDBG-funded project, it must be noted that, since such revenue is not program income, it cannot be included in the bases for calculating the public services or planning/administration caps. However, when the grantee provides funds to a CBDO in the form of a loan, any payments made by the CBDO to the grantee on that loan would be CDBG program income, whether or not the CBDO has been designated as a subrecipient.

If a grantee intends to fund a CBDO that lacks capacity to carry out complex development activities without substantial “hand-holding,” careful consideration must be paid to the “carry out/control” aspect of §570.204 to ensure that program requirements are not violated. One solution may be to assist the CBDO in hiring professionals, such as a more experienced nonprofit, a general contractor, or an architectural and engineering firm, to provide needed expertise to complete the project. The grantee could also break a project into two parts and, in the first year, fund capacity building for the CBDO before the CBDO carries out the project.

Note also that complex development projects may stretch the ability of grantees (or HUD field offices) to adequately monitor (e.g., carrying out multi-funded, low-income housing tax credit deals). In such cases, grantees should seek the appropriate expertise to ensure that program requirements are met.