

## Community Based Development Organizations (CBDO)

As established by 24 CFR 570.204, the Disaster Recovery Division may provide funds to any qualified CBDO to carry out a neighborhood revitalization, community economic development, or energy conservation project. The CBDO must undertake the funded activities directly or through contract with another entity or through the provision of financial assistance for activities in which it retains a direct and controlling involvement and responsibilities.

24 CFR 570.204 requires eligibility to be determined by one of the following methods. It is the responsibility of the organization to provide sufficient information to the Disaster Recovery Division in order to make a determination of eligibility.

1. An organization must have one of the following primary purposes to qualify as a CBDO as required in (24 CFR 570.204 (c)):
  - (i) It is an association or corporation organized under State or local law to engage in community development activities (which may include housing and economic development activities) primarily within an identified geographic area of operation within the jurisdiction of the recipient, or in the case of an urban county, the jurisdiction of the county; and
  - (ii) It has as its primary purpose the improvement of the physical, economic or social environment of its geographic area of operation by addressing one or more critical problems of the area, with particular attention to the needs of persons of low and moderate income; and
  - (iii) It may be either non-profit or for-profit, provided any monetary profits to its shareholders or members must be only incidental to its operation; and
  - (iv) It maintains 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; and
  - (v) It is not an agency or instrumentality of the recipient and does not permit more than one-third of the membership of its governing body to be appointed by, or to consist of, elected or other public officials or employees or officials of an ineligible entity (even through such persons may be otherwise qualified under (1)(iv) and
  - (vi) Except as otherwise authorized in paragraph (1) (v) requires the members of the governing body to be nominated and approved by the general membership of the organization, or by its permanent governing body; and
  - (vii) It is not subject to requirements under which its assets revert to the recipient upon dissolution; and
  - (viii) If it is free to contract for goods and services from vendors of its own choosing

2. Evidence of one of the requirements listed below.
  - (i) It is an entity organized pursuant to section 301(d) of the Small Business Investment Act of 1958 (15 U.S.C 681 (d)), including those which are profit making; or
  - (ii) It is an SBA approved Section 501 State Development Company or Section 502 Local Development Company, or an SBA Certified Section 503 Company under the Small Business Act of 1958, as amended; or
  - (iii) It is a Community Housing Development Organization (CHDO) under 24 CFR 92.2 designated as a CHDO by the HOME Investment Partnerships program participating jurisdiction, with a geographic area of operation of no more than one neighborhood, and has received HOME funds under 24 CFR 92.300 or is expected to receive HOME funds as described in and documented in accordance with 24 CFR 92.300 (e).
  
3. If the CBDO does not qualify under the 1 or 2, MDA may seek HUD approval to demonstrate through the provision of information regarding the organization's charter and by-laws that the organization is sufficiently similar in purpose, function, and scope to those entities qualifying under the requirements.

Sufficient documentation includes, but is not limited to; bylaws, rosters of board members (attachment A should be used), and copies of policies and procedures.

Attachment A

Name of CBDO \_\_\_\_\_

	Name	Entity Representing	Address	Phone	Email	Compensation Received
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						

Number of appointed by or public officials serving on board \_\_\_\_\_

Certified by: \_\_\_\_\_

Date: \_\_\_\_\_

**FOR MDA USE ONLY**

Number of board members	Number of board members representing low/mod	Number of board members	Number of appointed by or public officials
Total percentage of low/mod representation		Total percentage of members appointed by or public officials	