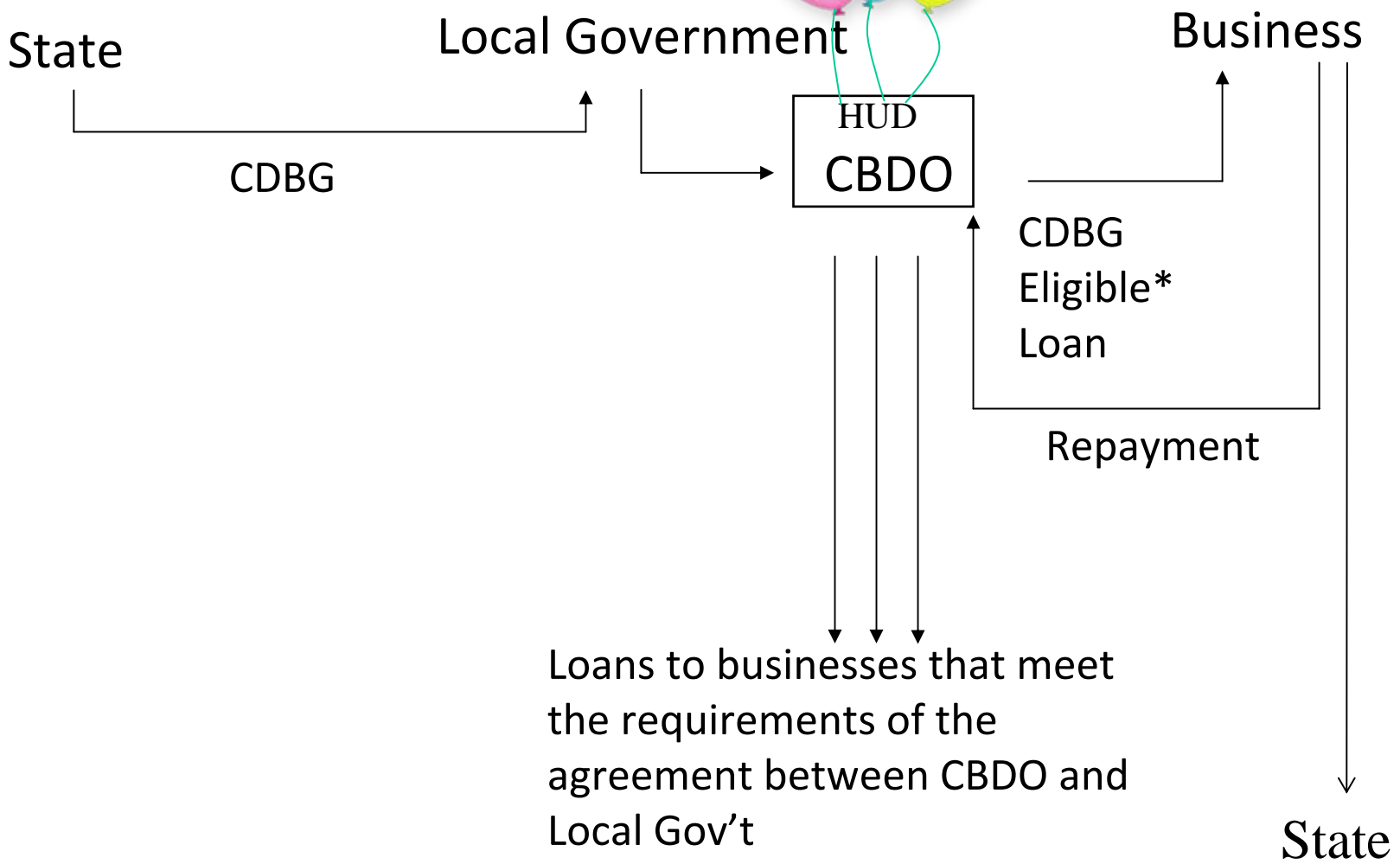


COMMUNITY BASED DEVELOPMENT ORGANIZATIONS

“CBDO”

- Section 105(a)(15) of the HCDA allows as eligible the provision of assistance to neighborhood-based nonprofit organizations, local development corporations, and nonprofit organizations serving the development needs of communities in non-entitlement areas to carry out neighborhood revitalization, community economic development or energy conservation projects.

- States seeking to minimize the amount of funds that must be treated as program income could take advantage of this exemption by encouraging Unit of General Local Government (“UGLG”) to form sub-grantee relationships with local nonprofit organizations to administer Revolving Loan Funds (“RLF”)...



* An eligible business, an eligible activity, meeting a National Objective

WHO CAN QUALIFY TO BE A CBDO?

The business must be similar in type to the following organizations:

- Small Business Investment Companies organized under 15 USC Section 681,
- SBA Section 504 Certified Development Companies,
- Community Action Agencies,
- Community Development Corporations,
- Local Development Corporations, and
- Community Housing Development Organizations (CHDOs) under the HOME program.

In addition the organization must meet the following requirements:

- Must be a nonprofit organization and the nonprofit must meet an IRS definition of a nonprofit organization.
- The nonprofit must be organized under state or local law to carry out community development activities which address the development needs of the community.

- Under the provisions of HCDA Section 105(a)(15), a qualified nonprofit development group, CBDO, can only carry out the following types of projects:
- Neighborhood revitalization projects
- Energy Conservation projects
- Community economic development projects
 - *Community Economic Development*: This type of project must include activities that increase economic opportunity or that is expected to create or retain businesses or permanent jobs within the Community.

The State further restricts the type of projects that a CBDO can carry out to “Community Economic Development” projects.

For technical questions refer to HCDA Section 105(a)(15),
and 24 CFR 570.204 or contact Bob Doty by email at:
bob.doty@ded.ne.gov or by phone at (402) 471-2095.