



# Community-Based Development Organization (CBDO)

Overview, Requirements, and Process

# Background

- In 2015, the City of Detroit received HUD's approval for the designation of five (5) target areas in the City of Detroit as Neighborhood Revitalization Strategy Areas (NRSAs).
- At the time the City was undergoing a post-bankruptcy restructuring and was in severe economic distress including an inability to retain residents due to a lack of capital that was flexible enough for home repair.
- The NRSA Plan was considered one of the most strategic options to focus federal resources geographically and leverage private capital for home repair, increased public services, and economic development primarily for the benefit of the City's low- and moderate-income population.
- HUD approved the City of Detroit's NRSA renewal plan for 2020-2024.



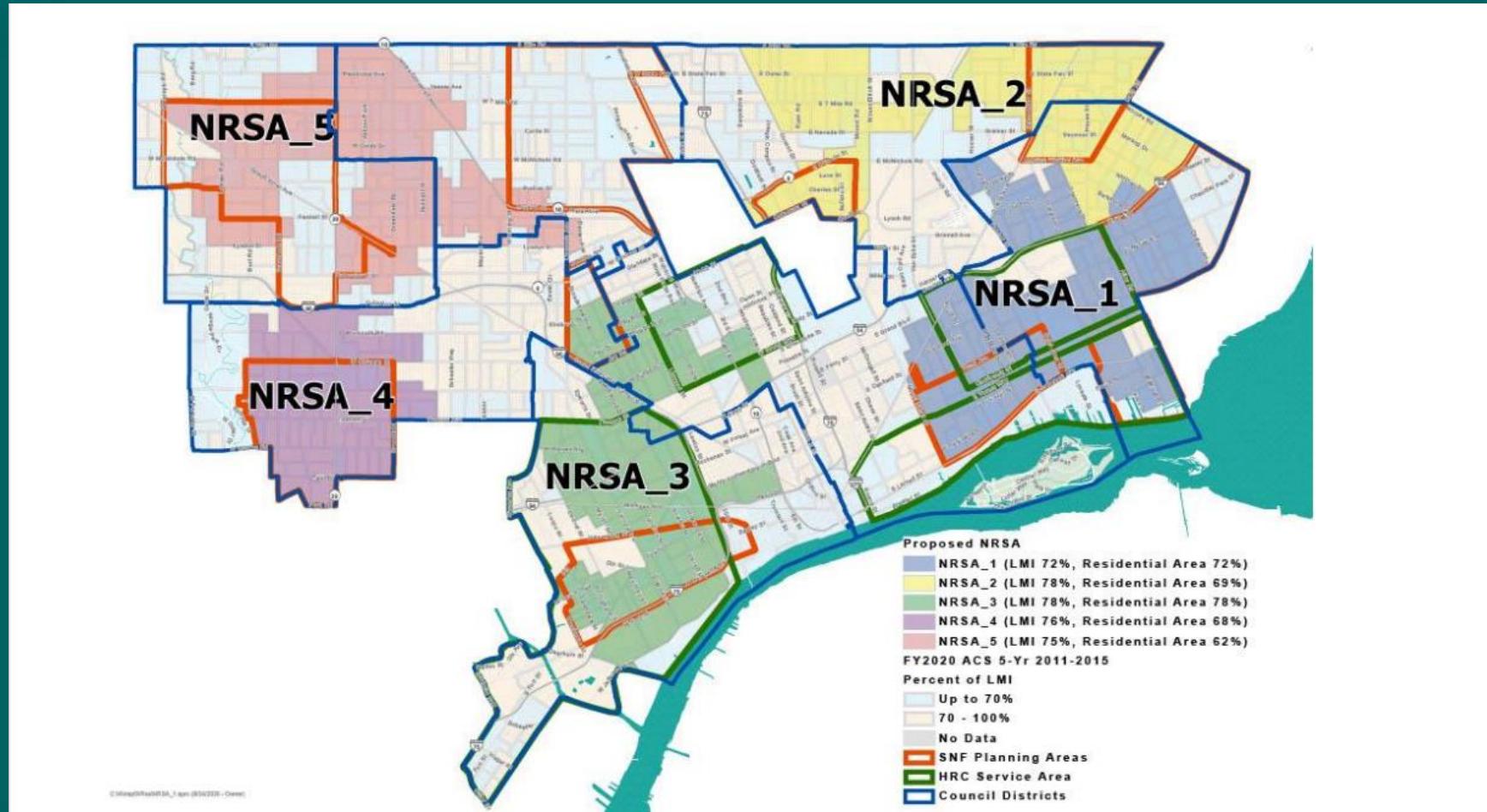
# Background

- As a part of the NRSA plan, HRD planned to implement Empowerment Strategies to promote and facilitate economic growth in the 5 targeted NRAs.
- Economic Opportunities: Develop and fund programs from multiple sources that create or retain jobs that contribute to the economic stability and self-sufficiency of LMI households and persons
  - Economic Development Programs
    - Motor City Match
    - Grow Detroit's Young Talent
      - HRD is using CBDOs to execute this public service activity



Housing and Revitalization  
Department

# NRSA Boundaries 2020-2024





## What is a CBDO?

Community-Based  
Development  
Organization  
(CBDO)

*Generally, a  
nonprofit that  
undertakes specific  
CDBG funded  
activities*

CBDOs can be for  
profit or non profit  
organizations, but  
they ***cannot*** be a  
government entity

CBDOs may be  
designated as a  
subrecipient by a  
grantee



# CBDO- Eligibility

## What are eligible activities?

Neighborhood  
Revitalization

Activities of sufficient size and scope to have an impact on the decline of a geographic location within the City of Detroit (but not the entire City of Detroit) designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographic location

Community  
Economic  
Development

Activities that increase economic opportunity, principally for persons of low-and-moderate income, or that stimulate or retain businesses or permanent jobs, and projects that consist of one or more such activities that are clearly needed to address a lack of affordable housing accessible to existing or planned jobs

Energy  
Conservation

Activities that address energy conservation, principally for the benefit of the low-and-moderate income residents of the City of Detroit

# CBDO- Requirements

## What is required to apply?

Your organization can meet requirements under:

- Exhibit A- 24 CFR 570 204 (c)(1)  
or
- Exhibit B- 24 CFR 570 204 (c)(2)



# CBDO- Requirements

## Exhibit A for 24 CFR 570.204 (c)(1)

An association or corporation organized under State or local law to engage in community development activities primarily within an identified geographic area within the City of Detroit

Its primary purpose is 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 LMI persons

Either nonprofit or for-profit, provided that any monetary profits to shareholders or members must be only incidental to its operation

Maintains at least 51% of its governing body membership for LMI 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 LMI neighborhood organizations located in its geographic area of operation



# CBDO- Requirements

## Exhibit A for 24 CFR 570.204 (c)(1)

Is not an agency or instrumentality of the City of Detroit and does not permit more than 1/3 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

Except as authorized above, requires the members of its governing body to be nominated and approved by the general membership of the organization or by the permanent governing body

Is not subject to requirements under which its assets revert to the recipient upon dissolution

Is free to contract for goods and services from vendors of its own choosing

# CBDO- Support Documentation

## Exhibit A for 24 CFR 570.204 (c)(1)

**Project Description;**  
describe the services  
being funded

**Area of Operation;**  
please specify your  
area(s) of operation

**Copy of By Laws;**  
include a statement of  
the community  
economic  
development activity  
and geographic area  
of location

**Copy of Articles of  
Incorporation;**  
identify the activities  
being performed and  
the geographic area of  
operation



# CBDO- Support Documentation

## List of Governing Body

51% of membership meet the following criteria:

Low- and moderate-income residents of its geographic area of operation

OR

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



# CBDO- Support Documentation

## Self Certification- Form A

Upon establishing which individuals of your governing body meet one of the criteria, each member must self certify by completing and submitting the corresponding Self Certification Form. Each form must be submitted with your application to be considered for certification.

- Individual's must be at or below the median family income. If you are above the amount listed, then you do not qualify under this criteria.
  - Please do not check both
- Low income persons are 80% below the median income per HUD. HRD provides you with the income limits for the fiscal year, but it also listed on Form A

SELF-CERTIFICATION FORM A LOW- AND MODERATE-INCOME REPRESENTATIVE																																							
<p>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 of 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). This form is to be completed by low- and moderate-income residents of the agency's geographic area of operation. The Housing and Revitalization Department requires the following information to determine board member eligibility based on Exhibit "A" section 4 of the CBDO application.</p> <p>Each low- and moderate-income board member must indicate the number of persons in his/her family, and indicate whether their annual family income exceeds or falls below the listed figure for appropriate family size by indicating a check mark in the boxes below.</p> <p>NOTE: "Income" is the total annual income of all family members. Additional expected sources of income must be included in this calculation of annual family income. All income for all persons in the family <b>must</b> be included in calculating family income.</p> <p>Annual Family Income – Check the appropriate box:</p> <table border="1"><thead><tr><th>Family Size</th><th>Total Annual Family Income is Above</th><th>Total Annual Family Income is At or Below</th><th>\$ Amount</th></tr></thead><tbody><tr><td>1 Person</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td>\$44,800</td></tr><tr><td>2 Person</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td>\$51,200</td></tr><tr><td>3 Person</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td>\$57,600</td></tr><tr><td>4 Person</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td>\$64,000</td></tr><tr><td>5 Person</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td>\$69,150</td></tr><tr><td>6 Person</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td>\$74,250</td></tr><tr><td>7 Person</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td>\$79,400</td></tr><tr><td>8 Person</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td>\$84,500</td></tr></tbody></table> <p>I certify that the information provided on this form is accurate and complete, and that I am a low- and moderate-income resident of the _____ (Agency'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 and/or the City of Detroit.</p> <p>Board Member's Name (Please Print): _____</p> <p>Board Member's Signature: _____ Date: _____</p> <p>Board Member's Address: _____</p>				Family Size	Total Annual Family Income is Above	Total Annual Family Income is At or Below	\$ Amount	1 Person	<input type="checkbox"/>	<input type="checkbox"/>	\$44,800	2 Person	<input type="checkbox"/>	<input type="checkbox"/>	\$51,200	3 Person	<input type="checkbox"/>	<input type="checkbox"/>	\$57,600	4 Person	<input type="checkbox"/>	<input type="checkbox"/>	\$64,000	5 Person	<input type="checkbox"/>	<input type="checkbox"/>	\$69,150	6 Person	<input type="checkbox"/>	<input type="checkbox"/>	\$74,250	7 Person	<input type="checkbox"/>	<input type="checkbox"/>	\$79,400	8 Person	<input type="checkbox"/>	<input type="checkbox"/>	\$84,500
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# CBDO- Income Limits

## Detroit-Warren-Livonia, MI FY 2021 Income Limits

City of Detroit  
Housing and Revitalization Department

### Exhibit D

Detroit- Warren-Livonia, MI HUD Metro FMR Area, FY 2021 Income Limits

Income Levels	Family/Household Size - Income Limits							
	Effective: April 2021 Median Income: \$80,000							
1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person	
30% of Median	\$16,800	\$19,200	\$21,960	\$26,500	\$31,040	\$35,580	\$40,120	\$44,660
Very Low Income (50% of Median Income)	\$28,000	\$32,000	\$36,000	\$40,000	\$43,200	\$46,400	\$49,600	\$52,800
Low Income (80% of Median Income)	\$44,800	\$52,200	\$57,600	\$64,000	\$69,150	\$74,250	\$79,400	\$84,500

Community Development Block Grant (CDBG) funds are primarily to serve low-income (80% of the median income) persons. This table especially applicable to projects required to document Low/Moderate Income Clientele (LMC) status on their clients.

The figures for “30% of Median” and “Very Low Income” were provided for your information but would not apply when determining LMC status. Only use “Low Income” figures to determine LMC status.

For more information, please go to the following site: <https://www.huduser.gov/portal/datasets/il/il2021/2021summary.odn>

# CBDO- Support Documentation

## Self Certification- Form B

Upon establishing which individuals of your governing body meet one of the criteria, each member must self certify by completing and submitting the corresponding Self Certification Form. Each form must be submitted with your application to be considered for certification.

- CBDO Applicant Name and Area of Operation is the CBDO, not the Board member's workplace or establishment.
- Share what the Board member's workplace or establishment provides and where it is located.

<b>SELF-CERTIFICATION FORM B</b> BUSINESS OWNER/SENIOR OFFICER REPRESENTATIVE
<p>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).</p> <p>Board members, who qualify as owners or senior officers of private establishments and other institutions, located in and serving the agency's geographic area of operation should complete this form. The Housing and Revitalization Department requires the following information to determine board member eligibility based on Exhibit "A" section 4 of the CBDO application.</p> <p>Each owner or senior officer must provide a description of the private establishment or other institution, including the type of services provided by such establishments/institutions, as well as the targeted area of service.</p> <p><b>CBDO Applicant's Name:</b> _____</p> <p><b>CBDO Geographic Area of Operation:</b> _____</p> <p><b>Board Member's Name (please print):</b> _____ <b>Private Institution's Name:</b> _____ <b>Private Institution's Address:</b> _____ <b>Position Held by Board Member:</b> _____</p> <p><b>Please provide a description of the goods and services provided by the private institution:</b> _____ _____ _____ _____ _____</p> <p><b>Please provide the geographic area of operation for the private establishment:</b> _____ _____ _____</p> <p><b>I certify that the information provided on this form is accurate and complete.</b> I further acknowledge that the information I have provided in this self-certification form may be subject to verification by the U.S. Department of Housing and Urban Development and/or the City of Detroit</p> <p><b>Board Member's Signature:</b> _____ <b>Date:</b> _____</p>
City of Detroit – Housing and Revitalization Department 2019



# CBDO- Support Documentation

## Self Certification- Form C

Upon establishing which individuals of your governing body meet one of the criteria, each member must self certify by completing and submitting the corresponding Self Certification Form. Each form must be submitted with your application to be considered for certification.

- CBDO Applicant Name and Area of Operation is the CBDO, not the Board member's non-profit or neighborhood organization.
- Share what the Board member's non-profit or neighborhood organization provides and where it is located.

<b>COMMUNITY BASED DEVELOPMENT ORGANIZATION (CBDO) GOVERNING BODY</b>	
<b>SELF-CERTIFICATION FORM C</b>	
<b>NON-PROFIT OR NEIGHBORHOOD ORGANIZATION REPRESENTATIVE</b>	
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 representatives of low- and moderate-income neighborhood organizations located in the agency's geographic area of operation, should complete this form. The Housing and Revitalization Department requires the following information to determine board member eligibility based on Exhibit "A" section 4 of the CBDO application.	
Each representative must provide a description of the neighborhood organization, including the type of services provided by such organization, as well as the targeted area of service.	
CBDO Applicant's Name:	<input type="text"/>
CBDO Geographic Area of Operation:	<input type="text"/>
Board Member's Name (please print):	<input type="text"/>
Organization's Name:	<input type="text"/>
Organization's Address:	<input type="text"/>
Please provide description of services provided by the neighborhood organization:	
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
Please provide the geographic area of operation for the neighborhood organization:	
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
I certify that the information provided on this form is accurate and complete. I further acknowledge that the information I have provided in this self-certification form may be subject to verification by the U.S. Department of Housing and Urban Development and/or the City of Detroit.	
Board Member's Signature:	<input type="text"/>
Date:	<input type="text"/>



# CBDO- Income Limits

## List of Governing Board – Exhibit C

Upon establishing which individuals of your governing body meet one of the criteria, each member must self certify by completing and submitting the corresponding Self Certification Form. Each form must be submitted with your application to be considered for certification.

- In addition to completing each Self Certification form, submit Exhibit C.
- Exhibit C requires you to list the entire board and check off which of those board members meet one of the criteria

List All Governing Board Members		Complete All Columns That Apply			
Last Name	First Name	Low and Moderate Income Person (per Exhibit D) Residing in the Geographic Area of Operation (Provide self-certification form A)	Owner or Senior Officer of a Private Establishment or Other Institution Located in and Serving the Geographic Area of Operation (Provide self-certification form B)	Representative of a Low- and Moderate-Income Neighborhood Organization Located in the Geographic Area of Operation (Provide self-certification form C)	Board Term Expiration Date
Total Number of Board Seats:					



# CBDO- Requirements

## Exhibit B for 24 CFR 570.204 (c)(2)

Is an entity organized per Section 301 (d) of the Small Business Investment Act of 1958 (15 U.S.C 681 (d)), including those that are profit making

OR

Is a Small Business Administration (SBA) approved Section 501 State Development Company or Section 502 Local Development Company, or an SBA Certified Section 503 Company under the Small Business Investment Act of 1958, as amended

OR

Is a Community Housing Development Organization (CHDO) under 24 CFR 92.2, designated as a CHDO by the HOME Investment Partnerships Program by the City of Detroit, with a geographic area of operation of no more than one neighborhood and has received or is expected to receive HOME funds under 24 CFR 92.300

# CBDO- Support Documentation

## Exhibit B for 24 CFR 570.204 (c)(2)

**Project Description;**  
describe the services  
being funded

**Area of Operation;**  
please specify your  
area(s) of operation

**Copy of By Laws;**  
include a statement of  
the community  
economic  
development activity  
and geographic area  
of location

**Copy of Articles of  
Incorporation;**  
identify the activities  
being performed and  
the geographic area  
of operation

## CBDO- Benefits

# What are the benefits for my organization?

- Potential opportunities through the City of Detroit.
  - Using a CBDO to execute services allows for more flexibility with spending federal dollars
- Gain exposure
  - New organization? We list active CBDOs on the HRD website, so that residents can use your organization as a resource.
- Exhibit your organization's expertise in the specific areas of the community
  - We want people to know that local Detroiters and organizations are the experts for an array of services.
- Directly a part of the Detroit's socioeconomic growth

## CBDO- FAQs

# Frequently Asked Questions

- What's the difference between a CBDO and a CHDO?
  - A CBDO is to "community development" what a CHDO is to "housing development" (CHDO is short for "Community Housing Development Organization"). Local government have more flexibility in spending their federal HOME housing dollars when they do business with a CHDO. It is possible for a nonprofit to be both a CBDO *and* a CHDO (although the requirements are not identical)
- Can we apply for both applications?
  - You could, but it's not necessary. You can be a CHDO and not a CBDO, but you can be a CBDO and CHDO.
- Will our organization be notified of funding opportunities by becoming a CBDO?
  - Yes, we want to encourage local organizations to become CBDOs so that we can leverage using more federal dollars for projects.



## CBDO- Application

### Where do I apply?

- Qualify Under Exhibit A
  - [Exhibit A 24 CFR 570 \(c\)\(1\)](#)
- Qualify Under Exhibit B
  - [Exhibit B 24 CFR 570 \(c\)\(2\)](#)
- Certifications last for one year
  - All organizations must recertify annually



# Questions ?

## Contact Information

LaShaun Turner  
Community Development Specialist III  
Public Facility Rehabilitation/Economic Development Division  
Housing & Revitalization Department  
[lashaun.turner@detroitmi.gov](mailto:lashaun.turner@detroitmi.gov)