

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.

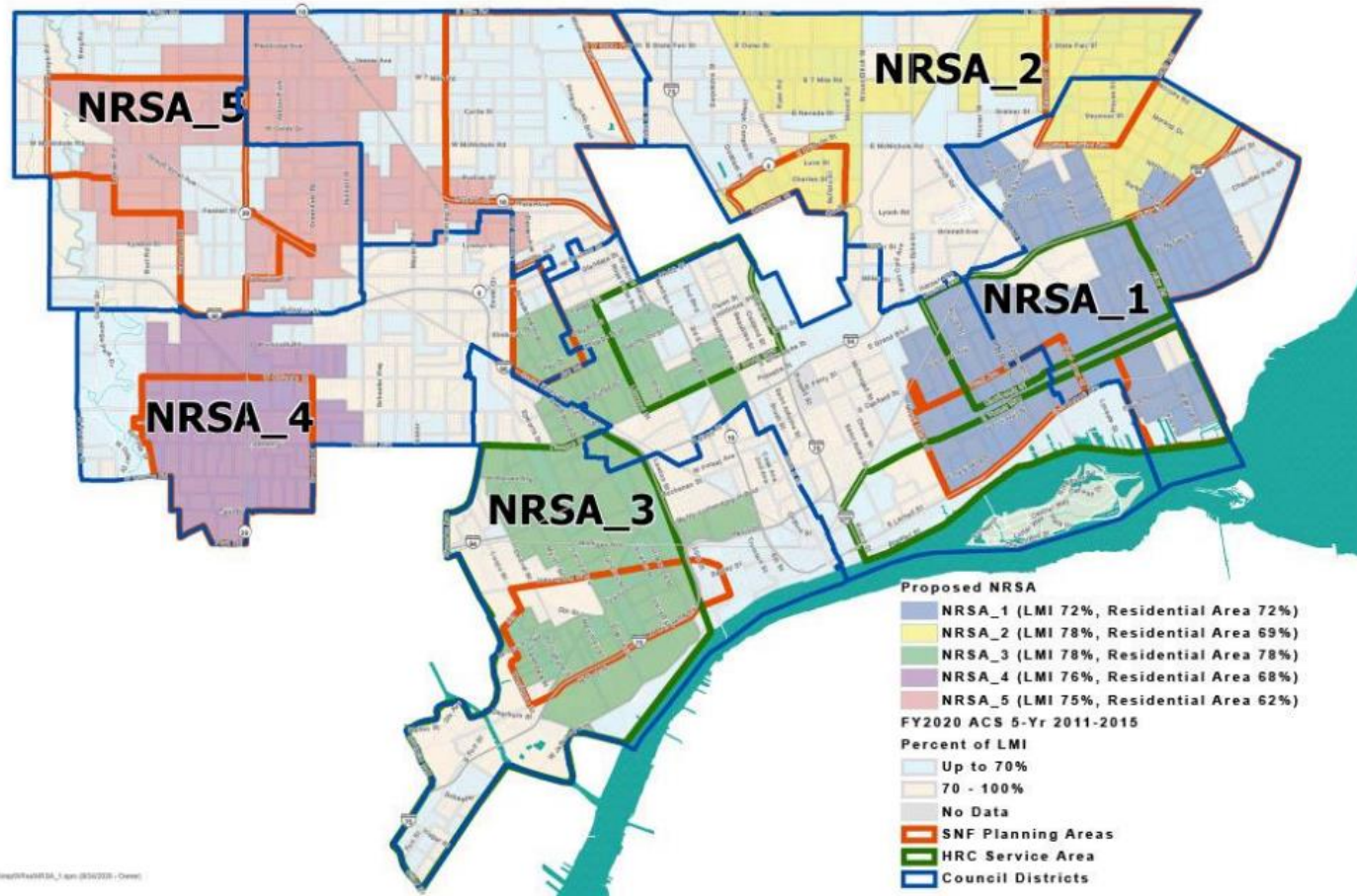
Background

- As a part of the NRSA plan, HRD planned to implement Empowerment Strategies to promote and facilitate economic growth in the 5 targeted NRSA.
- 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

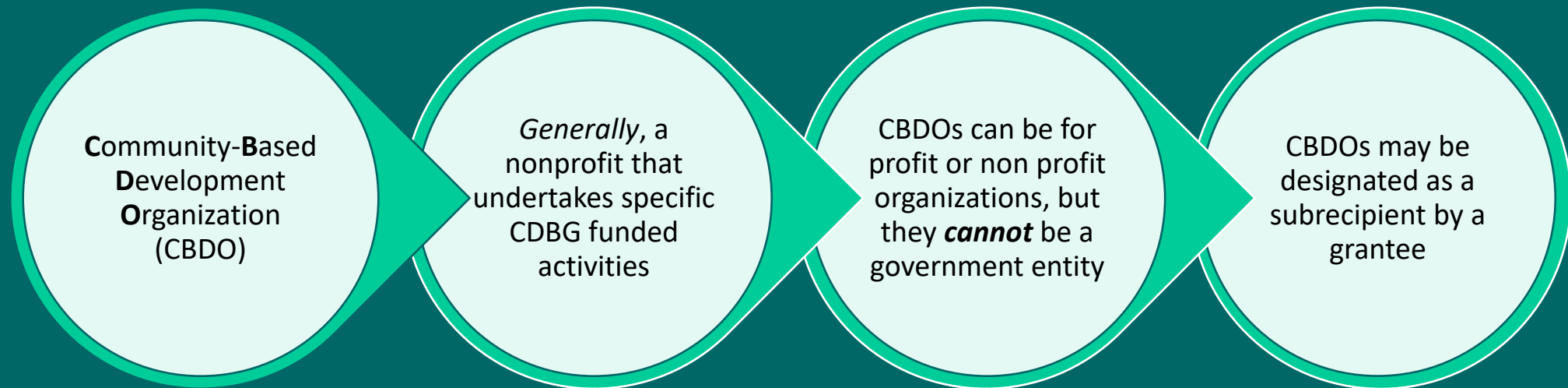


Housing and Revitalization
Department

NRSA Boundaries 2020-2024



What is a CBDO?



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

List of Governing Body

51% of membership meet the following criteria:



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

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.

Each low- and moderate-income board member must 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 indicating a check mark in the boxes below.

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 **must** be included in calculating family income.

Annual Family Income – Check the appropriate box:

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

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.

Board Member's Name (Please Print): _____

Board Member's Signature: _____ Date: _____

Board Member's Address: _____

9

City of Detroit – Housing and Revitalization Department 2019

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.

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, 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.

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.

CBDO Applicant's Name: _____

CBDO Geographic Area of Operation: _____

Board Member's Name (please print): _____

Private Institution's Name: _____

Private Institution's Address: _____

Position Held by Board Member: _____

Please provide a description of the goods and services provided by the private institution:

Please provide the geographic area of operation for the private establishment:

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: _____ Date: _____

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.

**COMMUNITY BASED DEVELOPMENT ORGANIZATION (CBDO)
GOVERNING BODY
SELF-CERTIFICATION FORM C
NON-PROFIT OR NEIGHBORHOOD ORGANIZATION 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 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: _____

CBDO Geographic Area of Operation: _____

Board Member's Name (please print): _____

Organization's Name: _____
Organization's Address: _____

Please provide description of services provided by the neighborhood organization:

Please provide the geographic area of operation for the neighborhood organization:

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: _____ Date: _____


City of Detroit – Housing and Revitalization Department 2019

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



City of Detroit
Housing and Revitalization Department
Exhibit C
Community Based Development Organization
Governing Board

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**. Please list all Governing Board members.

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)

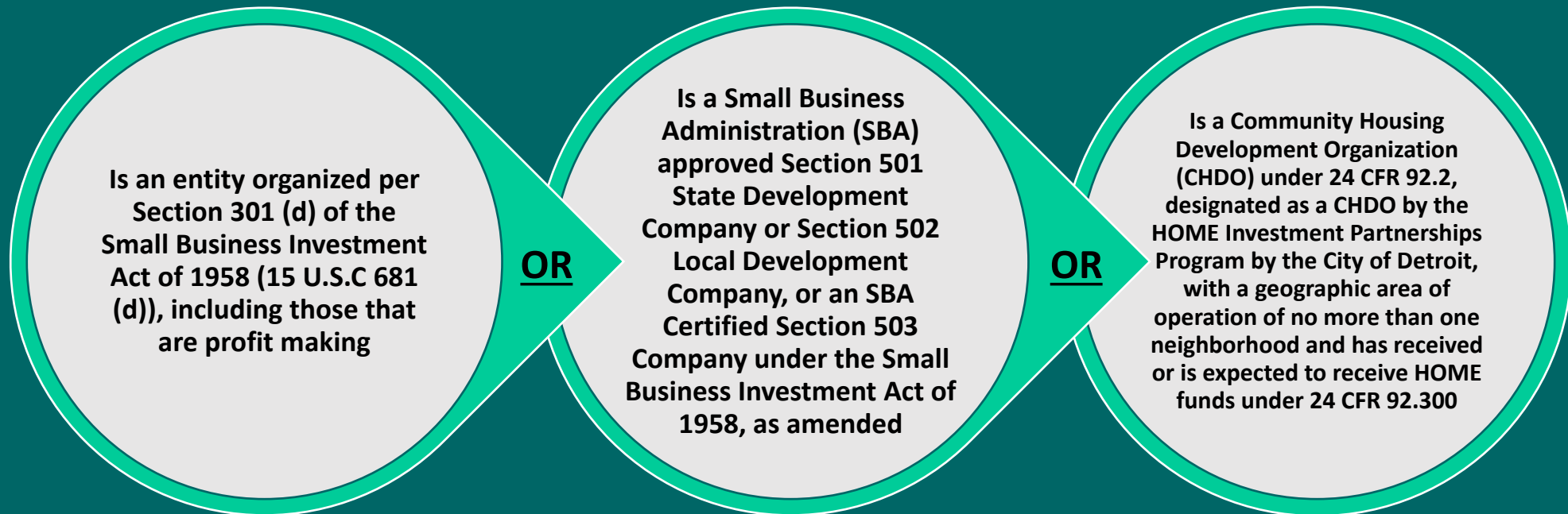


Exhibit B for 24 CFR 570.204 (c)(2)

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

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

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

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Housing & Revitalization Department
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