




**Planning & Development Division**  
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### Community Based Development Organizations

The U.S. Department of Housing and Urban Development (HUD) allows for flexibility in some housing and economic development activities of the Community Development Block Grant program when an organization is certified as a Community Based Development Organization (CBDO).

HUD defines a CBDO as an organization that meets the following:

- 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; and
- 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
- May be either non-profit or for-profit, provided any monetary profits to its shareholders or members must be only incidental to its operations; and
- 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
- 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; and
- Requires the members of its governing body to be nominated and approved by the general membership of the organization, or by its permanent governing body; and
- Is not subject to requirements under which its assets revert to the recipient upon dissolution; and
- Is free to contract for goods and services from vendors of its own choosing.

*Please consult 24 CFR Part 570.204 for full regulations.*