

# The State of US Community-Based Development Organizations, 2019–2021

*Results of the Sixth National Community Development Census Survey*

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## KEY CHARACTERISTICS OF THE CBDO FIELD

### CBDO POPULATION

**Total CBDOs:** 6,225

**Urban-serving:** 48 percent

**Rural-serving:** 14 percent

**Urban- and rural-serving:** 39 percent

**Female director:** 51 percent

**Director of color:** 32 percent

**LGBTQ+ director:** 5 percent

### RENTAL UNITS

**Developed/rehabbed:** 278,911

### OWNER-OCCUPIED UNITS

**Repaired/weatherized:** 144,988

**Rehabilitated:** 52,038

**Developed:** 38,527

### OTHER HOUSING PRODUCTION

**Sweat equity units:** 14,924

**Emergency shelter beds:** 13,747

**Transitional housing units:** 13,217

### COMMERCIAL AND COMMUNITY FACILITIES

**Office/retail:** 2,352

**Community facilities:** 865

**Industrial/warehouse:** 248

**Notes:** Rehabilitated units are those for which \$20,000+ was spent per unit. Sweat equity units are those for which residents provided in-kind services to support unit development.

Urban Institute researchers conducted the sixth census survey of nonprofit community-based development organizations (CBDOs), the first survey of its kind in almost 20 years. This fact sheet summarizes findings about CBDOs operating in the US from 2019 to 2021.

## DEMOGRAPHICS AND ORGANIZATION CHARACTERISTICS

- The average CBDO is 35 years old.
- The directors of CBDOs are on average 55 years old.
- Two out of three (68 percent) directors identify as white and not Latine.
- Half (51 percent) of directors identify as female.
- The median organization has a total of 14 paid staff.
- Directors have led their organizations for an average of seven years.

## HOUSING DEVELOPMENT

- Two-thirds (67 percent) of CBDOs produced housing, for a total of 556,000 units.
- A majority of CBDOs that develop housing developed rental units (59 percent).
- Almost half (45 percent) engaged in home repair/weatherization.
- Over a third engaged in owner-occupied construction (38 percent) or rehabilitation (35 percent).
- Fewer CBDOs produced emergency shelter, transitional housing, or sweat equity units.
- CBDOs developed or substantially rehabilitated a total of 123,000 rental and owner-occupied units per year. This reflects a 43 percent increase compared to 2005, consistent with the growth in the population of CBDOs.

## COMMERCIAL AND COMMUNITY FACILITIES DEVELOPMENT

- One quarter (26 percent) of CBDOs developed commercial or community facilities, constructing almost 3,500 facilities.

- These CBDOs focused on developing office and retail spaces (54 percent), community facilities like recreational facilities (30 percent), and industrial facilities (13 percent).

### COMMUNITY LENDING AND FINANCIAL ASSISTANCE

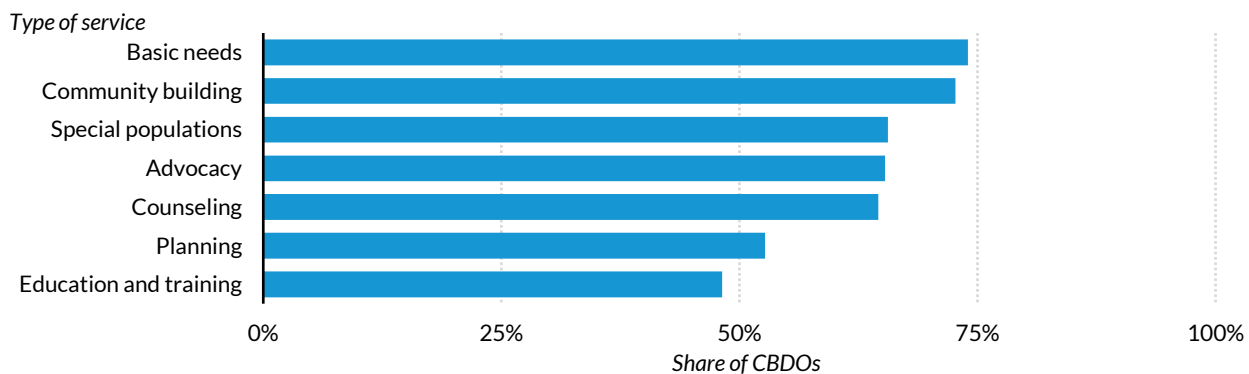
- One in six CBDOs (16 percent) engaged in community lending and/or provided financial assistance.
- CBDOs invested an estimated \$3.5 billion per year in community lending and financial assistance activities.
- Most dollars (63 percent) went to real estate development loans, followed by home purchase mortgages (25 percent), down payment assistance (6 percent), and business loans (6 percent).
- 34 percent of CBDOs that lend or provide financial assistance identified as community development financial institutions (CDFIs).

### SERVICES AND ADVOCACY

Almost all (96 percent) CBDOs provide services or advocate for their communities, such as providing food and healthcare, community organizing, leadership development, and local government advocacy (figure 1).

FIGURE 1

#### Share of Community-Based Development Organizations Engaging in Services and Advocacy, 2019–2021



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Source: Authors' analyses of Grounding Values survey data.

Note: CBDOs = community-based development organizations. See Scally et al. 2023 for details on the activities and types of advocacy included in each of the categories in this figure.

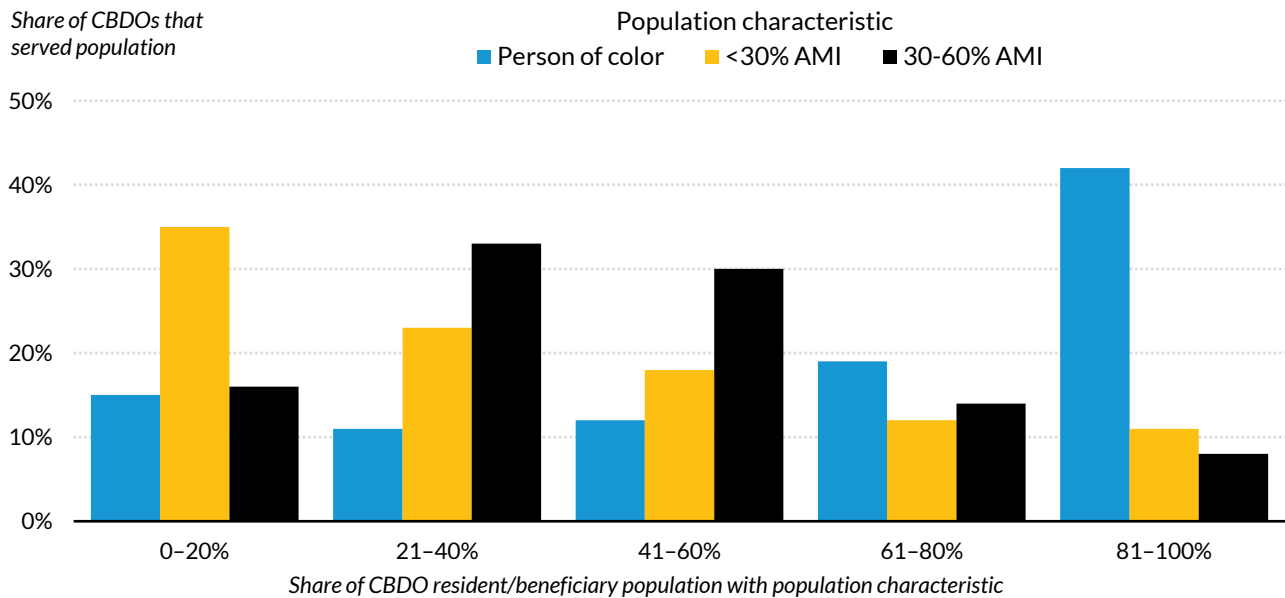
### PEOPLE AND PLACES SERVED

- The most common type of area served is urban-only (48 percent), followed by mixed urban and rural (39 percent) and then rural-only (14 percent).
- One out of three CBDOs serves either a single city (20 percent) or neighborhood (13 percent), and another third (32 percent) serves one or more states.
- Two out of five CBDOs (42 percent) serve at least 80 percent people of color.
- One in three CBDOs (37 percent) exclusively serves households at or below 60 percent of the area median income (figure 2).

FIGURE 2

**Community-Based Development Organizations’ Resident and Beneficiary Characteristics, 2019–2021**

Shares of CBDOs that serve populations with varying percentages of people of color and households earning below the area median income



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Source: Authors’ analyses of Grounding Values survey data.

Note: AMI = area median income; CBDOs = community-based development organizations.

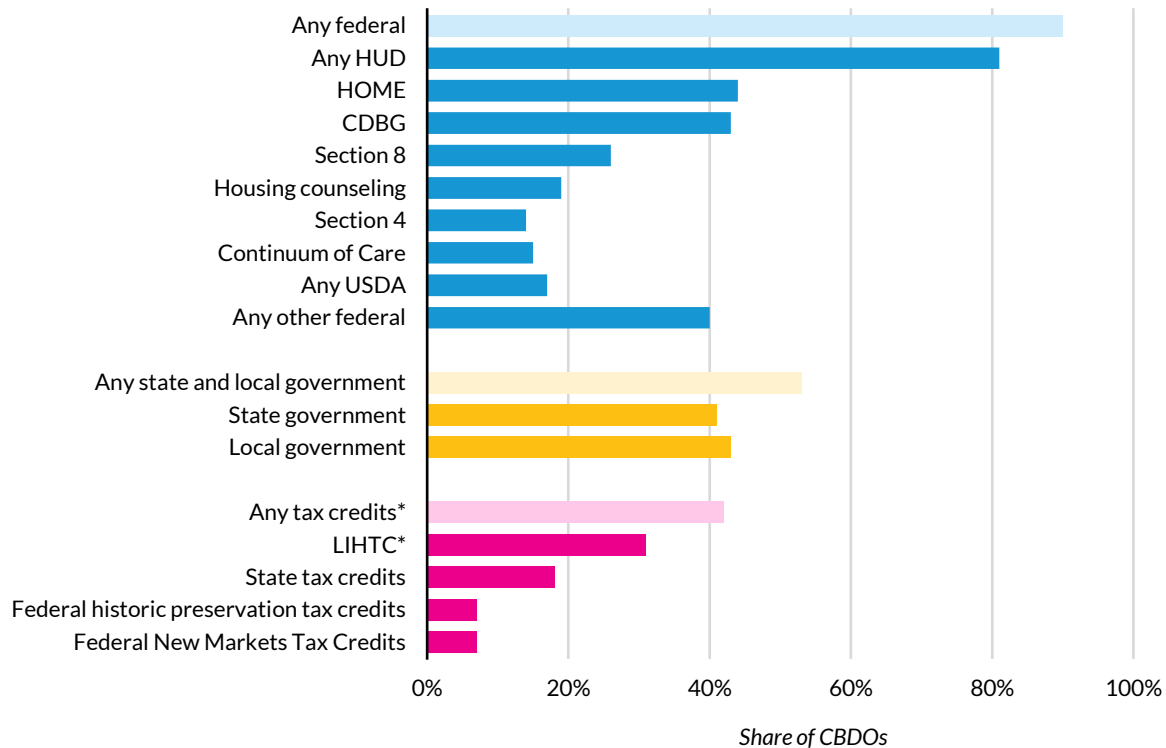
Figure 2 shows a detailed breakdown of the share of CBDOs that serve various subpopulations. For example, the “Person of color” column (in blue) in the “0–20%” series indicates that 15% of CBDOs served resident/beneficiary populations that were 0–20% people of color. Other columns can be interpreted similarly.

**FUNDING SOURCES AND LEVELS**

- Most CBDOs (90 percent) reported receiving at least \$50,000 in program and project funding from at least one federal program (figure 3).
- Most CBDOs (90 percent) reported receiving at least \$20,000 in unrestricted operating support from at least one source (figure 4).
- CBDOs led by directors of color have fewer financial resources and are more likely to show signs of financial instability than white-led organizations (figure 5).

FIGURE 3

Receipt of Project and Program Funding of \$50,000 or More, 2019–2021



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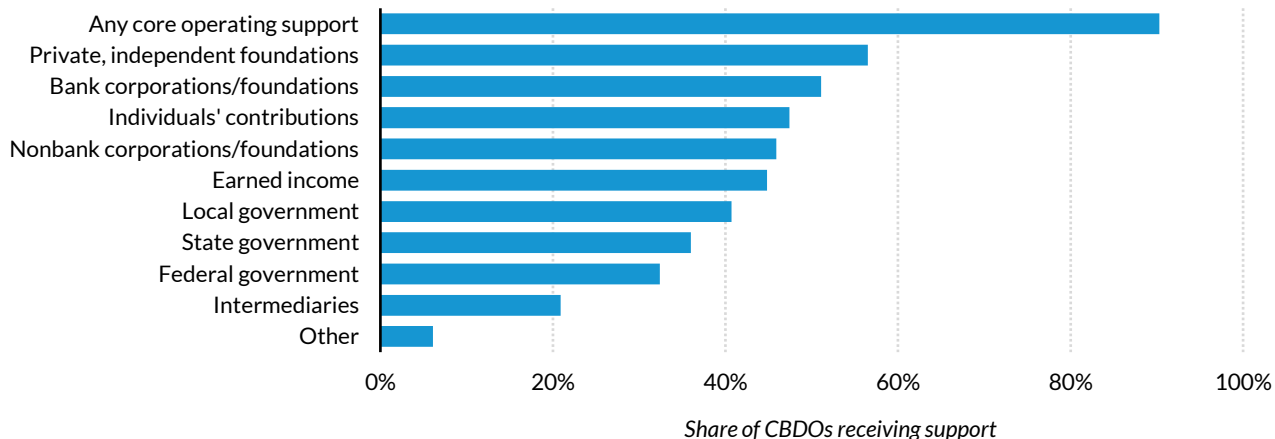
Source: Authors' analyses of Grounding Values survey data.

Notes: HUD = US Department of Housing and Urban Development; HOME = HOME Investment Partnerships Program; CDBG = Community Development Block Grant Program; USDA = United States Department of Agriculture; LIHTC = Low-Income Housing Tax Credit Program; CBDOs = community-based development organizations. Data in response to the survey prompt: "For the following questions, please select ALL sources from which you received more than \$50,000 in any one year between January 2019 and December 2021." The categories "Any federal," "Any HUD," "Any USDA," "Any other federal," "Any state and local government," and "Any tax credits" reflect respondents who selected a funding source from within any of those overarching categories of funding mechanisms. Some funding sources were listed on the survey but are not shown here, though they were included in calculating the "Any" categories.

\* The share of CBDOs that reported receiving at least \$50,000 in LIHTC funding in at least one of the prior three years (31 percent) is substantially higher than expected. This discrepancy is likely due to the nature of LIHTC funding and how the survey question was phrased—see the full report for details. This discrepancy has potential implications for both the "LIHTC" and "any tax credits" statistics presented in this figure; these estimates should be interpreted with caution.

FIGURE 4

Receipt of Core Operating Support of \$20,000 or More, 2021



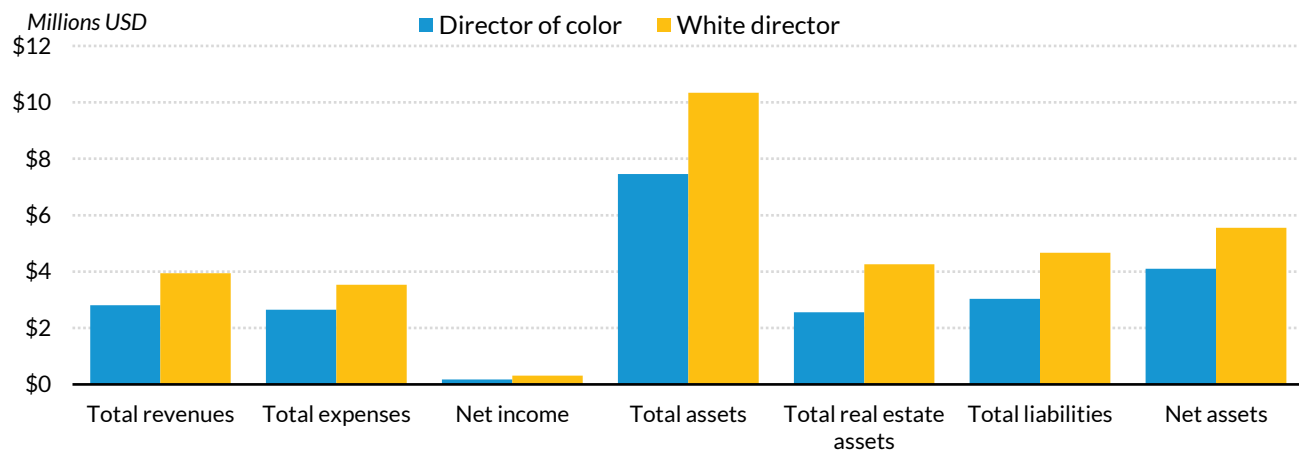
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Source: Authors' analyses of Grounding Values survey data.

Notes: CBDOs = community-based development organizations. Data in response to: "In your most recently completed fiscal year, from what sources did your organization receive \$20,000 or more in core operating support (i.e., support that was not earmarked for specific projects or programs)?" The category "Any core operating support" reflects all respondents who selected at least one source of core operating support.

FIGURE 5

Select Average Financial Management Metrics by Director Race/Ethnicity, 2017–2020



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Source: Authors' analyses of IRS tax filing records and Grounding Values survey data.

Notes: All metrics are Winsorized at the 5 percent and 95 percent levels. All metrics were statistically significantly different at the  $p \leq .05$  level when comparing differences in means between organizations led by directors of color and organizations led by white directors. Financial data from 2018 were used, where available, to align with the 2018 financial health analysis of CBDOs. In some cases, survey respondents did not have IRS data available for the 2018 filing year, in which case we used data from 2017, 2019, or 2020. All dollar values are inflation adjusted to 2020.

ADVANCING EQUITY FOR PEOPLE OF COLOR

- **Living in communities:** Between 2019 and 2021, most CBDOs, regardless of the race or ethnicity of their director, acted to advance racial justice within their communities, including forming new partnerships with advocacy and grassroots groups (53 percent) and advocating for broader social justice issues (46 percent).
- **Working in CBDOs:** Between 2019 and 2021, most organizations undertook equity-oriented changes such as training staff on diversity, equity, and inclusion (50 percent) and integrating racial equity into organizational strategic plans (49 percent).

- **Leading the field:** Between 2019 and 2021, a director of color led almost one out of every three CBDOs (32 percent). Most respondents reported significant systemic barriers to the career advancement of leaders of color—such as a small pipeline of staff of color and discrimination in hiring and promotions—and obstacles to organizations led by people of color, such as entrenched political and funding relationships among white-led organizations. Across almost all barriers, organizations led by directors of color more frequently reported the barrier as significant than those led by white directors.

## READ THE FULL REPORTS

Payton, Corianne Scally, Will Curran-Groome, Alexa Kort, Shubhangi Kumari, and Lydia Lo. 2023. *The State of Community-Based Development Organizations: Results from the Sixth National Census of CBDOs*. Washington, DC: Urban Institute.

Kort, Alexa, Will Curran-Groome, Corianne Payton Scally, and Shubhangi Kumari. 2023. *The State of Community-Based Development Organizations: Technical Report*. Washington, DC: Urban Institute.

## ABOUT THE AUTHORS

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## ABOUT THE GROUNDING VALUES STUDY

Grounding Values was launched by the National Alliance of Community Economic Development Associations in partnership with the Urban Institute in 2021 to study the financial health, production, programs, and services of CBDOs throughout the United States. The research includes tax data analysis, a national census survey, and qualitative research around key themes. The study is informed by a notable advisory committee of national community development and affordable housing experts, advocates, and institutions. Products will release through 2024, including reports, fact sheets, policy briefs, and public-use datasets; they are available at

<https://www.urban.org/projects/grounding-values-cbdos>.

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