

Expanding a
Non-profit's
Capacity to
become an
Affordable
Housing
Developer



**Priscilla Howard, Consultant
Florida Housing Coalition**



Get Your
HOUSE
in
Order





There are at least 6 pieces to the Capacity Assessment Puzzle that must be in place before entering or expanding in the field of Affordable Housing

- 🧩 Organization Structure
- 🧩 Governance
- 🧩 Board Capacity
- 🧩 Staff Capacity
- 🧩 Financial Capacity
- 🧩 Partnership – yes or no

Nonprofit Organization structure

Who makes up your Board (ie. does Board qualify you to be a Community Housing Development Organization (CHDO))?

Are you registered as a 501(c)(3) with the State of Florida and IRS?

Is your professional team made up of employees, volunteers, contractors or a combination of all the above.

Do you have the appropriate designation or certifications, and insurance for the funding sources you may be seeking?





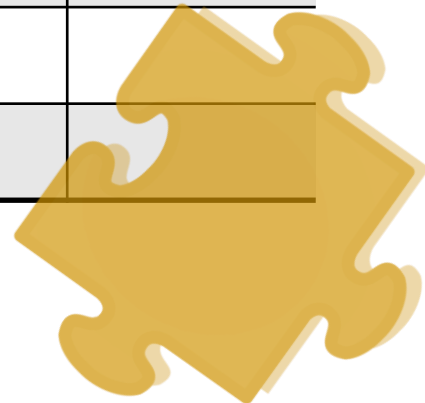
Nonprofit Governance

How are decisions made at your organization?



Nonprofit Board and Staff Capacity

CURRENT BOARD AND STAFF SKILL SETS											
Board Member (x)	Staff (+)	Contract Law	Tax Law	Real Estate Law	Construction	Compliance	Project Management	Transactional Finance	Accounting or Investment Banking	Government	Grant Writing
Mr. A									X	+	+
Ms. Q		X									
Mr. E					X						
Ms. Z											
Ms. Y											
Mr. P											





Nonprofit Financial Capacity



- ⌘ Will this expansion take away from funding for your core mission
- ⌘ Can you pay upfront fees such as Application Fees and Credit Underwriting Fees
- ⌘ Can you fund financial guarantees (depending on funding source)
- ⌘ Can you wait 18 to 24 months for transaction to close to receive a small percent of your funds back.
- ⌘ Can you wait another after construction is complete and investor approves the final payment to reimburse your funds.

The Final Question?

To Partner



Or Not to Partner





If a Nonprofit Seeks a Development Partner

Do your Homework to identify a good potential partners

- Seek out referrals.
- Understand your Development Goals
- Pursue Mission alignment
- Investigate Reputation at Local and State
- Inquire about Nonprofit's responsibilities and fees
- Determine if seeking Long-term or short-term relationship
- Acquire adequate representation to understand transaction
- Maintain Open and Clear Communication

