**MIE Webinar: How Foundations Small and Large Can Support Affordable Housing**

**Overview:** This document outlines the various aspects of a webinar focused on the connection between impact investing and affordable housing.

**Presentation Description**: Participants will learn how impact investing, and specifically loans, can support the creation and preservation of affordable housing in their community. The presentation is anticipated to last 60-90 minutes, including questions and answers.

**Audience**: Mission Investors Exchange members

**Presenter:** Marc Rand, Managing Partner at Community Capital Advisors.

Relevant history:

* 12 years managing Marin Community Foundation’s Loan Fund
* Program Director for affordable housing at MCF
* Advisor for Enterprise Community Partners, one of the country’s largest tax credit investors

**What is the issue?**

* Foundations have increasingly become interested in how to connect their programmatic work to affordable housing. In many areas of the country, affordable housing is the #1 issue facing the community. However, the barriers to entry in affordable housing, especially the high costs of development, leave many foundations without a strategy to address the growing needs. With the right strategies and partners, impact investing/lending, can help provide a solution**.**

**Background**

* Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. An estimated 12 million renter and homeowner households now pay more than 50 percent of their annual incomes for housing.[[1]](#footnote-1)
* The country needs to construct 4.6 million new apartments by 2030.
* While the need for additional units impacts cities across the country, demand is expected to be especially high in fast-growing cities including Raleigh, North Carolina (69.1 percent increase forecast), Orlando (56.7 percent), and Austin, (48.7 percent). In addition, large urban areas also need a sizable increase of new units, including the New York City metro area (278,634 additional apartments) Dallas-Ft. Worth, Texas (266,296 new units), and Houston, Texas (214,176 new units).[[2]](#footnote-2)
* Families cannot afford the rising costs of housing, insurance, transportation, and other basic living expenses. Low income families are most severely affected.

**Barriers/Challenges to funding affordable housing**

* Affordable housing can cost as much as $500,000 to create one unit.
* NIMBY pressures make affordable housing a sensitive topic in communities. Some foundations shy away from the topic for fear of donor backlash.
* The time to develop a new unit of affordable housing can take as long as 10 years. This long-term horizon is difficult to sell to a foundation board as immediate needs continue to grow.

**Opportunities**

* The presentation will provide clear examples of
* Funder collaboratives between foundations, government, banks, CDFIs, and tax credit investors can provide the continuum of funding required to develop affordable housing.
* Grants are often used to fund the riskiest phase of development. By reducing this risk, other funders may support a development.
* Funding for affordable housing exists, but can be hidden. The presentation will help identify various sources of funding that can be leveraged.
* Small to foundations have recognized the need to support affordable housing. The presentation will provide examples from across the country, including rural communities.
* Foundations and impact investors can support low income families and affordable housing through various means, including: supporting energy and water efficiency programs, on-site child care services, and job enhancement programs. The presentation will highlight several best practices and what the impact investment opportunity was.

**Call to Action**

* Define community need and funder interest. Meet with affordable housing developers to discuss opportunities.
* Develop loan program to support affordable housing development.
* Consider offering low interest loans to refinance existing properties and reduce operating costs.

**Other Resources**

* Glossary of terms
* National and local low-income housing organizations

**Contact information:**

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415-577-1420

1. US Office of Housing and Urban Development [↑](#footnote-ref-1)
2. Weareapartments.org [↑](#footnote-ref-2)