

**2020 EMBRACING TRANSFORMATION**  
FINANCIAL MANAGEMENT CONFERENCE

# **New Capital Sources and Their Impact on Housing**

October 29, 2020

**STRENGTHMATTERS®**

# Getting Started

- All participant lines are muted.
- You may use the **Chat** feature to ask questions.
- Please use the **Raise Hand** feature if you would like to speak.
  - The Raise Hand feature is located in the Participant panel.
- Any questions not answered during the presentation will be addressed at the end of the session.

# Continuing Professional Education Requirements for CPAs

- **Polls are Required for CPEs**

- If you are seeking CPE credits, please submit ALL polls and the conference evaluations.
- We use **Polls** and the **Zoom attendance record** to verify participation throughout the webinar.
  - **Participants must submit ALL polls and be logged in no later than 10 minutes after the scheduled session start time to receive a certificate.**
- You may request a certificate of completion via the conference evaluations.
  - Links to the evaluations are emailed to all registrants.
- For more information on CPE credits, contact Lindsay Wells at [consult.lwells@gmail.com](mailto:consult.lwells@gmail.com).

## Panel

- **Kimberley Latimer-Nelligan**, President, Low Income Investment Fund
- **Ruby Bolaria-Shifrin**, Director of the Housing Affordability Program, Chan Zuckerberg Initiative
- **Fathia Macauley**, Chief Lending Officer, Housing Trust Silicon Valley

# Poll #1

## LIIF's Mission and Vision

Everyone in the United States should benefit from living in a community of opportunity, equity and well-being. LIIF mobilizes capital and partners to achieve this vision for people and communities.

**We will drive \$5 billion in investments over the next decade to advance racial equity.**



# Stewards for Affordable Housing for the Future

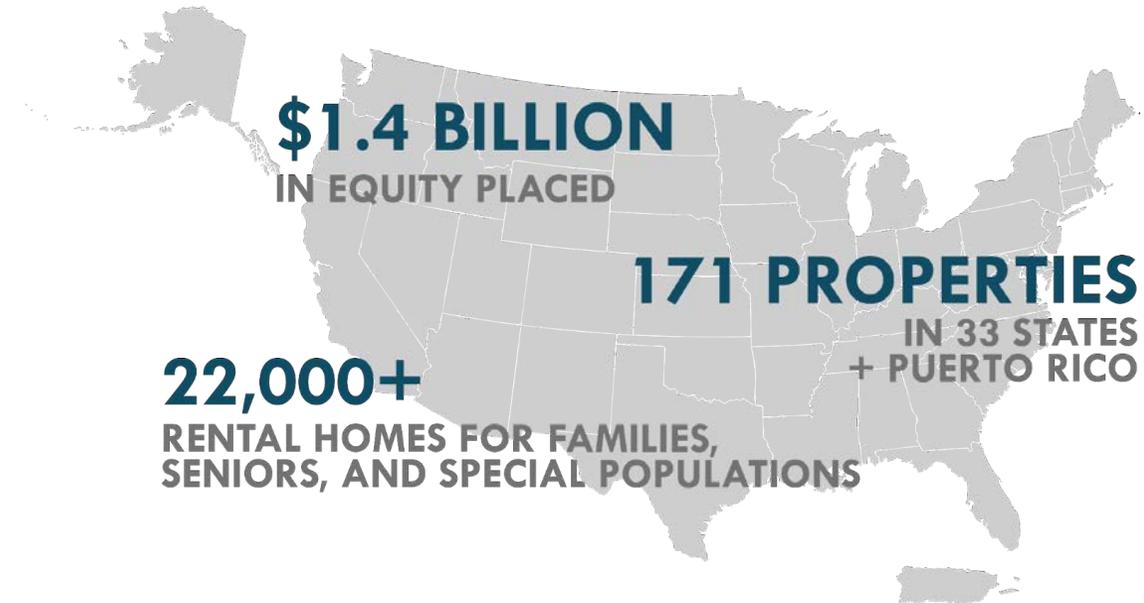
- **Strong Network:** 13 of the largest nonprofit affordable housing developers
- **National Housing Crisis:** preceded and sharpened by COVID-19
- **SAHF Members:** leading edge of resident-based, outcome driven housing strategies



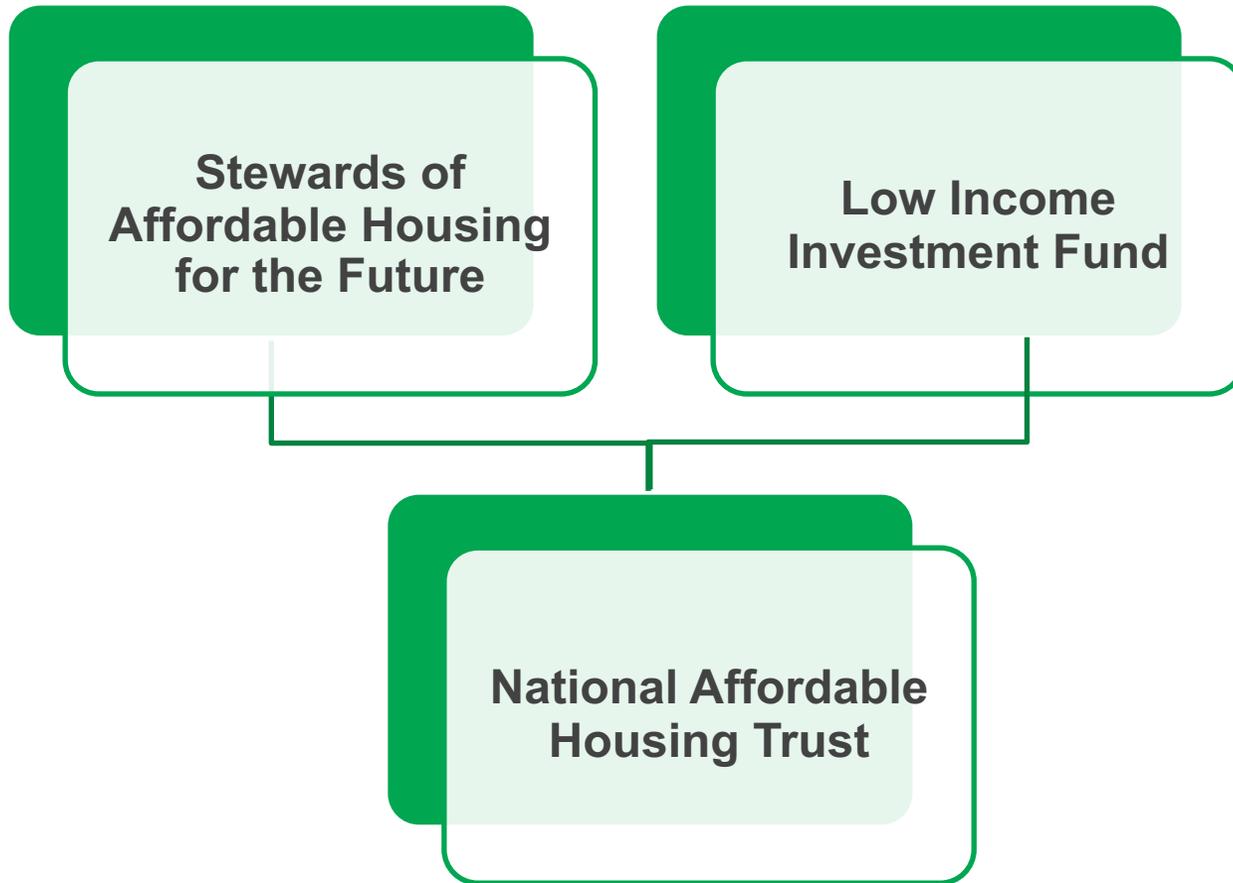
# National Affordable Housing Trust



- LIHTC investments in **resident-focused housing** with SAHF's developers
- **18,000 homes** and **\$1.5B** in managed LIHTC investments
- **Top-performing** syndication portfolio
- **Development Consulting Services** expanding capacity to SAHF's developers



# SAHF-LIIF-NAHT Joint Venture



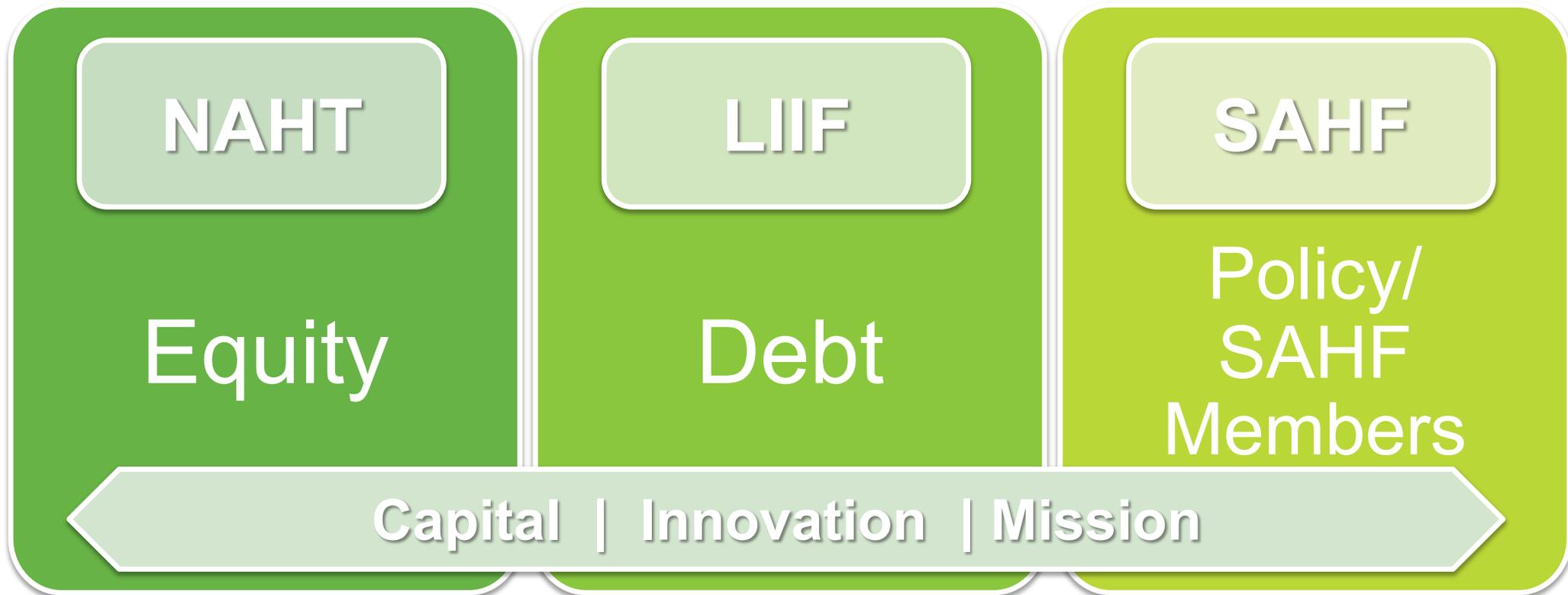
**Mission First** focus on  
Capital & Advocacy for  
Affordable Housing

Partnership supported by the SeaChange-  
Lodestar Fund for Nonprofit Collaboration



# Joint Venture: Amplifying Our Strengths

**Partnership Goal:** Raise \$1B to create, protect and preserve 10,000 affordable homes in 5 years



# \$100MM Partnership with United HealthCare for Affordable Housing Investments

- Announced in June 2020 - **\$100 million** Health & Housing Fund
  - *United HealthCare in conjunction with the National Affordable Housing Trust (NAHT) and Stewards of Affordable Housing for the Future (SAHF)*
  - *More than 1,000 new affordable housing units across numerous states and Washington, DC*
- **\$1 million grant investment to support services and other supports** focused on improving the health of residents.
- **Supportive services, case management**, and connections to primary and behavioral health integrated into every housing development
- **Developing outcomes tracking metrics** to measure and analyze the impact housing has on resident health.

# Fund to Preserve Affordable Communities (FPAC)

- **\$100 million preservation fund** with LIIF, NAHT and SAHF
- Phase I (fully deployed): Morgan Stanley, senior lender. Phase II: Calvert Impact Capital, senior lender; Mercy Loan Fund, subordinate participant/lender. Both phases: Capital Magnet Fund, credit enhancement
- Provides acquisition loans to acquire and preserve the affordability of housing units that are at risk of turning over to market-rate
- Reserved for high-capacity nonprofit SAHF developers that can assure long-term affordability and stabilize communities around the country



# \$100MM S&P-Rated Sustainability Bond

- LIIF issued \$100 million of Sustainability Bonds in 2019
- 10x oversubscribed, demonstrating interest from ESG-mandated investors in the work of CDFIs
- Aligned to UN Sustainable Development Goals
  - LIIF prioritizes low income communities and environmentally sustainable building practices
  - 97% of the individuals served by LIIF's projects are classified as low income (<80% AMI) and 60% are classified as very low income (<50% AMI)

# Exploring Benefits of Combined Ownership Models

- **What Works**
- **Barriers**

**While costly up front, can yield both economic and social benefits.**





Low Income Investment Fund

[www.liifund.org](http://www.liifund.org)

[212.509.5509](tel:212.509.5509) Ext 14

Kimberly Latimer-Nelligan

President

[klatimer-nelligan@liifund.org](mailto:klatimer-nelligan@liifund.org)



# Partnership for the Bay's Future

---

The Partnership will create and maintain vibrant, inclusive communities of racial and economic diversity across the Bay Area by:



Enabling more housing across the income spectrum, preserving existing affordable housing, and protecting tenants from displacement



Building lasting political will for local housing production, preservation, and protection policies that address the affordability crisis across the Bay Area

Over time, the Partnership will focus on **housing, transportation, and economic opportunity** as the critical elements for long-term prosperity.

# Impact



**175,000**

Affordable homes protected for families over 5 years



**8,000**

Affordable homes preserved and produced over 10 years



**\$63 million**

Saved on rent each year by low-income households

# Partnership components

---

## The Partnership

Build the political and public will to advance policies and increase resources and innovation for greater housing protection, preservation and production through investments, communications, and advocacy



### **Policy Working Group** *Managed by SFF*

Members advance needed policy changes across the region and at the state level, guided by Partnership principles and CASA recommendations



### **Policy Fund** *Managed by SFF*

Enable jurisdictions to effectively stem the tide of displacement and preserve and produce affordable, mixed-income, and middle-income housing by providing resources and capacity for local policy change and implementation



### **Bay's Future Fund** *Managed by LISC*

Demonstrate the viability of innovative approaches to producing and preserving affordable, mixed and middle-income housing that can scale

# Challenge Grants for Protection and Preservation

| Jurisdiction           | Fellow          | Lead Community Partner   | Additional Community Partners  | Policy Focus   |
|------------------------|-----------------|--|--|--|
| Alameda County         | Charles Harris  | Resources for Community Development  | <ul style="list-style-type: none"> <li>In-Advance</li> <li>Eden United Church of Christ</li> <li>La Familia</li> <li>Alameda County Community Food Bank</li> <li>Eden Land Trust</li> </ul>                    | <ul style="list-style-type: none"> <li>Proactive code enforcement inspections of older rental housing stock</li> <li>Fund the Eden Community Land Trust</li> </ul>                     |
| City of Berkeley       | Anna Cash       | East Bay Community Law Center  | <ul style="list-style-type: none"> <li>Northern California Land Trust</li> <li>Bay Area Community Land Trust</li> </ul>  | <ul style="list-style-type: none"> <li>Tenant Opportunity to Purchase Act</li> <li>Local Housing Preference Policy</li> </ul>  |
| City of East Palo Alto | Karen Camacho   | EPA CAN DO (East Palo Alto Community Alliance and Neighborhood Development Organization) | <ul style="list-style-type: none"> <li>Community Legal Services in East Palo Alto</li> <li>Youth United for Community Action</li> <li>PAHALI (Preserving Affordable Housing Assets Long-term, Inc.)</li> </ul> | <ul style="list-style-type: none"> <li>Tenant/Community Opportunity to Purchase Act</li> <li>Community Land Trust</li> </ul>   |
| City of Oakland        | TBD             | Bay Area For All (BA4A) Preservation Table   | <ul style="list-style-type: none"> <li>Oakland Property Acquisition Collaborative</li> </ul>   | <ul style="list-style-type: none"> <li>Racial equity impact analysis of existing housing programs and policy</li> <li>Improvements based on analysis</li> </ul>                        |
| City of Palo Alto      | Lauren Bigelow  | SV@Home  | <ul style="list-style-type: none"> <li>Palo Alto Forward</li> <li>Palo Alto Housing Corporation</li> <li>Palo Alto Unified School District</li> </ul>  | <ul style="list-style-type: none"> <li>Renter protection ordinance updates</li> <li>Relocation assistance</li> <li>Strengthen enforcement measures</li> </ul>                          |
| Redwood City           | Brandon Harrell | Legal Aid Society of San Mateo County  | <ul style="list-style-type: none"> <li>Peninsula Conflict Resolution Center</li> <li>Faith in Action Bay Area</li> <li>Fair Rents for Redwood City</li> </ul>  | <ul style="list-style-type: none"> <li>Evaluate existing renter protection measures</li> <li>Preserving affordability in multi-unit buildings</li> </ul>                               |
| City of San Jose       | Asn Ndiaye      | SOMOS Mayfair  | <ul style="list-style-type: none"> <li>The Council of Community Housing Organizations (CCHO)</li> <li>Independent Consultants</li> <li>San Jose Housing Department</li> </ul>                                  | <ul style="list-style-type: none"> <li>Create a Local Preservation Ordinance</li> <li>Community Housing Ownership Models</li> <li>Tenant Preferences for Affordable Housing</li> </ul> |

# Investment fund

---

The \$500MM Bay's Future Fund (BFF or the Fund) is an opportunity to catalyze the preservation and production of affordable housing for Bay Area residents across the low- and middle-income spectrum.

The Fund uses flexible low-cost capital provided by mission-aligned investors makes it possible to offer the products necessary to produce and preserve the amount of affordable housing we need to create a more livable, equitable, and racially and economically diverse Bay Area.

The Fund will invest in projects in five Bay Area counties: Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara.

## Innovative

Products are designed to disrupt the market barriers that are limiting the number of affordable homes that can be developed.

## Additive to the Market

Loan products fill the gap between demand and what is currently being offered by financial institutions

## Flexible and Risk-Tolerant

Risk-tolerant products respond to changing market dynamics and flex to individual borrower's needs.

# First investment deal: Stuart Street Apartments

---

- Vacant, church-owned property in Berkeley to become 8 units of permanently affordable housing
- Part of \$1.076M LISC construction loan
- \$586k from Bay's Future Fund lowered interest rate to an affordable level



“Today, the groundbreaking of [the Stuart Street Apartments] shows what can be done if we all work together with the common goal of creating a diverse and equitable community.”

—Berkeley Mayor Jesse Arreguín

# East Bay Asian Local Development Corporation

## Oakland, CA

---

- East Bay Asian Local Development Corporation “EBALDC”, a California non-profit focused on building healthy, vibrant and safe neighborhoods, sought a \$4 million predevelopment line of credit from LISC for predevelopment and acquisition expenses related to projects currently in their pipeline.
- The line of credit accelerated EBALDC’s ability to close on a number of projects and to support the creation of 565 units of affordable housing.



**565** Affordable Units

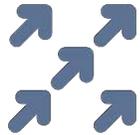
**\$4 million** Predevelopment Line of Credit

**\$1.5 million** Funded Using Bay’s Future Fund

**\$2.5 million** Funded by CDFI (LISC)

# Policy and Investment Funds are complementary

---



## Coordinated

- Founding members design the funds together
- Aligned advocacy support delivered by Partnership members
- Shared advisory board with corporate, philanthropic, public sector, expert and community members



## Direct

- Policy Fund winners have privileged access to the Bay's Future Fund
- Breakthrough Grants unlock more opportunities for the Bay's Future Fund
- The advisory board pursues connections between the two funds



## Indirect

- The Policy Fund will highlight the 3Ps as critical to solving the housing crisis
- The Bay's Future Fund will provide substantial awards to innovative jurisdictions, encouraging policy change

# The Partnership has significant support



# Poll #2

# Tech Fund Update

Great minds tackle big challenges in the greater Bay Area, and if we can solve affordable housing here, we can lead the way for solving the crisis anywhere.

# Problem



# Solution

**TECH Fund**  
Tech + Equity + Community + Housing



Since 2017...

**\$117 million** invested in TECH Fund to date

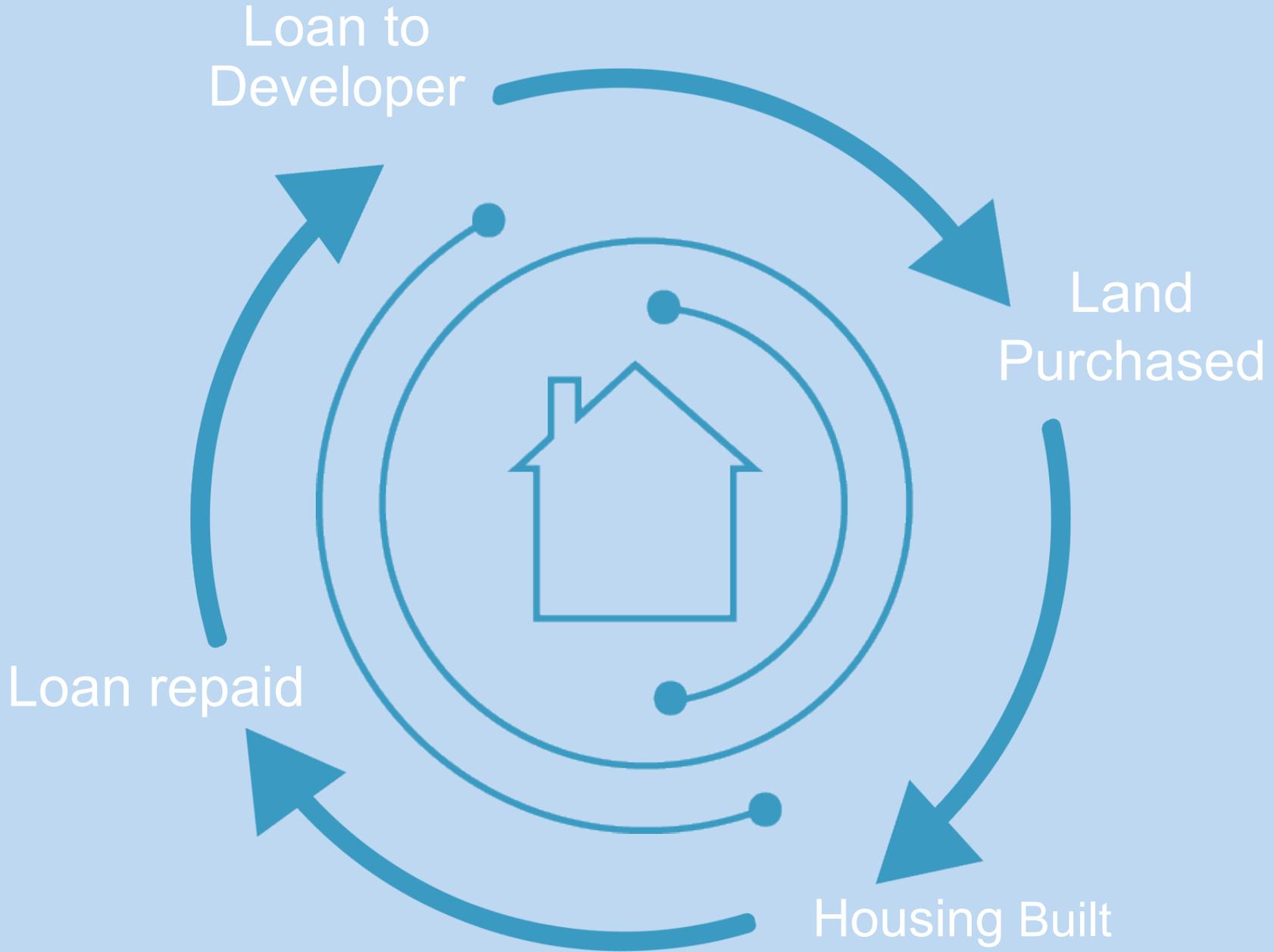
## TECH Fund Partners



The Grove  
Foundation



The  
**SOBRATO**  
Family Foundation



Since 2017 TECH Fund has...

Funded **34** loans totaling over **\$175 million**



Since 2017 TECH Fund has...

Created & preserved **3,376 homes**



Ruby Street, Castro Valley  
Eden Housing



Agrihood, Santa Clara  
Core Companies



Roosevelt Apartments, San Jose  
First Community Housing

# Since 2017 TECH Fund has...

## Sparked investment around the country

 **Microsoft** | **Stories** Our Company ▾ Our Products ▾ Blogs & Communities ▾ Press Tools ▾

Microsoft commits \$500 million to tackle affordable housing crisis in Puget Sound region

January 16, 2019 | Microsoft News Center

 The Keyword Latest stories Product updates ▾ Company news ▾

COMPANY ANNOUNCEMENTS

### \$1 billion for 20,000 Bay Area homes

## Grow with Google

OFN announced today that we are working with Google to launch the [Grow with Google Small Business Fund](#).

The \$125 million fund will deliver responsible financing to CDFIs to help thousands of small businesses and nonprofits hardest hit by the COVID-19 pandemic. In addition, Google will make a \$5 million grant to OFN to help CDFIs to grow and build their capacity. These funds will enable OFN's member CDFIs to improve access to capital for the most marginalized communities, particularly women and minority small business owners.

 Mac iPad iPhone Watch TV Music Support

Newsroom Search Newsroom Archive

PRESS RELEASE  
November 4, 2019

### Apple commits \$2.5 billion to combat housing crisis in

Facebook

### Facebook Commits \$1 Billion and Partners with the State of California to Address Housing Affordability

October 22, 2019  
By David Wehner, Chief Financial Officer

# Poll #3

# Q&A

- Please use the **Chat** to ask any questions.