



Using Creative Strategies to Partner with For-Profit Developers

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**Strength Matters Financial Management Conference
October 27, 2021**

Questions

- All participant lines are muted.
- Please use the **Raise Hand** feature if you would like to speak.
 - Raise hand feature is located in the Participant panel.
- You may also use the **Chat** feature to ask questions.
- Send a **Chat** to the Host if you have a technical issue.

Continuing Professional Education Requirements for CPAs

- **Polls are Required for CPEs**
 - If you are seeking CPE credits, please submit ALL polls within each session, and the conference evaluations.
 - If you miss a poll, send a **Chat** message to the Host immediately.
- 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.**

Continuing Professional Education Credits (CPEs) for CPAs

- **Check your Zoom display name**
 - If the correct name is not shown, email your Zoom display name and your full name to consult.lwells@gmail.com.
- 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.



Our Organization

- Established in 1994
- Serving 7 Counties in Northeast Nebraska
- 2 Office Locations
- NeighborWorks America Charter in 2005
- 7 Staff Members
 - Chief Executive Officer
 - Chief Operating Officer
 - Chief Fiscal Officer
 - Housing Managers (2)
 - Program Coordinator
 - Administrative Professional



Our Organization, Cont'd

- **Programs**

- Purchase/Rehab/Resell
- New Construction
- Community Development
- Homebuyer Education
- Money Management

- **Development**

- 939 Housing Units
 - 784 Single-Family Ownership
 - 155 Rental
- Educated 3,150 Households – Homebuyer Education
- Provided over \$14 million in Down Payment Assistance



Polling Question #1

What's your organization's average annual production of for-sale housing units? (total units = new construction plus acquisition rehab)

- a. 50 or more for-sale units per year
- b. 31 to 50 for-sale units per year
- c. 21 to 30 for-sale units per year
- d. 12 to 20 for-sale units per year
- e. Less than 12 for-sale units per year
- f. Not applicable, my organization does not do for-sale development

Housing Partnerships

- City Government (Local, State & Federal)
- Other Non-Profits
- **For Profit**
 - Meadow Ridge Subdivision
 - Woodland Park
 - Bradshaw Place
 - Centennial Park 6th Addition
 - Nor-Park Subdivision
 - Rural Workforce Housing Fund



Poll Question #2

How large is your staff? (All services/lines of business)

- a. 100 or more staff
- b. 75 to 99 staff
- c. 50 to 74
- d. 25 to 49
- e. 15 to 24
- f. Less than 15 staff



Partnerships are Critical for Success



Meadow Ridge Subdivision 1995

- Worked with For-Profit Developers
 - 84 Multi-Family Apartment Units
 - Tax Increment Financing
 - Local Funds
 - Low Income Housing Tax Credit
 - General Member
 - 300+ Single-Family Lots
 - For-Profit Developer owned land, subdivided into single-family lots
 - NWNEN secured grant funds for infrastructure and down payment assistance
 - Built 75 homes 1997-2013
- 

Woodland Park Subdivision 2005

- Worked with For-Profit Developer
 - 400+ Single-Family Lots
 - For-Profit Developer owned land, subdivided into single-family lots
 - NWNEN secured grant funds for infrastructure and down payment assistance
 - Built 10 homes 2000-2005

Bradshaw Place Subdivision 2007

- City secured grant funds
- City selected NWNEN to develop 43 lots for single-family neighborhood
- Created No Interest Loan Pool with 7 Financial Organizations, paid off loan as lots were sold
- NWNEN acquired land and installed infrastructure



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Bradshaw Place Subdivision Cont'd

- Sold lots to 15 different For-Profit Builders
 - Sold 22 homes to LMI families with assistance
 - Sold 21 homes to Market Rate Sector
 - Sold all lots within 13 months
- Economic Impact
 - Value of property changed from \$275,000 to \$7,500,000+
 - Added 43 new houses to inventory



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Centennial Park Subdivision 2011

- City secured grant funds
- City selected NWNEN to develop 18 lots for single-family neighborhood
- Created No Interest Loan Pool with 7 Financial Organizations, paid off loan as lots were sold
- NWNEN acquired land and installed infrastructure



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Centennial Park Subdivision Cont'd

- Sold lots to 6 different For-Profit Builders
 - Sold 10 homes to LMI families with assistance
 - Sold 8 homes to Market Rate Sector
 - Sold all lots within 15 months
- Economic Impact
 - Value of property changed from \$115,000 to \$3,800,000+
 - Added 18 new houses to inventor



Poll Question #3

Does your organization sell land to for-profit developers or builders to build for-sale housing?

- a. Yes
- b. No





Q&A

- Please share any questions in the Chat!



Rural Workforce Housing Fund 2017

- Huge need for additional housing for workforce
- State created a \$7M Rural Workforce Housing Fund for non-profits to apply for
- NWNEN received \$850,000 grant
 - Local matching funds were required
 - City of Columbus \$750,000
 - Others: United Way Endowment, Community Foundation, Development Corporation
- Total Housing Fund \$1,950,000

Rural Workforce Housing Fund Cont'd

- \$1,950,000 Loan Fund Dispersed within 8 months
- Priority was to provide loans to For-Profit Developers
 - Encourage Workforce Housing development
 - Below Market Interest Rate loans, 2%
 - Short-term loans 2-5 years
 - Maximum values: \$285,000 single-family ownership
\$215,000 rental units

Rural Workforce Housing Fund Cont'd

- Three For-Profit Developers Borrowed Funds
 - The Flats
 - \$500,000 Loan
 - 180 Multi-Family units
 - Farmview Subdivision
 - \$800,000 Loan
 - 34 Single-family townhomes
 - SERC Subdivision
 - \$650,000 Loan
 - 34 Single-family townhomes
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- A large, light blue silhouette of a house with a chimney, positioned in the background of the lower half of the slide.

Poll Question #4

If you partner with for-profit developers or builders for build for-sale housing, what are some of the challenges you experience with them?

- a. Our focus on mission versus their focus on money
- b. Our development timelines don't work well together
- c. It takes too much work to build the partnership(s)
- d. Other
- e. None, the for-profit developers or builders in our community/market are great to work with
- f. Not applicable. We don't partner with for-profit developers or builders to build for-sale housing



Nor-Park Subdivision 2018

- President of Norfolk Area Chamber of Commerce
 - Greater Norfolk Economic Development Foundation
 - Nucor
 - Adjacent Land Owner
 - City of Norfolk
 - Partners
- 

Nor-Park For-Profit Partners

- Nor-Park Development, LLC.
 - Progressive Builders Inc. (For-Profit Developer)
 - Mesner Development Co. (For-Profit Developer)
 - NeighborWorks Northeast Nebraska

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Nor-Park Financing

- Financing
 - Private Funds
 - Tax Increment Financing (TIF)
 - Local Pool with 7 Lenders
 - No Interest, 10 year loan



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Nor-Park Workforce Housing

- No Income Restrictions
- Single-Family Units (65)
 - 28 Lots for Detached Housing
 - 22 Lots for Attached Housing (Townhomes)
 - 5 Lots for Tri-Plexes (15 units)
- Multi-Family Units (56)
- Green Space for City Park







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Nor-Park Apartments

- NuVue Apartments, LLC
 - NeighborWorks Northeast Nebraska
 - Mesner Development Co.
 - Progressive Builders, Inc.
 - Perry Reed Development
 - 4 Individual Investors

Nor-Park Timeline

- 2019 - Infrastructure complete
- 2019 - Construction of single-family homes
- 2019 - Construction of apartment complex



Nor-Park Lot Sales

- **Single-Family Lots (Detached units)**
 - 20 lots sold to a For-Profit Home Builder (Phased over 5 years)
 - 6 lots sold to a For-Profit Home Builder (Phased over 2 years)
 - 2 lots developed by NWNEN (Phased over 2 years)
- **Tri-Plex Lots**
 - Nor-Park Partner acquired and built rentals
- **Townhouse Lots**
 - Nor-Park Partners and building





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NuVue Apartments





Rural Workforce Housing Fund II, 2021

- State created a \$10M Rural Workforce Housing Fund
- NWNEN applied/received \$750,000 grant
 - Local matching funds were required
 - City of Columbus \$750,000
 - Others: Community Foundation, Development Corporation
- New Housing Funds \$1,722,500
- Total Rural Workforce Housing Fund \$3,672,500

Rural Workforce Housing Fund II, Cont'd

- Priority is to provide loans for the Developers
 - Encourage Workforce Housing development
 - Below Market Interest Rate loans, 2%
 - Short-term loans 2-5 years
 - Maximum values: \$285,000 single-family ownership
\$215,000 rental units
- Currently accepting applications from Developers

Working with For-Profit Developers

- Critical partnerships very important these days
- Both Non-Profit and For-Profit contribute.
 - Experiences
 - Additional partnerships/relationships/connections
 - Funding
 - Staffing
 - Develop into further projects/partnerships



Poll Question #5

Does your state or local government use their financial resources to encourage partnerships between nonprofits and for-profit developers or builders to build for-sale housing?

- a. Yes, regularly
- b. Yes, sometimes
- c. No
- d. Unsure





Q&A

Thank You!



CPE Feedback Poll

- If you are seeking CPEs, please complete this brief feedback poll. This poll is NOT required if you do not need CPEs.
- Please complete the Session Evaluation using the link provided in the Chat.
- Note: All registrants will receive links to the conference evaluations via email.
 - Please complete the conference evaluations to request CPE credit and to provide qualitative feedback.



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