

# Racking the weight: A nonprofits guide to lifting a community's affordable housing stock

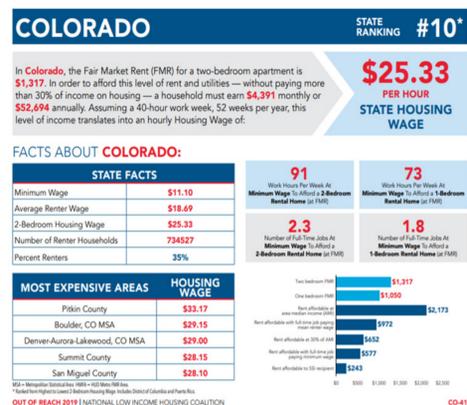
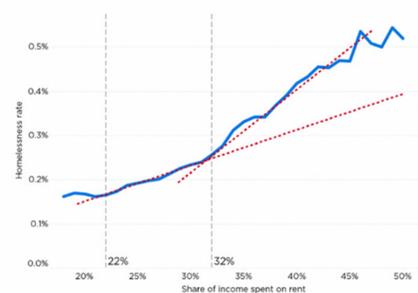
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For: Hope Communities

## Understanding Affordability

Nonprofits should view their community's lack of affordable situation seriously for many reasons. One is the relationship between residents who become rent-burdened and the connections found between it and homelessness. Research (Glynn & Byrne, 2018; Glynn & Casey, 2018) identifies that communities where households, on average, spend more than 32% of their income on rent, shortly become areas that see a sharp increase in homelessness

### Homelessness climbs faster when rent affordability reaches 22% and 32% thresholds

An uptick in rent affordability beyond 22 percent translates into more people experiencing homelessness. Beyond 32 percent means a faster-rising rate of homelessness — which could mean a homelessness crisis, unless there are mitigating factors within a community.



Beach 21st Street, via NYCEDC

From this page, organizations can come to understand that Colorado's state housing wage is \$25.33. To reiterate, this means that a person would need to earn \$25.33 per hour at a full-time job to afford a two-bedroom apartment without spending more than 30 % of their income. The state's minimum wage is \$11.10. The average renter wage is \$18.69, and 35 % of all Colorado households are rentals. An average minimum wage-earning person would have to work 91 hours per week to afford a 2-bedroom rental home at a fair market rate. The 91 hours translates to 2.3 jobs; a resident must work to attain housing affordability. A one-bedroom rental home at a fair market rent would require a minimum wage worker to work 73 hours every week or 1.8 full-time jobs to reach affordability.

## Understanding Yourself

Before an organization can explore how to build capacity, an organization needs to take the necessary and appropriate time to understand themselves. The Understanding yourselves process includes two significant steps. The first step is to ensure the foundational documents are aligning with the organization's mission, vision, and ethos. This step provides an opportunity for organizations that might not have a shared understanding of affordable housing or looking to break into that niche. For organizations that already service an affordable housing population can use this opportunity to understand the development process and the real estate market. The purpose of this process is to ensure all members of the staff and the board of directors have a consistent understanding of affordability and a dedicated commitment to providing the permanence of affordable housing units.

The second step for an organization to better understand itself is to strengthen it is the board of directors. Step one may have provided the opportunity for an organization to recognize gaps in their existing knowledge base. This step encourages organizations to reach out to community stewards who share a like-minded view of affordable and have experience in the development realm to join your organization. These new board members might help provide a clear understanding of the planning, development, construction, and property management aspects of your future projects. By having a diverse board, a nonprofit is improving its chances for success by actively mitigating issues before the development process begins.



(Credit: Paul Boehlke/KIVB Photo)

### Lift 2 Utilize existing infrastructure

Lift 2 is also resource-intensive that potentially requires organizations to have the experience to manage an affordable housing development or to renovate an existing housing development. By utilizing existing infrastructure, development projects are less resource-intensive but can still permanently increase the number of affordable housing units.

Organizations can also make this lift less resource-intensive by also educating residents in their community about alternative ownership models. Alternative Ownership Models represent homeownership techniques that do not require the resident to take on the full risk of homeownership as a cost of full ownership of their property. In a later section of this guide, we will see how a community converted older condo units into permanently affordable housing units.

The adaptive reuse section organization explored how organizations can gather city and state support for an affordable housing development program by re-purposing a vacant old building. Nonprofits came to understand that there are alternative models to "homeownership." By utilizing these alternative avenues, nonprofits can not only help people in nontraditional situations find affordable housing but can also help to increase the permanent supportive housing for generations to come. Finally, we looked at an innovative solution from LEAP communities that re-purposed shipping containers atop of land owned by resident-owned communities to provide affordable housing units to its communities.

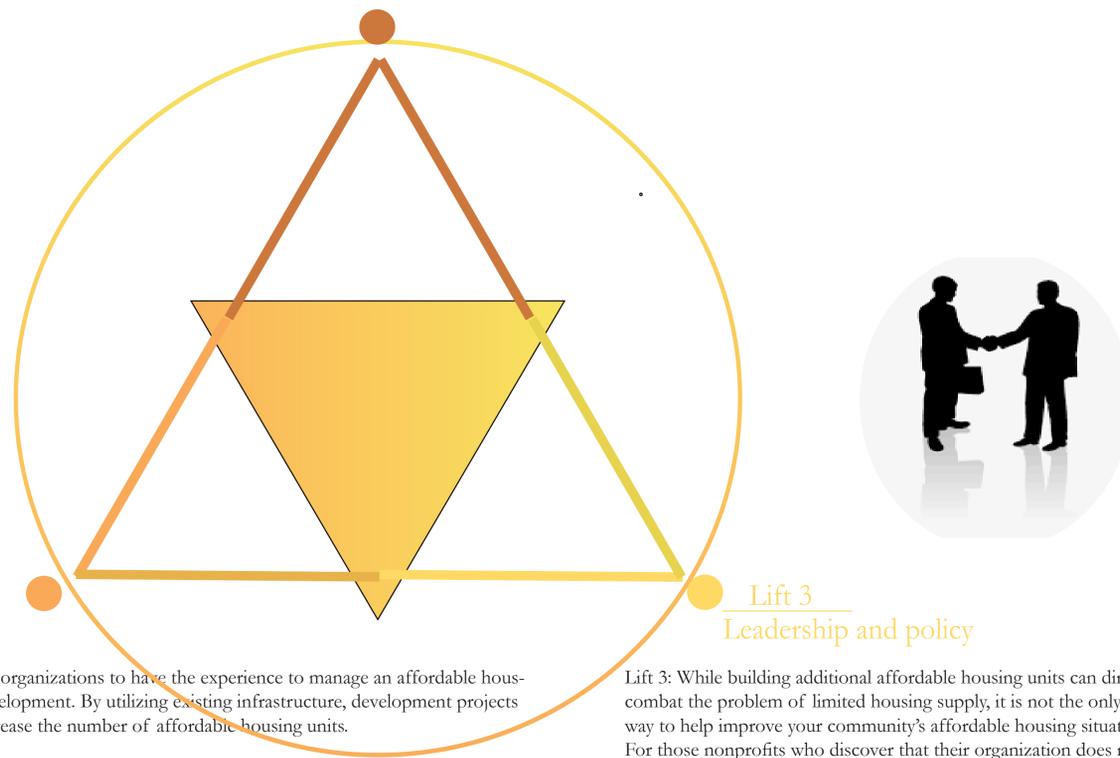
## Lifting to Your Capacity

Not every organization has the same capacity to provide affordable housing to their community, and that is perfectly fine! This guide breaks down the impact you can have of your community's affordable housing stock by intensiveness of the "lift."

### Lift 1 New Units

Lift 1 is resource-intensive and takes on the challenge of physically constructing new affordable housing units into the community. A critical aspect of this approach is the relationships between nonprofits and their partners and the importance of utilizing wrap-around services to build a sustainable and comprehensive affordable housing solution.

For organizations that are looking to develop new affordable housing unit/ build affordable housing community, should understand that to be successful, organizations do than provide a home. In many cases, nonprofit organization's development services include pre and post home assistance. The following examples will look at organizations and partnerships that are collaborating to not only provide affordable housing for residents but also providing services to help residents become more fiscally stable. Many times, these services focused on, in one regard or the other to, case management, career development, educational programming, community engagement, involvement services, as well as mental and physical health care availability



Lift 3: While building additional affordable housing units can directly combat the problem of limited housing supply, it is not the only way to help improve your community's affordable housing situation. For those nonprofits who discover that their organization does not currently have the staff, goals, board experience or capacity for home development, can have a substantial impact on the community they serve, by acting in a liaison role.

Hawaii State Teachers Association, an organization that is intimately involved with Hawaii's teacher shortage, recognized the extreme need of the community and suggested the state fund a program to help mitigate the income and rent disparity for teachers. While the strategy never came to fruition, the attention brought about from the proposal encourages the state government to find and fund unique ways to address this imbalance.

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