Housing Affordability Breakthrough Challenge

WEBINAR ONE
CHALLENGE GRANT OVERVIEW
JANUARY 7, 2020 | 2PM EST
Today’s webinar will include 20-30 minutes of Q&A at the end of the presentation.

Please submit questions for the Q&A in the “chat” feature of Zoom at any time during the webinar.

After the webinar, please review the Frequently Asked Questions page and submit additional questions to HousingBreakthrough@enterprisecommunity.org.
AGENDA

I. Welcome & Introductions
II. Context & Goals
III. Process Overview
IV. Eligibility Parameters
V. Next Steps
VI. Q&A
Team Members

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ONE DAY every person will have an affordable home in a vibrant community, filled with promise and the opportunity for a good life.

OUR MISSION is to create opportunity for low- and moderate-income people through affordable housing in diverse, thriving communities.
WE CAN’T ACCEPT

life as it is in this country.
It has got to be changed radically, by us.

- ENTERPRISE FOUNDER JAMES ROUSE
Why Enterprise?

**Values** – We are experts on housing but define our work in terms of opportunity.

**Experience** – We have more than 20 years of experience as a grant and program administrator.

**Impact** – As a national organization, we have the reach to make a big difference. In 2018, we supported nearly 56,000 homes and 287 commercial projects in over 450 cities.
The Wells Fargo Foundation focuses on three key areas where we can leverage our expertise and solve big problems

**Housing Affordability**
Reduce the cost burden of housing and increase access to safe, affordable places to live, including transitional housing, rentals and homeownership, with a focus on individuals and families historically shut out of the market.

**Financial Health**
Creating pathways to economic opportunity for low- and moderate-income, racially diverse, and under-resourced individuals, families and communities.

**Small Business Growth**
Strengthen communities and help create local jobs by investing in underserved small business owners and entrepreneurs through capital, capacity-building education and networks of support.
A Solvable Challenge

The number of all low-income households paying more than half their income on housing has declined from almost 19 million to just under 18 million (-5.3%).

The number of homeless individuals has also dropped from 622,000 to 553,000 (-11%).

<table>
<thead>
<tr>
<th>Defining the Challenge</th>
<th>2012</th>
<th>2018</th>
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<tbody>
<tr>
<td>All Housing Insecure Households</td>
<td>19 million</td>
<td>18 million</td>
</tr>
<tr>
<td>Housing Insecure Renter Households</td>
<td>11.3 million</td>
<td>10.9 million</td>
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<tr>
<td>Housing Insecure Owner Households</td>
<td>7.6 million</td>
<td>7 million</td>
</tr>
<tr>
<td>Homeless Individuals</td>
<td>622,000</td>
<td>553,000</td>
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</tbody>
</table>
Declines in housing insecurity have not closed the racial and ethnic gaps. People of color continually experience housing insecurity at higher rates than white households. In 2018, households identifying as black or African American are twice as likely to experience housing insecurity as white households.

Source: Analysis of American Community Survey (ACS) data for 2012 and 2018.
Despite a strong labor market, real wages are stagnant and income inequality is growing. Housing costs, however, continue to rise.

Source: Pew Research Center and Economic Policy Institute
Systemic Cost Challenges Make Affordable Housing More Expensive

- Rising asset values and prices for existing stock make acquisitions more difficult.
- Increasing materials costs drive up new construction and rehab costs.
- While LIHTC allocations have increased, tax reform impacted credit pricing, and gap financing sources are still insufficient to meet the need.

Sources: Urban Institute, U.S. Census Bureau.
Cities and Rural Areas Face Different, Complex Challenges

In urban and suburban areas, prices are rising and poverty is becoming more concentrated.

Rural and Native American Communities are increasingly facing severe housing problems.
The Housing Affordability Breakthrough Challenge

- Identify, accelerate and scale promising ideas, models and approaches to solving housing affordability issues
- Provide peer-to-peer learning and networking opportunities
- Disseminate ideas and models that engage a wider audience of stakeholders in the search for housing affordability innovations
Opportunity Statements

How might we improve how affordable housing is **financed**, by managing risk differently, increasing efficiency, or identifying scalable below-market sources of financing?

How might we lower costs and expedite the design and **construction** process, so that more people can benefit from housing that is affordable, healthy and climate-resilient?

How might we improve housing stability and promote personal agency through **resident services and support**, so that individuals and families can thrive in their communities?
Sub-Criteria Priorities

In addition to addressing the problem statements, additional points will be awarded for proposals that address:

- Racial Equity
- Environment
- Creative Partnerships
- Use of Technology

**PROCESS OVERVIEW**
3-Stage Review Process

Round 1
≤40 applicants move to Round 2

Round 2
15 applicants move to Round 3

Round 3
6 winners chosen
Round 1

January 15
RFP Released

February 19
Applications Due

March 17
Round 1 Notifications
Round 2

Round 2 Application Released: March 18

Round 2 Applications Due: April 14

Round 2 Notifications: May 21

≤40 applicants will be invited to move forward to Round 2.
Round 3

PROCESS OVERVIEW

15 applicants will be invited to move forward to Round 3.

- May 26: Begin Pitch Day Prep
- Late June: Pitch Day
- July 31: Final Notifications
What to Expect

• Relatively brief application for Round 1 (estimated 3-4 hours to complete)

• Apply through online application portal SlideRoom, accessible through the Housing Affordability Breakthrough Challenge website launching on January 15, 2020

• To start an application, you will be prompted to create a SlideRoom account with your name and email address

• Notifications regarding application status will be sent via email from SlideRoom
Award Information

- Applicant selects primary focus area their innovation addresses
- 6 total awards; 2 winners per program area
- Awards include direct investment (grant) and technical assistance
- $2,500,000 total award per winner over grant period
- Grant period closes, end of year 2022
- $2,000,000 in grant funding and $500,000 in technical assistance
Challenge Vision

Our vision for the Housing Affordability Breakthrough Challenge is a final cohort that represents a spectrum of breakthrough ideas for housing affordability:

• Geographic diversity
• Different market contexts
• Fresh, untested ideas & ideas that have been piloted but not scaled
• Sponsors with different functional perspectives and expertise
Eligibility

Must be a nonprofit with 501c3 status or tribally-designated housing entity (TDHE) to apply to the Financing and Resident Services focus areas.

For-profit entities can apply to the Construction focus area but will have additional requirements than non-profit or TDHE applicants in this area.
Next Steps

• Review problem statements and eligibility parameters to determine if your idea is a good fit for the challenge

• Discuss the opportunity with potential partners

• Stay tuned for the RFP release on January 15 and corresponding website launch

• Submit questions to help us build robust FAQs for interested applicants

• Join a second webinar on January 16 to walk-through the RFP and application instructions
Questions?
Please submit questions in the chat feature of zoom.
Thank You.

Please submit additional questions to HousingBreakthrough@enterprisecommunity.org