



Community Organizations on a journey of Affordable Housing Development

2023-2024

The Farrell Benevolent Society & The Public Good Society of Dartmouth



Case Study Part 1

Capacity Building

The purpose of this Case Study is to support community organizations who wish to develop affordable housing by sharing specific information like structures, processes and learnings that could allow for replication of parts of this project in other contexts. The findings are experiences shared by 10 individuals involved in an affordable housing development project.

ELEMENTS THAT CONTRIBUTE TO SUCCESS

“This is a group of people who are putting their heart and souls into it.”

- Relationships of trust & respect
- Effective structures & processes - Role clarity
- Values alignment among the team
- Strong vision - Strong why
- Quality team with quality networks
- Strong partnerships to bolster feasibility

“The structure is so important. The structure allows for all the communication and good workings.”

- Stamina: team members that keep showing up
- Continuous communication
- Learning & evaluation
- Flexibility & adaptability: the plan will change
- Connection to community
- Ability to bring in funding for the development

CROSS-SECTORAL COLLABORATIONS: COMMUNITY NONPROFITS & INDUSTRY

What makes for good cross-sectoral relationships in development?

1. Alignment of values is most important
2. Firms who have worked with nonprofits before
3. Firms who are willing to go slow
4. Nonprofit team who resource themselves with enough knowledge to be included in the process
5. Willingness to learn in both directions: nonprofits about industry and industry about nonprofits
6. Taking time to build relationships of respect and trust
7. Staying aware of dynamics and tensions between sectors

What attracts industry professionals to community organizational-led development projects?

1. Desire to be involved in community and make positive impact in the world
2. A reasonable chance of success: some high value asset like owned property and a super committed team
3. Nonprofit teams with integrity and passion
4. Sense of respect and appreciation for time

“It’s so rewarding to put effort into something that you see is meaningful and going to make a difference.”

CHALLENGES & RISK AREAS

“Part of the risk of community being involved with private sector is that you can lose control because you don’t have as much expertise or money.”

- Lack of access to funding
- Running out of money into the process
- Project delays
- Maintaining at least 51% control of the development
- Nonprofit capacity in terms of expertise and resources
- Creating a financially feasible and sustainable operations model for running the affordable housing

Case Study Part 2

Pre Planning & Development

CLASS C ESTIMATE

Why is a Class C Estimate important? Why was it the milestone and main goal of this project? In this case, the level of detail in a **Class C Estimate is what was needed to approach funders for an affordable housing development.** This included detailed architectural plans and costing of the building (including, for example, a detailed accounting of all the building materials). This Class C Estimate is a demonstration of feasibility, and not in fact what the final design will be.

WHAT ELEMENTS ARE NEEDED TO SUCCESSFULLY REACH A CLASS C ESTIMATE (& BUILD THE CONDITIONS TO PROGRESS TO THE NEXT STAGES)?

- (1) **Architect(s)** that can navigate your needs and wants and get designs on paper.
- (2) **Costing estimates** with quantities and cost data.
- (3) **Project management** to guide the design process with expertise in development.
- (4) **Feasibility Study** that outlines sources of revenues, expenses for construction and an operating plan.
- (5) **Dedicated & engaged nonprofits/project team** to design vision and direction.
- (6) **Fundraising champion** to track opportunities, submit applications, and build relationships.
- (7) **Resource management & oversight** to manage resource flow and pay the invoices.

KEY LESSONS LEARNED IN DEVELOPING THE CLASS C ESTIMATE

1. Financial feasibility explored earlier in the process & in conjunction with the building design

“Having the understanding of revenue vs. expenses: understand how much it will take to build vs. how much it will cost to run. Having a dollar and cents operational plan can help to inform the design of it. For example: A developer would approach it like ‘We need x units to make this work.’”

2. Funding champion & capital campaign group

“Assign someone that can be dedicated to funding sources to keep the project moving from a financial standpoint.”

3. Communications strategy

“Coordinating the message... shows we’re all on the same page and figuring out who and when.”