



Nonprofit Partnerships

Jurisdictions can establish cooperative arrangements with public or non-profit housing developers to promote low-income or special needs housing in their communities. Jurisdictions can also encourage for-profit developers to partner with non-profits to provide affordable units within larger market-rate developments.

BACKGROUND

In the U.S., production of affordable housing and delivery of housing services is largely done by non-profit agencies and developers. These developers have an underlying mission to provide affordable housing, working in partnership with local jurisdictions and state and federal agencies that provide funding and other related subsidies or incentives.

Non-profit providers are tax-exempt national or community-based organizations that provide a range of services. They develop housing, manage properties, provide housing assistance services, function as community finance institutions, deliver social services, and advocate for affordable housing. Non-profits may also partner with local banks to provide low-income households with loans and assistance and to finance their own activities.

Partnering with non-profits provides local governments with the expertise of staff who are devoted to affordable housing provision and management, which can lead to informed policies and funding that support and enrich underserved communities. Non-profits gain funding and allies for their cause through partnerships with local government, plus assistance in navigating the development process.

TOOL PROFILE

Objectives

[Housing in Centers and Near Transit](#)

[Housing Options in Expensive Markets](#)

[Missing Middle Density](#)

[Mitigate Residential Displacement](#)

[Build Community Support](#)

Type of Tool

Partnerships

Project Type

Single family

Multifamily

Ownership

Rental

Affordability Level

**Most effective for units
<80% AMI**

Private sector developers rarely develop low-income housing without technical or financial assistance from non-profit and government sources. Private developers may lack knowledge and access to federal, state, and local subsidies and financing mechanisms to fund affordable housing and may also lack relationships with communities where affordable housing is most needed. Their technical building and development expertise and financial resources, however, makes them attractive partners. Nonprofits and private-sector developers can collaborate on mixed-income projects to achieve objectives of both partners.

CONSIDERATIONS FOR IMPLEMENTATION

Cooperative partnerships can be built with both nonprofit and for-profit developers through a local housing fund; by providing technical assistance; or through direct loans or grants to developers of affordable housing.

Cities also have the option to allow developers to build mandated affordable housing units at an off-site location to fulfill inclusionary zoning requirements. These rules can be designed to encourage nonprofit partnerships. For instance, a city may allow construction of affordable housing off site to meet an inclusionary housing requirement only if there is a nonprofit partner that will own the off-site project. See [Inclusionary Zoning](#) for more information.

There are limitations to nonprofit partnerships. Nonprofits often do not have the seed funding to do pre-development work or to purchase land. A growing number of funding resources, both public and private revolving loans and patient capital, are available to help with pre-development costs.

RESOURCES

The Counselors of Real Estate (CRE): [Affordable Housing Through Non-Profit/Private-Public Partnerships](#) (1998)

Enterprise Community Partners: [Regional Equitable Development Initiative](#) (2019)

Grounded Solutions Network: [Nonprofit Partnerships](#) (2019)

Urban Land Institute: [Patient Capital for New Communities](#) (2015)

