Strategies for
Capacity Building

**CALIFORNIA TRIBAL HOUSING
ACCELERATOR ACADEMY**

May 2024

Today we'll discuss:

1) **WHAT IS CAPACITY?**

2) **ASSESSING CAPACITY**

3) **STRATEGIES TO DEVELOP CAPACITY**

4) **GETTING RESOURCES: GRANT WRITING & FINANCING**

5) **SECTION 4: CAPACITY BUILDING GRANT OPPORTUNITY**

6) **GUEST SPEAKER**

What is Capacity?
Measuring your ability to serve

Types of Capacity

- Staff
  - Staff hours available v. needed to complete project
  - Trained staff & skilled workers v. common jobs
  - Handling Staff Turnover
  - Volunteers

- Processes
  - Procurement policies, templates, workflows
  - Program/project policies, templates, workflows
  - General Administrative Policies

- Resources
  - MONEY!
  - In-kind Resources
    - Eligible Items & Recording Processes
    - Determining FMV

- Intangibles
  - Community-based Social Capital
  - Engagement, marketing, buy-in
  - Strategic Planning & Visioning

Measuring the Impact of our Elder Christmas Party:

6 Volunteers, 3 Hours - $602.82
In-kind Food - $ 2,198.60
In-kind Supplies - $122.48
In-kind Location - $150.00

Total In-kind Value - $3073.90

Enterprise

Case Study – Mo's Modern Mobiles

To execute this project, what do we need?

Project Description

The cost of housing for college students is too high, creating barriers to access for youth who are first-generation college students, grew up with lower income households, or must leave the reservation to receive a quality education. In Casper, WY - the nearby metropolitan area to our services - average student rent for a shared space is approximately $750/month. Our "Modernizing the Mobile Home" project will transform donated vans and campers into adequate housing for Tribal youth to utilize during the school year. With Wells Fargo funding, we hope to purchase a lot nearby several local universities so that Tribal youth will have a safe place to park their Modern Mobiles, as well as develop some communal spaces such as a kitchen, small laundry, and covered gathering space. Our organization is leveraging a forgivable infrastructure loan from the local municipality for water utility access, we will charge $50-$100/month in rent to cover ongoing maintenance costs, and we are partnering with the Hardware Store Foundation to cover rehab costs of the donated vans and campers ($10,000/camper). With this one lot, we hope to house 8 Tribal youth and their Modern Mobiles; with the success of this project, we are eager to develop additional lots for this purpose.

Assessing Capacity

Case Study – Mo's Modern Mobiles

What We Have:

Infrastructure

Rehabilitation funding

Site & communal space funding

Ongoing maintenance costs

Volunteer labor
(program participants)

What We Need:

Skilled staff – Lead Contractor

Skilled staff - Project Coordinator

Administrative costs
(office supplies, rent, etc.)

Equipment costs
(laptops, power tools, etc.)

Turning the Assessment into an Ask

Quantifying our Needs!

- How do we determine costs?
  - Benchmarks
    - Indeed, GlassDoor
    - Previous financial statements for past supply and equipment use
    - Amazon, Home Depot
  - Ask Other Tribes
    - Identify projects similar to the one you want to execute and reach out to their Housing Director
  - Continuous Research of Best Practices
    - If you aren't aware of the options for filling your needs, you won't know to ask for them!

Please complete the template below by adding a cost name or descriptor for each line item in Column A, the cost for that item in the grant year in Column B, and the cost formula if applicable in Column C. Provide a brief justification or narrative for the item in Column D to allow application reviewers to understand the purpose of the cost towards your program. This blank budget template illustrates a one-year grant budget.

Project Budget Needs	Amount to be Funded by Invest Native	Cost Formula (if applicable)	Budget Narrative/Justification
EXAMPLE ENTRY: Executive Director	$ 7,500.00	$75,000/year x 0.10	The Executive Director who makes $75,000/year will spend 10% of their time (approximately 4 hours/week) managing Invest Native grant execution.
A. PERSONNEL	Personnel needed to complete the project activities. These usually include project directors, staff assistants, release time or stipends for faculty.		
Line Item 1	$ -		
Line Item 2	$ -		
Line Item 3	$ -		
TOTAL PERSONNEL	$		
B. FRINGE BENEFITS	Mandatory employee benefits or coverage required for employment.		
Line Item 1	$ -		
Line Item 2	$ -		
Line Item 3	$ -		
TOTAL FRINGE BENEFITS	$ -		
TOTAL PERSONNEL with Fringes	$		
C. TRAVEL	Travel needed to complete the project.		
Line Item 1	$ -		
Line Item 2	$ -		
Line Item 3	$ -		
TOTAL TRAVEL	$ -		
D. TECHNOLOGY	Items relating to computer software, hardware or other technical equipment.		
Line Item 1	$ -		
Line Item 2	$ -		
Line Item 3	$ -		
TOTAL TECHNOLOGY	$		
E. SUPPLIES & MATERIALS	Any materials or supplies needed to support completion of the project's objectives.		
Line Item 1	$ -		
Line Item 2	$ -		
Line Item 3	$ -		
TOTAL SUPPLIES	$ -		
F. PROFESSIONAL DEVELOPMENT	This section will include costs for any staff or resident trainings and any related professional development activities.		
Line Item 1	$ -		

CHECK POINT

STRATEGIES FOR DEVELOPING CAPACITY

Strategies for Developing Capacity

Has your organization been rejected for funding in the past? Have you exhausted the typical strategies for development? And, what's the point of all this strategic planning anyway?

Few strategies for developing capacity:

1. CEDS Plan

2. Indian Housing Plan

3. CHDO Certification

4. Memorandum of Understanding

5. Tenant Selections Plan

CEDS Plan

Comprehensive Economic Development Strategy

A Region or place-based economic strategy, which will engage leadership, leverage public dollars, and is required to access EDA funding.

1. Design a community-driven process

2. Contact appropriate EDA office

3. Include summary, SWOT, Strategic Action Plan, and Evaluation Framework

4. Include economic resilience

The EDA emphasizes strategic approaches "based on regional visioning, goals, measurable objectives, and prioritized actions – rather than the CEDS serving as an inventory of programs and projects already in process in regions"

Keep in mind other required documents like tribal wage determination!

EDA Grants

Opportunities for broader community strategy

1. Planning and Local Technical Assistance

2. Response to Natural Disasters

3. Public Works

4. Recently, ARPA including Economic Adjustment Assistance
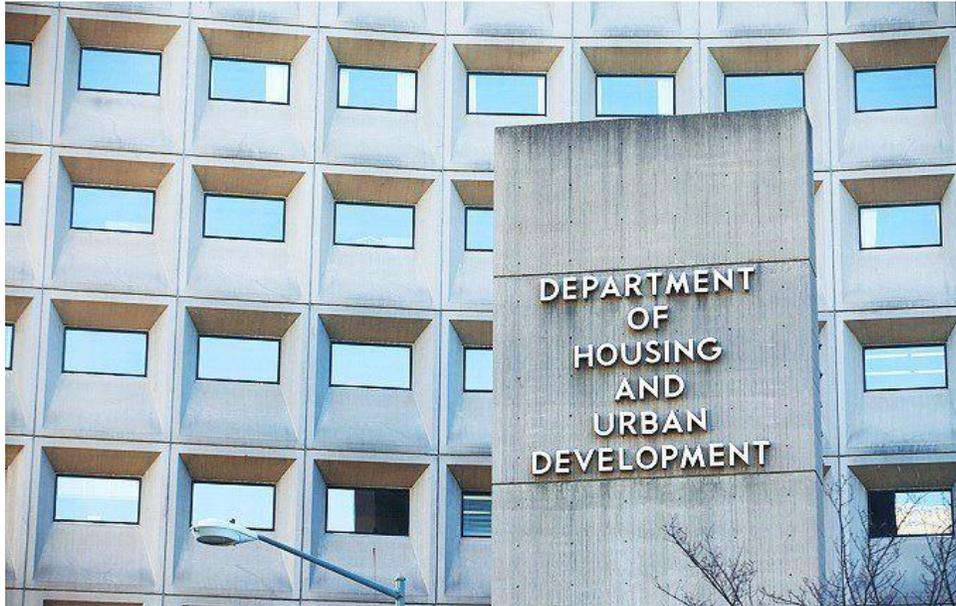
5. University Center Economic Development

Integration of economic development and housing strategies just makes sense!

NOTE: Who's on first?

Indian Housing Plan
## For federally recognized tribes

What is an Indian Housing Plan? This is an annual requirement to lay out the plan for spending on a tribe's IHBG allocation.

Though its required, there are opportunities to build off of:

- What opportunities for leverage exist for our NAHASDA dollars?

- How can we analyze previously committed funding?

- What process improvements for community and leadership support could we implement?

- How does our IHP reflect our staff capacity?

CHDO Certification

Community Housing Development Organization
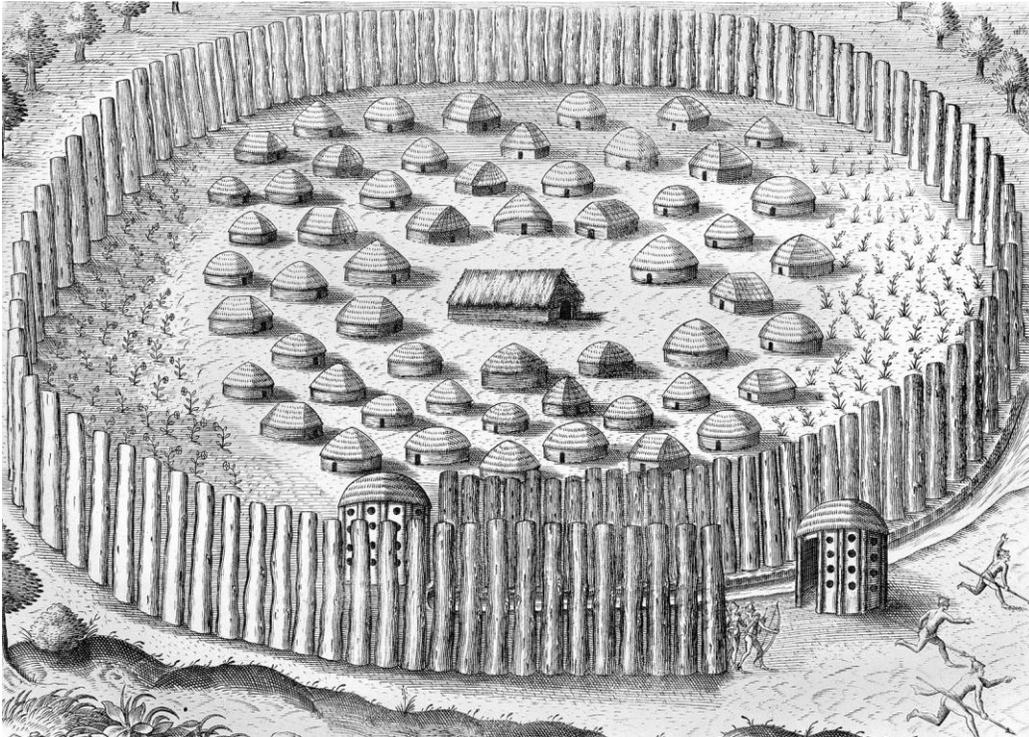
This is a non-profit designation that may increase access to HUD HOME funds, which requires that 15 percent go out to CHDO orgs.

A Community Housing Development Organization is a nonprofit whos community-based staff and board are able to carry out housing development activities, and that meet requirements such as:

- Paid staff members that meet core capacities

- Report their annual audit findings

- Articles of Incorporation and Bi-Laws

- Tenant Selections Plan

- Development Plan

Memorandum of Understanding
## Partnership and Fiscal Sponsor

Sometimes not every grant opportunity will be open to you, especially if your organization is just getting started in development

Requirements for Threshold:

- Development experience

This means it may be advantageous to partner with an experienced developer. A few tips:

- Start with smaller opportunities

- Work to understand their fiscal requirements

- Assess capacity and lay out key milestones
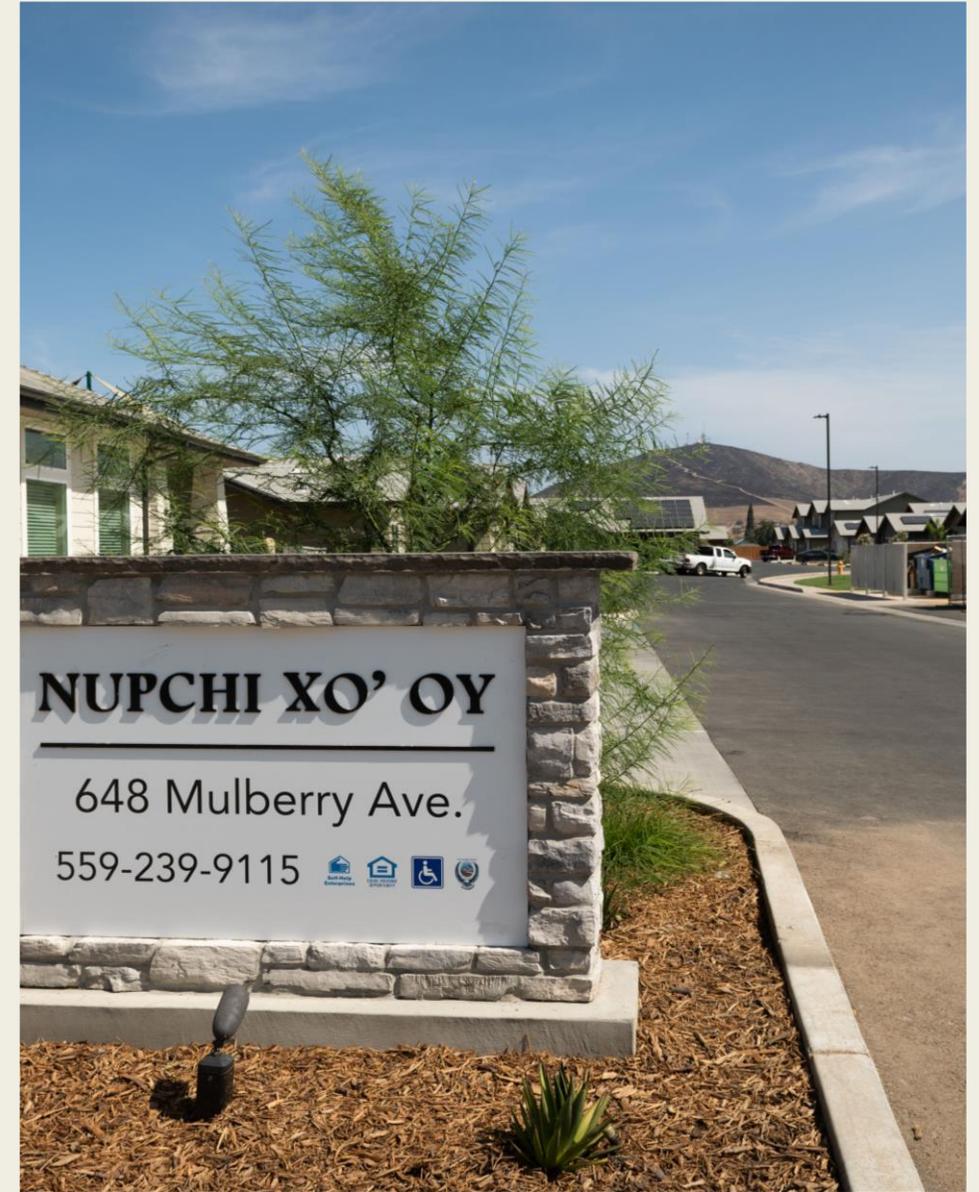
Tenant Selections Plan
Also called Admissions and Occupancy Plan

1. Income eligibility requirements

2. Indian Preference requirements (i.e. tribal members first, other tribes second)

3. Other preferences and priorities

4. Definition of "family"

5. Project specific eligibility requirements

6. Social Security number requirements

7. Income limits

8. Procedures for accepting applications and selecting from the waiting list

9. Procedures for rejecting ineligible applicants

10. Occupancy standards

11. Unit transfer policies, including selection of in-place residents versus applicants from the waiting list when vacancies occur

12. Section 504 of the Rehabilitation Act requirements & the Indian Civil Rights laws and statutes

13. Policy for opening and closing the waiting list for the property

14. Applicant notification and opportunity to supplement information already provided

15. Procedures for identifying applicant needs for the features of accessible units or reasonable accommodations

16. Policy for notifying applicants and potential applicants of changes in the tenant selection plan

CHECK POINT

Guest Speaker: Sarah Torsell

Section 4 Capacity Building Grant Opportunity

Funding is made available through the U.S. Department of Housing and Urban Development's Section 4 Capacity Building for Community Development Program.

The purpose of the Section 4 Program is to enhance the technical and administrative capabilities of:

- Community Development Corporations (CDCs)

- Community Housing Development Organizations (CHDOs)

- Eligible 501c3 Tribal Entities, Federally recognized Tribes, Tribally Designated Housing Entities, Tribal Housing Authorities + Native CDFIs

…to carry out community development and affordable housing activities for the benefit of households of low income (80% AMI or below).

Section 4 is the only HUD program specifically designed to build the capacity of CDCs and CHDOs

Section 4 Threshold Requirements

All proposals must meet the following **Threshold Requirements** to be considered for review:

1. Applicants must meet organizational eligibility requirements.

2. Program activities must address the needs of households with low income as required under the Section 4 programs (80% AMI or lower).

3. Activities must have a direct capacity building benefit to the organization applying for funds.

4. Applicants must demonstrate staff capacity to manage the award with either full-time, part-time and/or contract employees to complete proposed activities.

5. Organizations working in rural areas must meet the definition of rural as applicable to the Section 4 program. ArcGIS - Enterprise Section 4 Rural Areas

Section 4 Federal Compliance

All applicants must submit the following items:

❑ **501c3 Letter of Determination**

❖ *Eligible tribal entities without 501c3 status may upload a copy of the federal registry.*

❑ **IRS W-9**

❑ **System for Award Management (SAM) Validation,**

❑ **Certificate of Good Standing (current)**

❑ **Most recent fiscal Audit -** If an Audit is not available, we will also accept: 1) financial reviews conducted by a Certified Professional Accountant who is independent of the applicant organization or 2) most recent IRS 990

❑ **Single Audit, if required**

Other things to note on Section 4:

Organizational Document Checklist-Applicants are required to complete the Organizational Document Checklist as part of their application submission. If selected for an award they may be required to provide supporting documentation to ensure they have the systems and internal controls in place to successfully manage federal funds. This request is based on federal requirements contained in 2 CFR 200 which requires Enterprise to review and evaluate the risk associated with potential Grantees prior to making awards.

Cost Reimbursable-All grants are awarded on a cost reimbursement basis; grant disbursements occur after expenses have been incurred.

Matching Funds-The Section 4 program requires Enterprise to raise match from private sources for every dollar of Section 4 funds spent. Enterprise in turn requests that Grantees demonstrate their ability to provide matching dollars at a 3:1 ratio to assist Enterprise in meeting this requirement.

Allowable Costs & Eligible Activities

Common examples of allowable costs:

•Staff Salaries which may also including fringe benefits

Predevelopment Expenses

•Staff or Board Training

•Computer Software/Hardware

•Consultants

oCannot be retained for policy, fundraising, or advocacy/lobbying work.

oMust be selected through full and open competition and must have the ability to perform proposed activity(ies).

oLabor rates must be fair, reasonable and consistent with rates charged on other contracts and may not exceed daily equivalent of the rate paid for the OPM General Schedule Grade 15, Step 10, (based on the locality) or those with a "loaded" rate greater than $150 an hour without prior written approval from HUD.

Unallowable Costs & Ineligible Activities

Examples of ineligible activities and unallowable costs:

- Expenses for new lines of business or start-up costs, including related staff/consultant expenses. Examples include mergers, formation of new for-profit or non-profit companies.

- Direct fundraising to support organizational costs and programs (i.e. meet with donors, write grants, organize/host fundraising events).

- Giveaways/prizes, incentives, and stipends.

- Entertainment costs, including food and alcohol.

- Direct construction costs.

Unallowable Costs & Ineligible Activities

Lobbying

o **Direct:** communication with a legislator, an employee of a legislator or legislative body, or any covered executive branch or other government employee who may participate in the formulation of legislation. The communication refers to a specific piece of legislation and expresses a view on that legislation.

o **Grassroots:** an attempt to influence specific legislation by encouraging the public to contact legislators about that legislation. A communication constitutes grassroots lobbying if it refers to specific legislation, reflects a view on that specific legislation and encourages the recipient of the communication to take lobbying action. This type of communication is known as a call to action.

Lobbying is **NOT**: study or research, examinations and discussions of broad social, economic or similar problems, promoting or sharing the success of your program, or requests for technical advice or assistance.

Program Areas

Enterprise will support CDCs, CHDOs, Tribes, TDHE's, THA's and Native CDFIs in building their organization's capacity to address community needs across five (5) program areas that work towards advancing racial equity, increasing housing supply and fostering resilience and upward mobility.

As part of the application process, we ask organizations to identify if they are prioritizing Section 4 for:

O Strengthening the organization's internal processes and capacity **OR**

O For the support and implementation or expansion of programmatic work.

1. Preservation of Existing Housing

2. New Housing Production

3. Climate and Community Resilience

4. Economic Mobility

5. Eviction Prevention

Strengthening the organization's internal processes and capacity

- Developing policies and procedures, board development, strategic planning, and succession planning.

- Activities that increase an organization's capacity to advance racial equity strategies, such as DEI training for staff and board.

- Activities that increase capacity of the organization or affordable housing portfolio's operational and financial sustainability.

Grantee Example: A Tribal Housing Authority in New Mexico used grant funds to build their financial management capacity. The funds were used to purchase and transition to appropriate fund accounting and project software. Section 4 also supported staff time while staff learned how to use the software during the transition. This new software will ensure the organization has sound and compliant financial management systems and reporting.

Preservation of Existing Housing

- Strategies to increase access to capital to support affordable housing development and preservation including rental and ownership.

- Furthering early predevelopment on existing rural or tribal developments or work on preservation transactions of distressed or expiring affordable housing portfolios.

- Recapitalizing aging affordable housing stock under existing ownership.

- The redevelopment or preservation of farmworker or migrant and seasonal workers housing.

Preservation of Existing Housing-Grantee Examples

- A CDC in Oregon used grant funds to build their real estate development capacity by supporting staff who are working on preservation projects including the development of two manufactured homes and project financing to rehab three affordable housing properties in their community.

- A CHDO in California used grant funds to cover partial costs for the Engineer and Architect for a rehab project.

- Common examples of predevelopment expenses include appraisals, market studies, capital needs assessments, Architect and Engineering Costs, legal expenses, project financing consultants

New Housing Production

- Housing that serves vulnerable populations – seniors, homeless, disabled, people with a history of involvement in the criminal legal system, etc.

- Predevelopment capital, enhanced staff capacity and/or creative strategies to advance projects to utilize undeveloped or underdeveloped land for the production of new affordable housing.

Grantee example: A Tribal Housing Authority in New York used Section 4 funding to build their capacity by hiring a supportive housing consultant to: a) develop the tribe's permanent supportive housing program, b) develop a compliance training program, and c) strengthen supportive housing services through collaboration with service providers and property management disciplines. Specifically, funds were used to support staff, consultant and travel expenses related to these efforts.

Grantee example: A Tribe in California received a Section 4 grant to hire a consultant to conduct a Housing Needs Assessment Survey to better plan for the housing needs of its tribal membership. The data set produced supported planning efforts and grant applications for a wide range of tribal departments.

Climate and Community Resilience

- Activities to support the implementation of healthy, green, and resilient building practices, particularly in at-risk communities.

- Planning activities addressing climate risk reduction or preparedness at properties, such as the creation of a business continuity plan.

- Activities to promote the resilience of low-income residents to reduce and prevent health disparities experienced by low-income residents, including collaboration between the health care and affordable housing sector and/or other adjacent systems that impact housing stability and resident well-being.

Grantee Example: A CDC in Wisconsin used grant funds to support the implementation of a Senior Village Preservation and Solar Energy project, which will preserve 24 units of affordable rural senior housing as well as improve the property's energy efficiency with the addition of a rooftop solar array to offset resident and building common meter electricity costs. Section 4 funds supported SWCAP staff time and consultant costs.

Economic Mobility

- Activities to enhance or implement homeownership and wealth building programs for Native and BIPOC (Black Indigenous People of Color) communities.

- Staff capacity to implement homebuyer education, credit counseling, homebuyer readiness, pre and post purchase counseling, education and curriculum, etc.

- Activities that support housing-based connections to services and economic opportunities for people with a history of involvement in the criminal legal system.

Economic Mobility Grantee Examples

- A TDHE in New Mexico used grant funds to build their staff capacity to enhance their homeownership program for their Native Community. They worked with a certified instructor to provide specialized training for understanding the overall mortgage process, federal rules and regulations related to the various mortgage programs. The TDHE also used grant funds to upgrade its information technology.

- A Native CDFI in South Dakota used grant funds to create a Veterans Homeownership Program. This pilot program aimed at increasing homeownership for Native veterans and their families. Grant funds were used to train staff, develop and market the program and provide homeownership counseling and coaching.

- A Hawaiian Homestead Association used grant funds to support staff time and consultants to create new economic opportunities for their residents and community. The Section 4 funding is helping the organization inventory the assets and function of each community project. Funds were also used to support technology upgrades and training costs.

Eviction Prevention

Eviction Prevention

- Activities that build staff and organizational capacity for eviction and resident displacement prevention work.

Grantee example: A rural CDC in Oregon used grant funds to hire an additional Resident Services Coordinator to increase the organization's overall capacity to provide eviction prevention services to residents living in their affordable housing units.

2024 RFP COMING SOON!

- Enterprise FY22/FY23 award from HUD will include over $3million in pass through grant funds

- Anticipate an RFP announcement in August 2024

- Funding seeks to build the capacity of eligible CDCS, CHDOs, Tribes, THAs, TDHEs and Native CDFIs to carry out community development and affordable housing activities that address the needs of households with low income (80% AMI or lower) in rural and tribal communities

- Average awards expected to be $50,000+++

- Grant periods of performances are typically 18-24 months

QUESTION & ANSWER

Enterprise

Thank You!

NEXT SESSION

**CLOSED TO PUBLIC:
PROFORMAS & FINANCIAL FEASIBILITY ANALYSIS**