



Opening Doors of Opportunity:
A Guide for Advancing Housing Equity in the Multifamily Industry

Getting Started with Implementation

About this Resource

This Guide is for NMHC members and other stakeholders that seek to leverage housing as a primary vehicle for more equitable and just communities. NMHC contracted Enterprise Community Partners to support the creation of this Guide. Enterprise conducted interviews and focus groups with NMHC members and staff, reviewed relevant literature, developed case studies and drafted select content for the Guide. NMHC staff worked closely with Enterprise throughout the development process and edited the final version of the Guide.

Learn more about NMHC's Diversity, Equity and Inclusion commitment at www.NMHC.org/DEI.



About NMHC

Based in Washington, D.C., the National Multifamily Housing Council (NMHC) is a national association representing the interests of the largest and most prominent apartment firms in the United States. The NMHC's members are the principal officers of firms engaged in all aspects of the apartment industry, including ownership, development, management and financing. The NMHC advocates on behalf of rental housing, conducts apartment-related research, encourages the exchange of strategic business information and promotes the desirability of apartment living. Nearly one-third of Americans rent their housing, and almost 15 percent live in apartments (defined here as buildings with five or more units). For more information, contact the NMHC at 202/974-2300, email the NMHC at info@nmhc.org or visit the NMHC's website at www.nmhc.org.



About Enterprise Community Partners

Enterprise is a national nonprofit that exists to make a good home possible for the millions of families without one. We support community development organizations on the ground, aggregate and invest capital for impact, advance housing policy at every level of government, and build and manage communities ourselves. Since 1982, we have invested \$64 billion and created 951,000 homes across all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands – all to make home and community places of pride, power and belonging. Join us at www.enterprisecommunity.org.

Getting Started with Implementation

Section Overview:

This section discusses the transition from planning for action to acting, including the types of capacities an organization may need to do so. The details of implementation will vary significantly between organizations and what they plan to do, so this section is meant to provide a general set of guidance and considerations.



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Initiating a Plan

Implementing a housing equity plan should incorporate an understanding of how the organization's current practices might limit equitable outcomes for their residents. This understanding can serve as a starting point for strategic planning by identifying opportunities for individuals and organizations to make commitments that can achieve desired outcomes. To prepare for this process, there are several discrete steps to get started:

- Develop a plan.
- Ensure that there are opportunities for education on the issues and create space to discuss them within the workplace.
- Cultivate operational support.
- Identify other champions throughout the organization.
- Build partnerships and relationships, specifically with residents and communities.

This work requires continuous reflection and adjustment, as needed. As action steps and interventions are identified across workstreams, organizations can develop the capacity to implement strategies, craft policy, and build powerful and sustainable communities that are rooted in racial equity.

Capacity Needs for Future Success

Integrating housing and housing equity goals into an organization's mission and strategy may prove simple or more complex depending on existing capacity across staffing, operations, and leadership. The capacities detailed within the expandable sections below may prove useful in preparing the organization to develop their housing equity plan as well as to implement and evaluate proposed actions.



CASE STUDY

National Equity Fund's Emerging Minority Developer Fund



National Equity Fund (NEF), a leading nonprofit Low-Income Housing Tax Credit (LIHTC) syndicator, lender and equity investor, has invested in affordable housing and community development initiatives – including those focused on serving communities of color – for more than three decades.²² NEF has strategically allocated its investments for maximum impact, collaborating with developers and investors to create new and preserve existing affordable housing throughout the country. Additionally, NEF and its partners work to support community and economic development through supportive housing developments that provide supportive social and health services to assist the chronically homeless, individuals with disabilities, seniors, Veterans, and other vulnerable populations. Recently, to amplify access to capital for affordable housing developers of color, NEF launched the *Emerging Minority Developer Fund (EMDF)*, a \$147 million fund to connect affordable housing developers of color with the resources needed to build affordable housing.²³

The fund will help developers of color bridge capital gaps that often prevent them from accessing LIHTC financing, with an emphasis on promising developers who have limited LIHTC development experience and/or limited financial capacity. Barriers to accessing LIHTC financing limit the ability of developers of color to grow their businesses, scale their operations, and build their own wealth to fund future affordable housing and community development projects. The fund aims to address systemic barriers facing affordable housing developers of color in accessing LIHTC financing. This is via limited guaranty backstops for undercapitalized developers of color and technical support funding for consultants to assist with successful navigation of the transaction while building the developer's capacity. The guaranty backstop and technical support are vital elements of the fund that effectively mitigate two significant barriers for developers of color.

The EMDF will also bring benefits to lower-income communities. Developers of color often differentiate themselves by leading groups that understand the specific opportunities, challenges, and historical context in the neighborhoods where they are developing. Their ability to recognize development projects that reflect the cultures and preferences of the neighborhood populations and to provide affordable housing options that meet specific local needs and priorities increases the benefit to residents. Furthermore, improving capital access for developers of color can help them bring development projects to low-income communities, which has economic implications such as job creation and upward mobility opportunities.

Key features that supplement NEF's financing commitment and ensure success among participating developers include:

- **Limited guaranty backstops**
- **Technical support**
- **Retention of at least 50% of the developer fee**
 - *This improves the developer's financial strength and capacity to grow their business.*

Over the long-term, EMDF will help participating developers build their capacity and improve their financial strength by reducing barriers to accessing future LIHTC financing. NEF expects to demonstrate that an equity-focused approach to housing investment can benefit firms and inspire more investments in developers of color.

²² (National Equity Fund, 2023)

²³ (National Equity Fund, n.d.)

References

National Equity Fund. (2023). *National Equity Fund*. Retrieved from <https://www.nationalequityfund.org/>

National Equity Fund. (n.d.). *Emerging Minority Developer Fund*. Retrieved from <https://www.nationalequityfund.org/impact/emerging-minority-developers-fund-emdf/>



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