

CHAPTER 6 – NONPROFIT CAPACITY BUILDING & OPERATING

Chapter Outline

Eligible Applicants
Eligible Activities
Ineligible Activities
Drawing Funds
Target Plan

The purpose of this activity is to increase the capacity of nonprofit organizations to produce affordable housing.

WARNING: The NAHTF Administration Manual contains information on eligible uses and requirements of NAHTF funds as general guidance. However, the Department further defines eligible uses and requirements for NAHTF funds administered by the Department via the Housing and Community Development Annual Action Plan, NAHP Application Guidelines and the NAHTF Program Contract. **Applicants and grantees must adhere to the requirements imposed on NAHTF funds for the particular program year and specific award.**

Overview of Program Requirements

The chapter covers NAHTF assistance to nonprofit organizations for capacity building and operating activities.

Eligible Applicants

Local or regional nonprofit 501(c)(3) or 501(c)(4) housing or related service organizations and housing assistance providers are eligible to apply for capacity building and/or operating funds.

Eligible Activities

Operating expenses (not project related) for housing development organizations and housing technical assistance organizations to increase the capacity of the organization to produce and develop affordable housing.

Ineligible Activities

Project-specific expenses are not eligible. These expenses include costs directly related to implementing an affordable housing project or program such as staff salaries to accept and review applications for a homebuyer assistance program.

Drawing Funds

Grantees must submit supporting documentation with all requests for NAHTF funds. The documentation must clearly demonstrate eligible expenses were incurred and that the grantee has paid the obligation. Funds from the NAHTF must be used to reimburse the grantee. Acceptable forms of documentation include copies of timesheets, invoices and cancelled checks.

Target Plan

The Department requires organizations receiving capacity building or operating funds to implement a target plan. Grantees must provide the Department updates of their performance in relation to the target plan on a quarterly basis.

The following is an example of a target plan:

1) Proposed Target Plan

- a) Provide a Baseline Measurement related to the activities proposed by the applicant in the service area.
 - i) A Baseline Measurement illustrates actual results achieved by the applicant in recent years to achieve outcomes related to providing affordable housing. Provide a baseline measurement for all housing related results achieved in the last 2 years. If the applicant has not completed relevant results recently, indicate how the Production Performance Target measurements were derived.
 - ii) A Baseline Measurement must contain (1) number of persons or units with a change in behavior or condition due to the activities of the applicant in a specified time frame (such as the last 2 years), (2) what was done (such as assisted to become homebuyers), (4) what resources and amounts were used to achieve these outcomes (such as \$150,000 of NAHP funds, private resources, etc.), (5) where the persons or units are located and (6) organizations and partners primarily responsible for accomplishing these outcomes.
 - iii) Example Baseline Measurement: 21 new homebuyers at or below 80% of the area median income purchased newly constructed homes in Cork County with the assistance of \$300,000 of NAHP HOME funds for direct homebuyer assistance, \$200,000 of private contributions to the applicant non-profit organization and \$100,000 of development subsidy provided by the applicant non-profit organization and private mortgages primarily through the USDA – Rural Development between January 1, 2000 and December 31, 2002.
- b) List all Housing Production Performance Targets for your organization for the next year.
 - i) A Production Performance Target must contain (1) number of proposed persons or proposed units (such as homes or families), (2) proposed change of behavior or condition of proposed persons or units at project completion (purchased and occupied or homeowner), (3) where the target will be achieved, and (4) date the target will be fully completed and verifiable.
 - ii) Example Homebuyer Performance Target: Ten homes will be purchased in the Village of Metropolis and occupied by first-time homebuyers whose incomes are at or below 80% of the area median income for Otis County by January 25, 2005.
- c) List the Milestones related to your Housing Production Performance Targets.
 - i) A Milestone is a critical step to meeting the Performance Target that is reached by someone other than the applicant or agents of the applicant to implement the project.
 - ii) A Milestone must contain (1) the benchmark reached including the quantity, if applicable (2) the person or entity that will reach the benchmark (10 homebuyers), (3) the date the benchmark will be reached. Milestones should demonstrate incremental progress in the project such as 2 homebuyers in the first quarter, 3 in the second quarter, etc.

- iii) Examples: December 31, 2004 4 homebuyers have been approved by local lender – lenders.
 - February 2, 2005, 4 homes have had inspections and are known to meet HQS – PHA staff.
 - March 22, 2005, permanent financing loans close on first 4 homes – lender, seller and homebuyer
- d) List the Workplan related to your Housing Production Performance Target Milestones. A workplan is a list of duties that must be completed by the applicant or the applicant’s agent to implement the project in order to reach the Milestones.
 - i) A Workplan must contain (1) the action to be taken, (2) date the action must be taken, (3) person (not organization or entity) responsible. The more detail that can be provided of the actual individual who will be responsible will benefit the applicant in the NDED application review process, and (4) the corresponding Milestone.
 - ii) Example:
 - Publish intent to accept applications for assistance – October 1, 2004 – General Administrator (Suzy Jones) – Milestone 2.
 - Review 20 applications for assistance – October 13, 2005– Housing Administrator (Ben Barker) – Milestone 2
 - Approve 10 families for assistance November 3, 2005– Housing Administrator (Ben Barker) – Milestone 3.
 - Assist 10 families thru local lender process and provide homebuyer counseling November 29, 2005 - Housing Administrator (Ben Barker) – Milestone 4.
- e) List all Housing Development Capacity Building Performance Targets for your organization for the next year.
 - i) A Housing Development Capacity Building Performance Target must contain (2) proposed change of behavior or condition of the organization’s board and/or staff (3) how the target can be verified, and (4) date the target will be fully completed and verifiable.
 - ii) Example 1 Housing Development Capacity Building Performance Target: Applicant organization will add 3 board members and these board vacancies will be filled with representatives of Cork County, which is an expanded service area of the organization, by June 30, 2005. This target can be verified by the organizational by-laws, board roster and meeting minutes.
 - iii) Example 2 Housing Development Capacity Building Performance Target: Applicant organization assistant director will receive training and technical assistance by June 30, 2005 in order to develop an affordable rental housing project to serve persons with developmental disabilities. This can be verified when the assistance director submits a successful NAHP application for funding for developing and managing affordable rental housing by March 1, 2006. Currently the assistant director does not have adequate knowledge and experience to submit the application or manage the project.

- f) List the Milestones related to your Housing Development Capacity Building Performance Targets.
- i) A Milestone is a critical step to meeting the Performance Target that is reached by someone other than the current board or staff of the applicant to implement the change.
 - ii) A Milestone must contain (1) the benchmark reached including the quantity, if applicable (2) the person or entity that will reach the benchmark (5 applicants), (3) the date the benchmark will be reached. Milestones should demonstrate incremental progress in the project such as 1 applicant in the first quarter, 2 applicants in the second quarter, etc.
 - iii) Example 1: December 31, 2004 3 local newspapers advertise board vacancies and organization information, free of charge – newspaper editors.
February 2, 2005, 10 interested people from Cork County inquire about board vacancies – residents of Cork County.
March 22, 2005, 4 interested people from Cork County submit applications for board vacancies.
 - iv) Example 2:
November 31, 2004 Receive 4 responses to Request for Qualifications from consultants to provide one on one technical assistance to Assistant Director January 1, 2005, Contractor and applicant organization execute a contract for assistance.
- g) A Workplan is a list of duties that must be completed by the applicant board or staff in order to reach the Milestones.
- i) A Workplan must contain (1) the action to be taken, (2) date the action must be taken, (3) person (not organization or entity) responsible. The more detail that can be provided of the actual individual who will be responsible will benefit the applicant in the NDED application review process, and (4) the corresponding Milestone.
 - ii) Example 1:
Contact 7 local newspapers in Cork County regarding free advertisement – October 1, 2004 – Board Membership Committee Chair (Randy Rhinestone) – Milestone 1.
Answer inquiries about board vacancies – February 28, 2005– Board Membership Committee Chair (Randy Rhinestone) – Milestone 3.
Review applications for board vacancies for eligibility – March 30, 2005 – Organization staff (Shawna Shale) – milestone 5
 - iii) Example 2:
Assistant Director disburses a Request for Qualifications to contract with a consultant to provide one on one technical assistance in the development of an affordable rental project by October 31, 2004. (Fiona Firestone) – Milestone 1
Assistant Director attends National Development Council Housing Development Finance training for rental housing development and receives a passing grade on the exam by June 30, 2005. (Fiona Firestone)– Milestone 3