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I N V E S T M E N T S

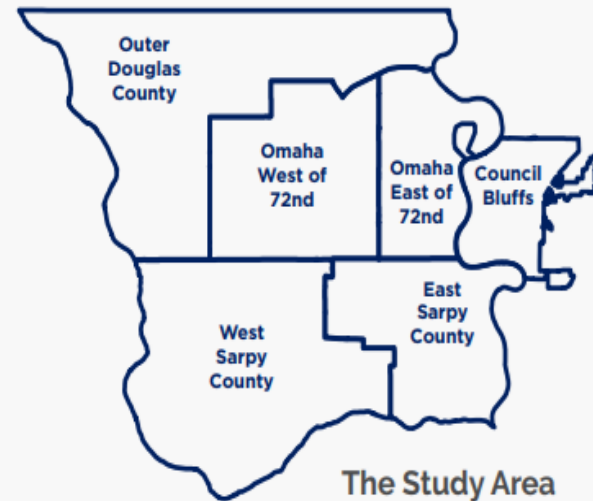
Housing Strategy Brief

Assessment Overview

The purpose of this study is to create a holistic housing investment strategy for philanthropy to address key housing challenges in the Omaha-Council Bluffs region and support equitable growth.

This effort included several key tasks:

- Detailed data and market analysis to quantify the need
- Assessment of the housing ecosystem to identify gaps
- Engagement of local affordable housing leaders to understand current efforts and areas to build capacity
- Creation of a Housing Toolkit based on best practices with strategies to address Omaha-Council Bluff's housing needs



Our charge...
to identify housing initiatives for philanthropy to support equitable growth in the community

Housing touches everything



STABILIZATION

- SAFETY
- TENANT STABILITY
- AFFORDABILITY
- HOMEOWNERSHIP
- COMMUNITY INVOLVEMENT
- MAINTENANCE & REPAIR
- RENOVATION

OPPORTUNITY

- EDUCATION
- HEALTH & WELLBEING
- SKILLS & JOBS
- ENTREPRENEURSHIP
- INCOME & EMPLOYMENT
- TRANSPORTATION
- INFRASTRUCTURE
- WEALTH BUILDING

MARKETABILITY

- PRESERVATION
- NEIGHBORHOOD CHARACTER
- ECONOMIC DEVELOPMENT
- LAND AVAILABILITY
- PERCEPTION OF SAFETY
- PARKS & RECREATION
- PUBLIC REALM
- RETAIL & SERVICES

Housing's Impact



Affordable housing is an investment in **health**

A child living with housing insecurity is **28% more likely to be underweight**, and 19% more likely to have poor nutrition.

Children living in poor-quality housing make **59% more visits to the emergency room** due to asthma.



Affordable housing is an investment in **education**

A child who moves frequently because of housing insecurity falls at least **3 months behind after just one move**.

Children who experience homelessness are **21 percentage points less likely to graduate** than children who do not.



Affordable housing is **cost-effective**

Nationally, taxpayers pay **\$36,000 per year** to provide emergency and health services for each individual experiencing **chronic homelessness**.

It costs just **\$13,000 per year to provide supportive housing** to an individual who formerly experienced homelessness.



Affordable housing drives **economic development**

Every 100 units of affordable housing generates **\$7.9 million in local income, \$830k in tax revenue**, and **122 jobs** in just the first year, and ongoing economic benefits in the years following.

Understanding affordability is a critical starting point for the conversation.

\$987

per month

to rent a 2-bedroom unit of safe and decent quality, including utilities

Based on FY21 HUD Fair Market Rent for Omaha-Council Bluffs, NE-IA HUD Metro

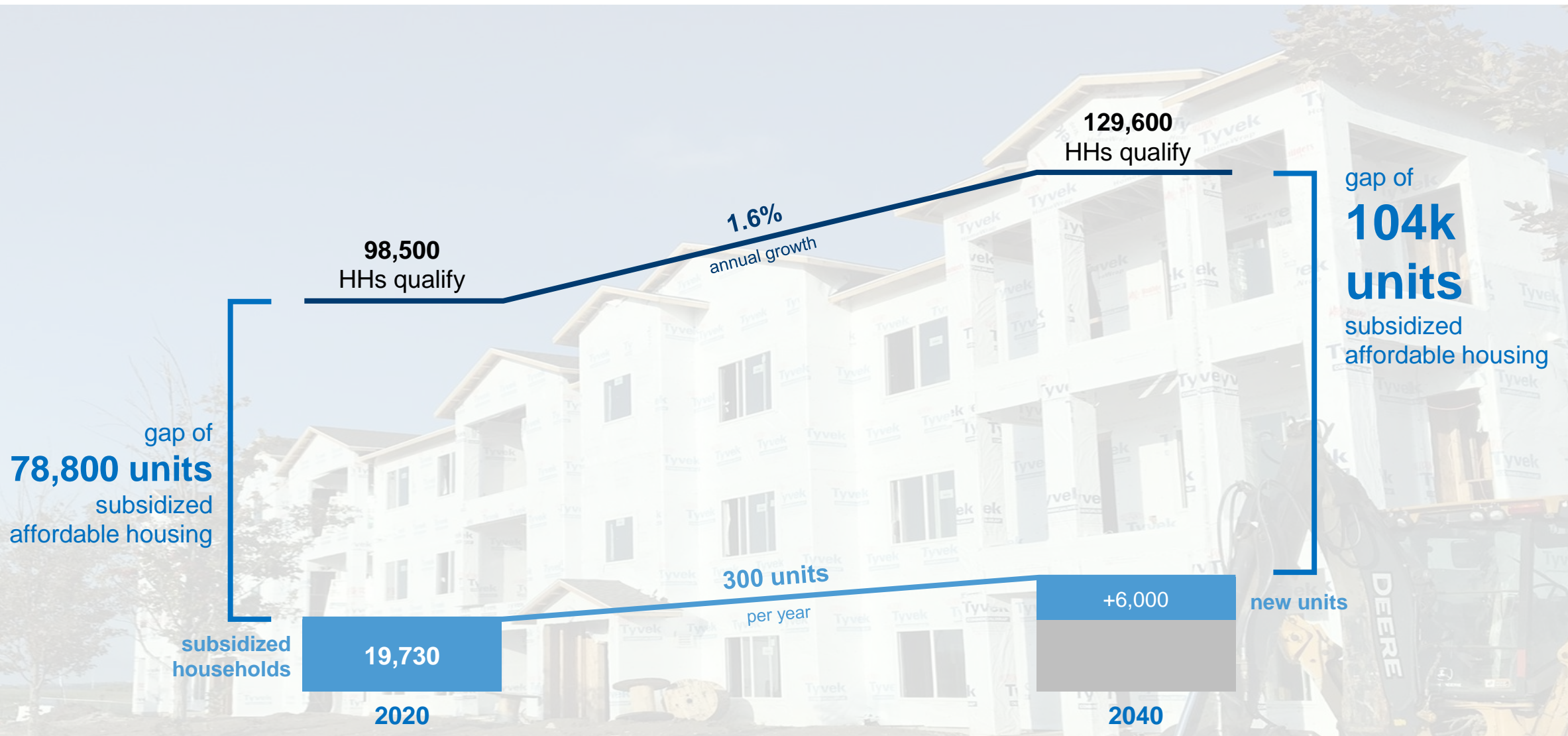
\$19/HR

housing wage

bare minimum to afford a 2-bedroom unit of safe and decent quality plus utilities

Calculated based on a \$930 FMR (gross rent), assuming 30% of income toward rent and utilities, full-time employment

AFFORDABLE HOUSING SUPPLY IN COMPARISON TO NEED

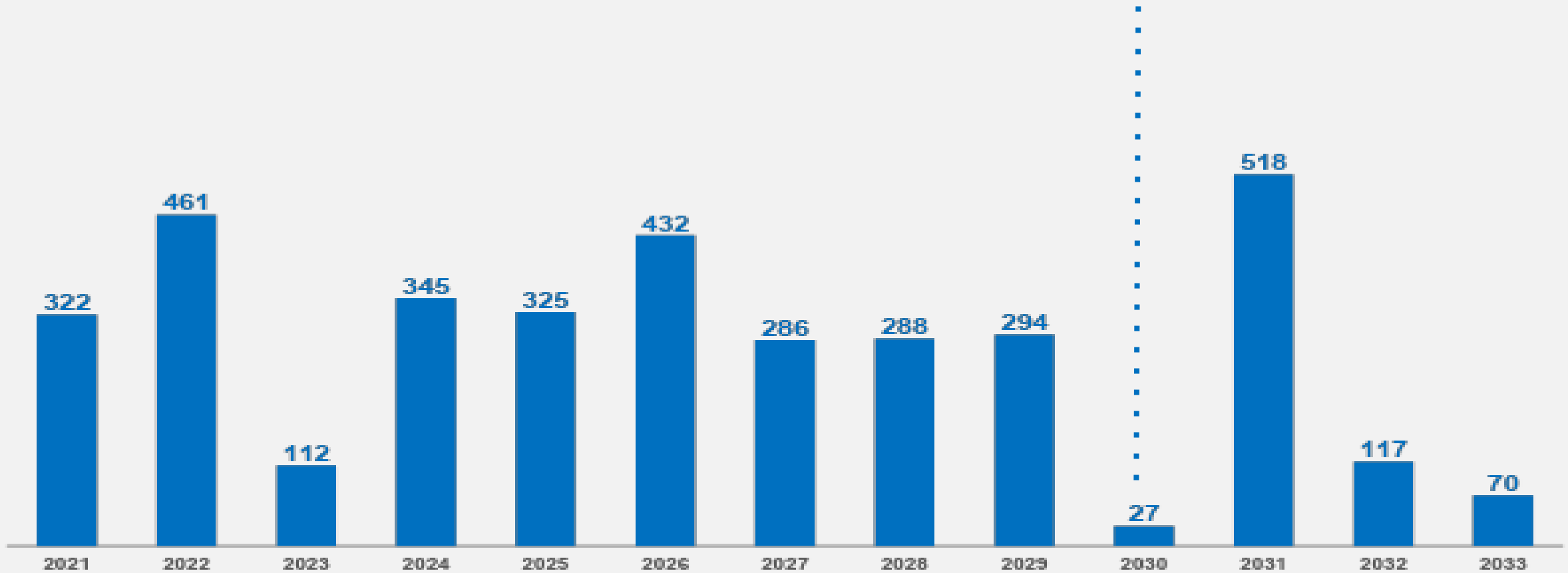


Source: production based on past 10 years of LIHTC allocations; demand based on estimate of households with incomes below 60% AMI; growth based on Heartland 2050

AFFORDABLE HOUSING SUPPLY
THE NEED FOR PRESERVATION

Without resources to preserve existing
quality affordable units,
the area could lose up to...

3,080 units by
2030



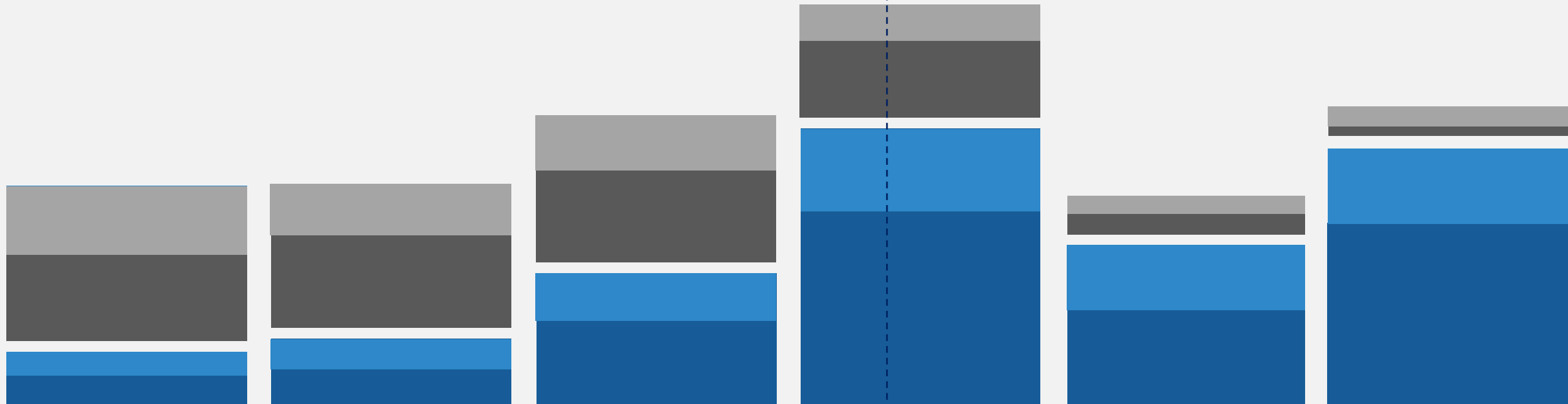
Source: LIHTC database, assuming potential loss of affordability restrictions at 15 years after the property is placed in service

WHAT TYPES OF HOUSING ARE NEEDED?

SUMMARY OF 20-YEAR DEMAND FOR OMAHA & COUNCIL BLUFFS AREA

SUBSIDIZED	LOW-INCOME	AFFORDABLE	WORKFORCE	MODERATE	UPSCALE
< 30% AMI	30 – 50% AMI	50 - 80% AMI	80 – 120% AMI	120 - 150% AMI	150 - 200% AMI
< \$22k/YR	\$22k - \$37k/yr	\$37k – 58k/yr	\$58k - \$88k/yr	\$88k - \$110k/yr	\$110k - \$146k/yr

new construction requires subsidy



rental demand (current / future)

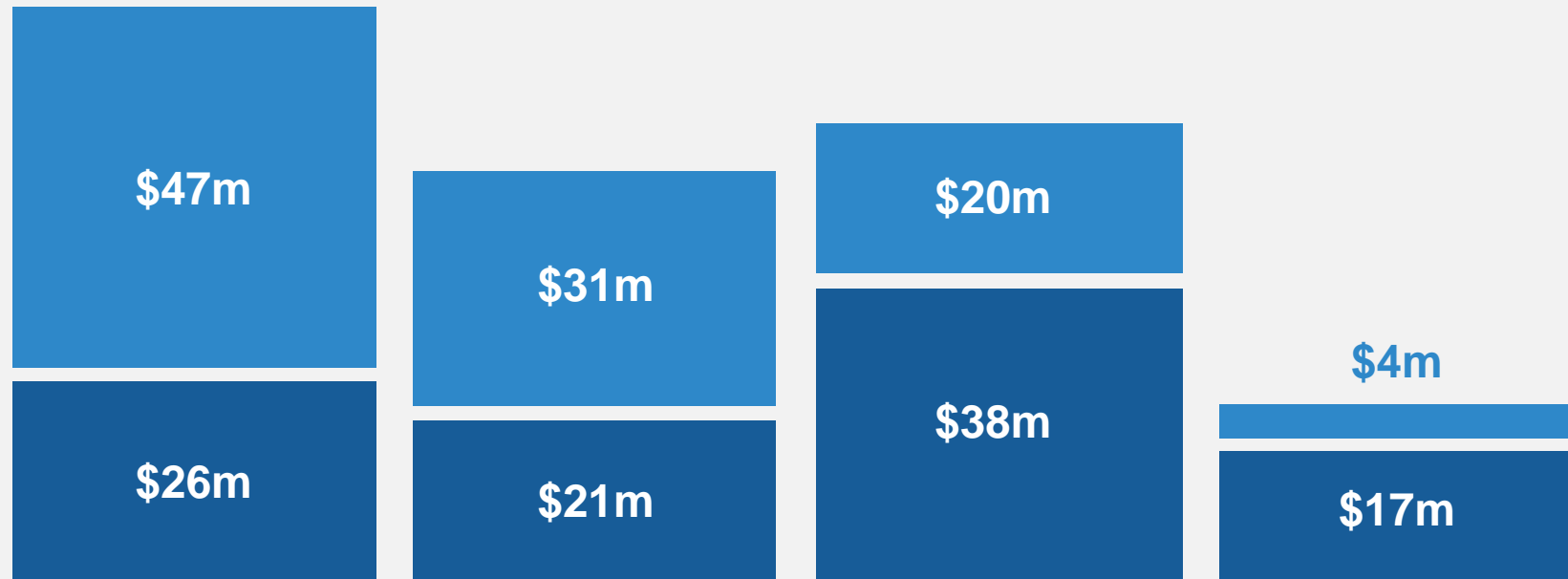
 for-sale demand (current / future)

Source: ESRI, NOVOCO, definitions established assuming 2.55-person household, the average household size for the study area

WHAT RESOURCES ARE NEEDED?

ANNUAL RESOURCES TO MEET LONG-TERM HOUSING NEEDS

SUBSIDIZED	LOW-INCOME	AFFORDABLE	WORKFORCE	MODERATE	UPSCALE
< 30% AMI	30 – 50% AMI	50 - 80% AMI	80 – 120% AMI	120 - 150% AMI	150 - 200% AMI
< \$22k/YR	\$22k - \$37k/yr	\$37k – 58k/yr	\$58k - \$88k/yr	\$88k - \$110k/yr	\$110k - \$146k/yr



rental need
for-sale need

The participants in this
study awarded
\$425 million
in grants in Omaha-
Council Bluffs in 2018.

Education
\$103 million

Civic Investment / Arts
\$98 million

Human Services
\$55 million

Homeless services
\$16m

Housing
\$20 million

Capital investments in shelters
\$12m

Youth Development
\$58 million

Community Services
\$29 million

Health & Food Initiatives
\$31 million

Faith-based initiatives
\$17 million

\$5m

Environment

\$2m

Jobs / Economic Development

Housing Challenges

- Housing cost burden is prevalent in the region, **particularly impacting renters, black, indigenous, and people of color** and escalating amid COVID-19
- Some areas—including those that are currently more “affordable”—**are experiencing the most rapid rent and/or home value increases**, leaving current residents at risk of displacement
- **Demand** for quality affordable and workforce housing is **growing far more quickly than the current system produces it**
- There is a need for **dedicated** affordable housing in **areas that support access to amenities** (jobs, transit, education, services)

Housing Priorities

- **Accelerate the production** of quality, dedicated affordable housing by **preserving** existing affordable housing and **producing** new affordable housing options in a variety of types and locations
- **Increase housing supports** that improve housing stability and prevent homelessness
- **Increase** developer and workforce **capacity & diversity** and **foster innovations** that **reduce the cost** of providing quality affordable housing
- **Support policies** that make it easier and more efficient to produce quality **affordable housing and housing supports**

ALL OF THESE PRIORITIES MUST BE ADDRESSED THROUGH THE LENS OF HOUSING JUSTICE AND RACIAL EQUITY



Front Porch Investments was created as a response to the demand for strategic investment and coordinated leadership in the areas of affordable housing and homelessness prevention, including the implementation of the strategic framework and solutions identified in the [Assessment of Housing Affordability, Needs, & Priorities](#) report.

THE VISION

A community, committed to ensuring all have a home where they can thrive, with bold decisions and effective innovation that reflects housing as a human right.

THE MISSION

We seek to create opportunities to implement successful housing solutions by maximizing public and private resources, convening community partners, new stakeholders, and historically excluded voices, and we include all these perspectives in a shared vision for the future.



Committed
to ensuring
all have a
home.

OUR FUNDING PARTNERS



Public

(City, County, State, & Federal)
Through Public &
Private Partnerships



Private

Philanthropy
Partnerships with
Foundations, Families

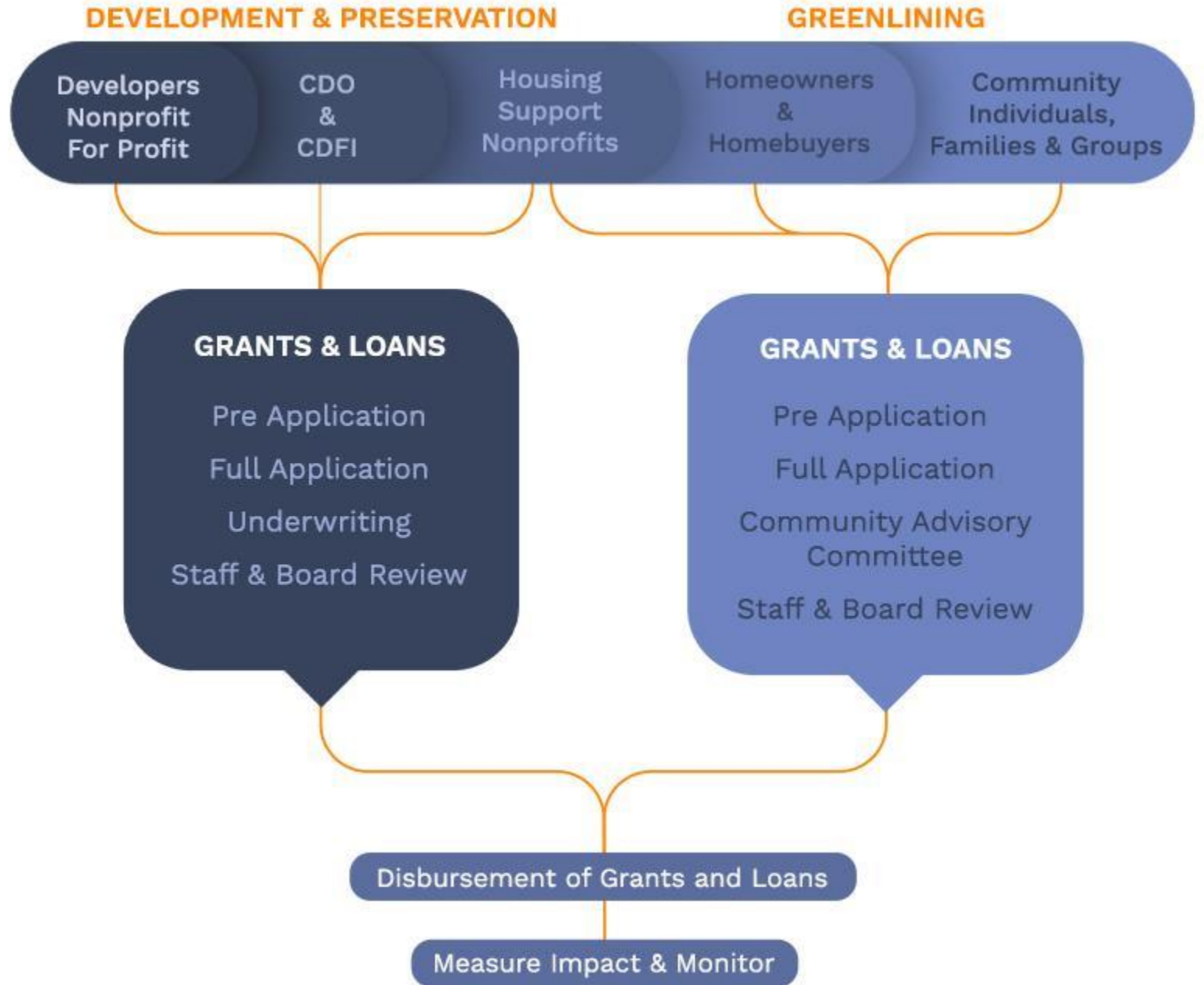


Corporate

Philanthropy Partnering
with the Business
Community



OUR FUNDING PROCESS



Development & Preservation Fund

FPI's Preservation and Development Fund was created in alignment with the recommendations provided through the Omaha and Council Bluffs Area Assessment of Housing Affordability, Needs, & Priorities report. These recommendations were created as a part of a cross-sector strategy aimed to address the Greater Omaha Metro Area's affordable housing shortage.

Broad Goals

The broad goals of the Development and Preservation Fund as identified in the assessment are to:



Provide gap financing for the development of new **affordable housing**, including mixed-income rental housing, the creation of affordable housing in areas near job centers and transit, and transformative “catalyst” projects in neighborhoods undergoing broader revitalization efforts.



Provide needed gap financing to preserve and improve the quality of at-risk dedicated **affordable rental housing**, as well as “naturally occurring” affordable housing properties in deteriorating condition or at risk of conversion to market-rate.

Development and Preservation Fund Financial Projections Summary



Example: 10M Grant Investment into D&P Fund

2M Grant Capital (distributed equally over period)

8M Debt Capital (revolving loans):

50% of debt capital invested in short term loans (<3 years) @ 1% fixed rate

50% of debt capital invested in mini permanent loans (18yr,30yr amor) @ 2%fixed rate

Over a 10-year period under this scenario outcomes include

Total Distributions = \$21,250,000

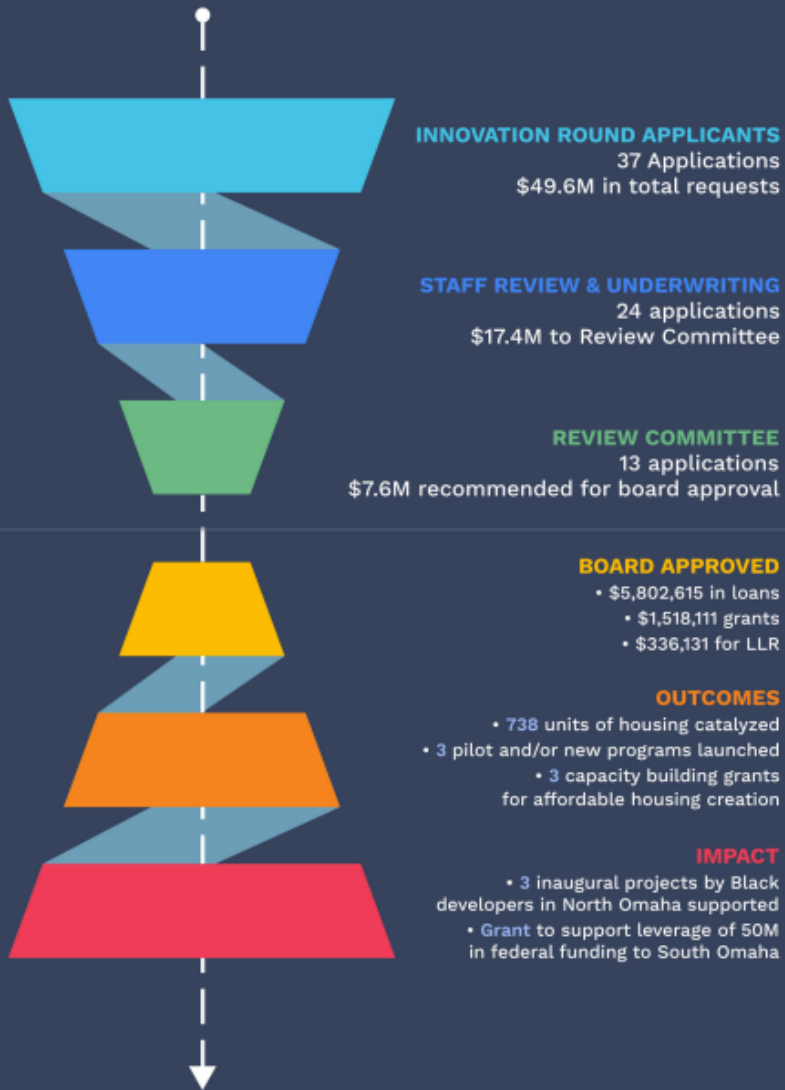
\$19,250,000 in loans and **\$2,000,000 in grants** remainder of **5.27M to revolve**

\$1,420,521 remaining in cash \$3,850,000 in loans receivable

A \$10,000,000 investment will yield more than **\$21,500,000** in community-driven affordable housing investments over a **10-year period**, with an additional **\$5,270,521** still available for loan capital.

Innovation Round Snapshot

front porch
INVESTMENTS



Process & Awards

- 2 week application cycle
- 37 applicants
- 49.6M in requests
- Awarded over 7M
- 5.8M in loans ranging from 18 months to 18 years
- 1.5M in grants

Outcomes & Impact

- Over 700 units of mixed income & affordable housing
- 3 pilot & new programs launched
- Supporting emerging developers
- Leveraging public & private partnerships

Innovation Round Successes



GREENLINING

An opportunity to provide intentional reinvestment and direct resources to create or maintain homeownership in areas that have experienced historical disinvestment through redlining or other disadvantages.

Front Porch Investments' Greenlining Fund will launch in 2023 to invest in potential solutions to prevent displacement in areas of previous and future strategic investments (including housing, transportation, revitalization areas, and public spaces.)

Greenlining Fund

The Community Advisory Committee will be made up of members from the community which these funds are meant to benefit and will be both an excellent professional development opportunity and an impactful way of serving our community. Committee members will be provided training and gain experience in grant review processes while building meaningful relationships with other community members from a variety of backgrounds. Committee members can also weigh in with significant insight and lived expertise informing the solutions to the challenges of our community, as we all seek to improve housing stability, together.



Homelessness Prevention

Non Congregate Shelter

- Public Private Partnership - City, County, Philanthropy
- Hotel purchase, renovation, reuse
- In partnership with Together Inc. (direct service org)
- Priorities for homeless persons over 65, medically fragile
- Populations underserved in traditional shelter (BIPOC, LGBTQIA+)

Reimagine Omaha

- Human-centered design and delivery of services by frontline staff with lived expertise and representative of population served
- Evaluation and gaps analysis
- Peer to peer navigation
- Innovative solutions for prevention- Eg. Landlord Liaison Program and Risk Mitigation Fund



thank you,

front porch
INVESTMENTS