President’s Message

Colleagues and Partners:

We’re excited to share with you NHT’s Performance Snapshot, documenting our recent achievements. As a national nonprofit leader dedicated to affordable housing preservation, we continue to lead the field in policy and practice working at both the national and local level. At the same time, we recognize that despite our and others’ best efforts, the affordable housing crisis in the United States is worsening and preservation must be coupled with creation of new affordable housing units. NHT’s commitment remains the same: doing as much as we can to preserve, produce and protect affordable housing and affordable housing residents through four levers: Policy Innovation and Advocacy, Real Estate Development, Lending and Energy Solutions.

In all four of these areas, we continue the good work we’ve been doing and strive toward new solutions. Our federal, state and local policy work remains steeped in practical solutions informed by our local experience. This Performance Snapshot will exemplify that work and the impact we’ve made both locally and nationally.

Less visible and equally important are the innovations we make behind the scenes to maintain and increase our relevance. Our leadership team and I have been working hard over the past year to update our systems, including employee benefits, technology, and financial systems, to stay relevant to our stakeholders and give our employees what they need to be successful.

All in all, we’re blessed to do rewarding work and it’s been a good year. Thanks for contributing to our success.

Priya Jayachandran, President

Priya Jayachandran
Mission Impact

*Since inception, National Housing Trust (NHT) has preserved and improved more than 37,000 affordable homes through real estate development, lending, and technical assistance work.*

Our vision is to simultaneously build on our track record and proven strategies and design and implement bold new solutions that support more housing and services to improve people’s lives.

Policy Innovation

NHT has achieved important victories and increased public recognition through our policy advocacy. NHT and others alerted Congress and the public when HUD failed to renew thousands of project-based rental assistance contracts during the federal government shutdown. The risks posed to residents and property operations attracted the attention of CNN and other media outlets. After the shutdown ended, NHT worked closely with Congress and the House Appropriations Subcommittee on Transportation, Housing and Urban Development to diagnose how HUD’s systems broke down.

By invitation in March, NHT testified before the same Subcommittee at a hearing on “The Need to Build and Preserve More Affordable Housing.” We made the case forcefully for why strong preservation efforts must accompany new construction to meet the nation’s affordable housing needs.

NHT has led the effort to educate lawmakers on threats to affordable housing from the Qualified Contract loophole in the Low-Income Housing Tax Credit (Housing Credit). As result of our work, a bipartisan group of lawmakers introduced the Save Affordable Housing Act (S. 1956 and H.R. 3479), which would ensure Housing Credit properties remain affordable for at least 30 years as Congress intended.
NHT’s state and local policy team worked with the City of Denver, Miami Dade County and the State of Colorado to strengthen their approaches to preservation. In Denver, NHT recommended updates to the City’s Preservation Ordinance, ultimately adopted by Denver City Council including a right of first refusal, expanding the pool of properties, and stronger notification of sale requirements. Our state and local team advises numerous state Housing Finance Agencies on policies and funding priorities for preservation and defining and measuring areas of opportunity. NHT has also helped both Fannie Mae and Freddie Mac fulfill their Duty to Serve obligations to Residential Economic Diversity. NHT’s online preservation catalog, PrezCat, continues to be recognized as the premier source of state and local affordable housing preservation policies.

Energy Solutions

NHT realized over 10 years ago the impact of high utility costs on affordable homes and their residents. By reducing energy usage and cost through retrofits and renewable energy, we save owners and residents scarce monthly cashflow and have a positive environmental impact.

While working to promote long-term affordability and preservation, we know that high energy costs in multifamily housing make it difficult for owners to sustain affordable rental housing for low-income families. Low-income families can spend 20% or more of their income on energy. The cost of utilities is the largest controllable operating expense in multifamily housing. Efficiency investments in multifamily affordable housing mean energy savings, lower energy bills, more stable rental payments, reduced pollution, and a better quality of life for residents.

Despite these many benefits, efficiency measures are far less likely to be taken in multifamily rentals than in any other type of housing. That is why in the fall of 2013, NHT, Natural Resources Defense Council, Energy Foundation, and Elevate Energy came together to launch Energy Efficiency for All (EEFA) to collectively make multifamily affordable homes energy and water efficient.

EEFA has been joined by nearly 50 state and local partners from diverse sectors and backgrounds to ensure that all renters live in homes that are affordable and healthy.

EEFA brings together expertise in affordable housing, energy efficiency, community development, finance, and utility engagement to drive change in policy and practice. Thanks to EEFA’s advocacy, more than 100,000 affordable apartments have received energy efficiency upgrades.
In addition to NHT’s EEFA engagement, NHT has partnered with others to develop solar panels on affordable housing properties. NHT Renewable is responsible for developing, financing, and owning solar assets. Last year NHT Renewable completed a 1.3 megawatt scattered site rooftop solar installation across 23 affordable housing communities in the D.C. area. The resulting solar systems will reduce emissions by 1,371 metric tons of carbon dioxide annually — roughly equivalent to removing 300 cars from the road each year. Participating partners include several of the largest affordable housing owners in D.C.— So Others Might Eat, Victory Housing, Mi Casa, Mission First, Urban Atlantic, and Somerset Development Company. By participating in the program and generating solar power, owners receive income, free power, and additional funding they can use to offer services for their residents.

Real Estate Development

NHT Communities (previously known as NHT-Enterprise Preservation Corporation), NHT’s real estate arm, is dedicated to four goals: rent affordability, innovative financing, sustainable practices, and resident empowerment. This summer, the Committee of 100 awarded NHT Communities its 2019 Vision Award for our development work in D.C.

NHT Communities owns 35 properties, largely concentrated in the MidAtlantic region, with 20 other projects in the development stage. Two projects are under construction: Mass Place Apartments, a housing bond/Housing Credit-financed renovation of a 160-unit 10-story high-rise, and Liberty Place Apartments, our first new construction building of 71-units and nine stories with designated units for formerly homeless and veterans. Both developments are in northwest Washington, D.C.

In March, we received funding commitments from the District of Columbia government and a newly formed community land trust to renovate Savannah Apartments, located two blocks from a metro station in the Congress Heights neighborhood of D.C.
Our acquisition and renovation preserves Savannah Apartments as affordable housing and protects it from the risk of “value-add” redevelopment. Closing is expected in early 2020.

In June, we received an allocation of 9% Housing Credits that will facilitate the first of three phases of an exciting redevelopment at Friendship Court that, in addition to preserving the existing affordability, will add 60 units of affordable housing. NHT Communities and Piedmont Housing Alliance acquired Friendship Court, a 150-unit Section 8 community in Charlottesville, Virginia, in 2002. Since then, Charlottesville has continued to gentrify, making the preservation and creation of affordable housing in the community even more critical. Closing on the first phase of this zero-displacement redevelopment is expected in Summer 2020 and we look forward to using new Housing Credit Income Averaging tools for the first time.

Our High Opportunity Partnership Engagement (HOPE) Fund, a partnership with Kresge Foundation, made its second investment this summer. Our investment in Asher Apartments in Austin, Texas allows the property owners, Austin Affordable Housing Corporation and Community Development Trust, to rent 68 of the homes to Housing Choice Voucher-holders so they may enjoy the high opportunity neighborhood with access to good public schools.

**Resident Services**

Enhancing our resident services has been a focus for NHT this year. Recent research shows that housing is necessary but not sufficient alone to improve resident life outcomes and alleviate the tolls of poverty. Our programming focuses on equipping residents with knowledge, tools and opportunities to be as successful as they desire.

In 2017 NHT launched Where Will We Live?, a national campaign aimed at raising the voices of low-income residents so that they can be heard at the federal level. Where Will We Live? combines NHT’s policy work with our Resident Services programming to create resident empowerment initiatives that enable low-income families to become more civically engaged.

Over the last year, NHT’s Community Engagement Team has met with residents, property staff, maintenance crews and community members from 13 states and Washington, D.C. to learn their stories – their background, experiences, struggles, goals, and values – and the impact that stable housing has made in their journey. These compelling narratives are now part of NHT’s Story Gallery, an advocacy and education resource that highlights how affordable housing directly impacts the lives of low-income families.

We also launched a series of Resident Leadership Workshops for tenant leaders in our communities. Many of our communities are in rapidly changing neighborhoods in D.C. like the Fourteenth Street NW corridor, Mt. Pleasant and Congress Heights. We are equipping leaders with skills to affect decisions that impact their communities. Other resident service programs include financial literacy trainings, professional development assistance, health and food security programs and after school programs.
Lending

NHT Lending focuses on high impact, innovative lending for affordable housing through two loan funds – Community Development Fund (NHTCDF) and Institute for Community Economics (ICE). We offer a full array of loan products in the Washington metropolitan region to support the production and preservation of affordable housing where we live and work. Nationally, NHT offers unique, high impact loan products that are often hard to find locally: predevelopment and bridge financing, community land trust acquisitions, energy efficiency and renewable energy and other opportunities where mission focused owners and developers could not achieve their goals without our creative, flexible and patient capital.

Over the past year, NHT Lending has made 20 loans, providing over $6.7 million in financing to support the development or preservation of affordable housing across the country. This included a $735,000 loan to the Oakland Community Land Trust, which financed the acquisition of three single-family homes in Oakland, California to prevent the eviction of the current tenant families and give them the opportunity to eventually purchase the homes. Over $2 million was lent to projects serving communities in D.C., including a $1.2 million loan to support the building of a new 86-unit affordable housing development in D.C.’s Deanwood neighborhood; a $700,000 renewable energy loan to support the installation of solar photovoltaic systems on 14 D.C. properties. We also provided over $200,000 in Tenant Opportunity to Purchase Act (TOPA) loans, providing D.C. tenant associations with funds to accomplish the critical first step of the tenant purchase process – the earnest money deposit on their building. In February 2019, out of 116 applicants, NHTCDF was one of 24 Community Development Financial Institutions awarded a $2.5 million Capital Magnet Fund (CMF) to make acquisition loans in the D.C. metro area. NHT will begin to develop a program around the CMF this year.

The need to safeguard homes for families of all income levels remains critical. NHT looks forward to continuing to be at the forefront of meeting this need by building on our track record and proven and new solutions for creating and preserving affordable homes through policy innovation and advocacy, energy solutions, real estate development, and lending.
Financial Performance

NHT and its subsidiaries’ financial performance reflects a continued commitment to its mission and investment in its long-term financial sustainability. Effective with the disaffiliation of Enterprise from NHT-Enterprise Preservation Corporation on January 1, 2019, NHT will consolidate the renamed entity, NHT Communities, into the parent entity’s consolidated financials. Additionally, NHT is moving its fiscal year end to December 31 from June 30 to better align with the fiscal year end of our real estate property entities and for the sake of operational efficiency. During this year of transition, we will provide an 18-month consolidated audit prepared by our auditors for the period of July 1, 2018 – December 31, 2019 in May of 2020.

The financial performance snapshot in the graphs that follow cover the period of July 1, 2018 to June 30, 2019 and provide a view into our financial results ahead of our year end audit. The information that follows is preliminary, unaudited, and pre-consolidation.

Total assets outpace the liabilities of each organization, while the value of each entity as reflected in its net assets remains strong. NHTC, CDF, and ICE net assets are primarily unrestricted - 99% on average without donor restrictions. Approximately 60% of NHT’s net assets are without donor restrictions.
Performance Snapshot

Statement of Activities by Entity – July 1, 2018 to June 30, 2019 (unaudited, pre-consolidation)

NHT’s primary source of revenue remained grants and contribution income, while CDF and ICE revenue was driven by net lending income for the July 1, 2018 – June 30, 2019 period. Sixty-nine percent of NHTC’s revenue was from developer fee and cash flow from properties.

Expenses were commensurate with the size of each entity, with the highest expenses associated with NHT Communities at $2.8 million, followed by NHT at $2.3 million, and CDF and ICE at $459K and $280K respectively.

NHTC, CDF, and ICE operated at a surplus during this period while NHT operated at a deficit on a pre-consolidated basis as a result of lower grant and contribution income.

We anticipate that the availability of grant funding may continue to tighten and impact NHT’s stand-alone statement of activities. To mitigate this risk, NHT is focused on growing its earned-income subsidiaries to fill funding gaps while continuing to pursue grants and other consulting income.

(1) Revenue recognition under GAAP has definitive rules about how and when to record transactions and reflects accruals. Grant income was recorded in the year in which awarded for NHT. There was an additional $1.7 million received on a cash basis for NHTC that is not reflected GAAP-based chart above.
Our Board

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Elizabeth Chant, Optimal Energy
Tom Dohrmann, McKinsey & Company
Yusef Freeman, PGIM Real Estate

Jane Graf, Mercy Housing
Ron Grzywinski, Cofounder of ShoreBank Corporation
Ismael Guerrero, Housing Authority of the City and County of Denver
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James Logue, Cinnaire

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Mary Tingerthal, Minnesota Housing (Retired)

Our Team

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Angela Bruno, Chief Financial Officer

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Dana Bartolomei, Southeast Director of Energy Efficiency
Annika Brink, Midwest Director of Energy Efficiency
Tai Coates, Campaign Media Organizer
Raisa Johnson, Public Policy Associate

Ellen Lurie Hoffman, Federal Policy Director
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Moha Thakur, Public Engagement and Policy Associate
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Andrew Martin, Solar Asset Manager
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Emily Schamberger, Associate Asset Manager
Kevin White, Vice President, Development

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Selena Duvivier, Resident Services VISTA
Maree Jones, Resident Services Coordinator

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Mary Rangel, Loan Fund Administrator/Investor Relationship Manager

Financial, Human Resources, Communications & Administrative Staff
Halley Henry, Communications and Fundraising Manager
Mark Hunter, Controller
Yang Lu, Senior Real Estate and Property Accountant
Amina Pookrum, Office Manager/Executive Assistant
Jennifer Sharifian, Operations Accountant/HR Generalist

Josh Zinman, Accounting Specialist