



STRATEGY SNAPSHOT

Expanding Affordable Housing Through Nonprofit Development



June 2026

A safe home is essential to health, stability, and opportunity.

Everyone deserves a safe, affordable place to call home — a foundation for health, stability, and opportunity. Without it, individuals and families struggle to maintain employment, succeed in school, and move out of poverty.

Yet nationwide, the housing crisis is deepening and affecting more families. For every 100 extremely low-income families,¹ only 35 affordable rental homes are available.² More than 30% of U.S. households spend over 30% of their income on housing — a level widely considered unaffordable. As a result, 74% of these families spend more than half their income on rent, often sacrificing food, healthcare, or other essentials.³

To help address this challenge, The Harry and Jeanette Weinberg Foundation invests in strengthening the capacity of nonprofit housing developers to create homes that remain affordable for the long term.



LEARN MORE

Find endnotes and examples of this strategy's impact at www.hjweinbergfoundation.org/housing-snapshot.

The Challenge

To build more affordable housing, developers need early investment.

One of the biggest barriers to pursuing new affordable housing projects — particularly in high-cost communities — is readily available funding for predevelopment. Before they can build a single unit, developers must acquire property rights, retain architects and engineers, complete environmental assessments, and navigate complex reviews — in addition to a range of technical studies and design work necessary to move a project forward. These steps rarely follow a linear path, increasing time

and uncertainty in the early stages of development. While predevelopment funding represents a relatively small share of total project costs, it is often the hardest to secure — requiring significant up-front capital long before permanent financing is in place.

For nonprofit developers, the challenge of securing predevelopment funds is especially acute. Unlike for-profit firms, nonprofits often lack a financial cushion to cover early costs or absorb losses if a project stalls. At the same time, construction costs continue to rise, competition for land remains intense, and public funding for affordable housing faces growing uncertainty — even as demand for affordable homes rises. Without reliable early funding, too few projects move forward to construction, limiting the number of affordable homes communities urgently need.

The Strategy

Recognizing the constraints facing nonprofit developers,⁴ the Weinberg Foundation shifted its housing grantmaking strategy. Rather than primarily supplying the final dollars needed to complete individual construction projects, the Foundation began investing earlier in the development process — working closely with nonprofit developers and making flexible capital available to help greenlight projects that would not otherwise happen.

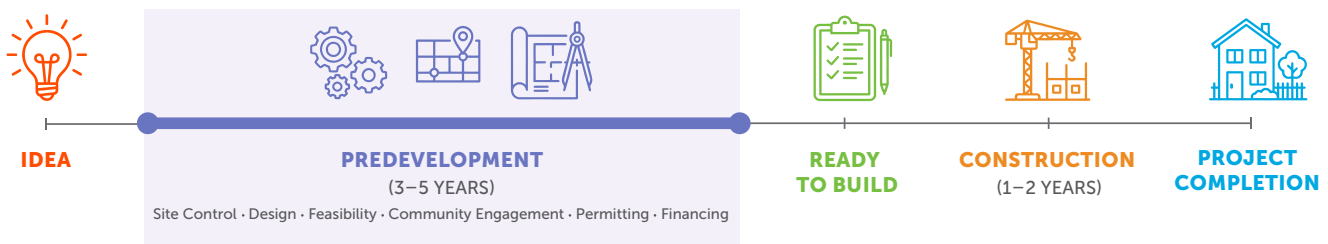
Launched in 2022, this initiative has provided grants to 15 nonprofit housing developers and community development financial institutions in Baltimore,

Hawai'i, New York City, and San Francisco.⁵ The funding supported predevelopment activities and strengthened organizations' capacity to develop real estate, enabling them to add staff, advance more projects, and secure financing to create affordable homes.⁶

Flexible, up-front dollars are critical to getting development projects off the ground. The Foundation's initiative has demonstrated that early funding can unlock additional capital, accelerate project timelines, and increase the supply of housing that remains affordable over the long term.

THE LONG PATH TO BUILDING AFFORDABLE HOUSING

Most of the time and risk occur before construction begins.



This stage takes years, carries the most uncertainty, and is the hardest to fund because government support is often unavailable at this stage.

Source: Adapted from Local Initiatives Support Corporation. (2019). [The Affordable Housing Development Process](#).

The Impact

Helped nonprofit developers pursue more housing projects. Early support allowed nonprofit developers to strengthen their real estate teams and pursue significantly more projects than they otherwise could. Targeted grants — in some cases, as modest as funding a single position — enabled organizations to compete more effectively for public funding, respond to new opportunities, and advance multiple projects at the same time. Instead of waiting for developer fees from completed projects to finance the next one, many organizations were able to move several developments forward concurrently. Nearly 5,500 affordable housing units are now under construction or in advanced stages of planning across the participating organizations.

- **EAH Housing** and **Catholic Charities Hawai'i Housing Development Corporation** added dedicated staff focused on predevelopment, boosting their ability to pursue multiple affordable housing projects simultaneously, conduct more rigorous early-stage due diligence, and compete for larger, more challenging projects. This added capacity also enabled them to build strategic partnerships — including with faith-based organizations and other landholders — that facilitated the

coordination often required across public agencies, as well as securing necessary approvals and funding from various sources. As a result, more than 600 additional units of housing are now planned across the state.

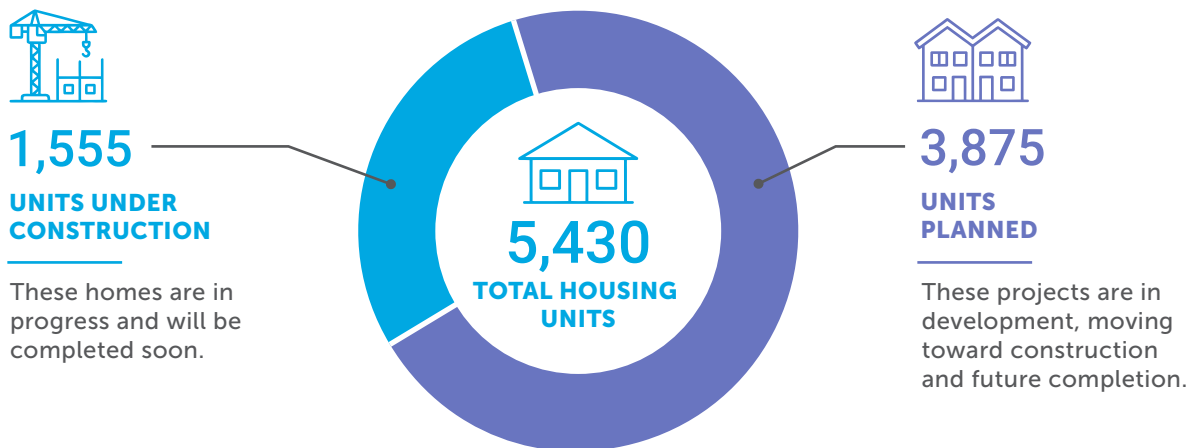
- **Project Renewal** doubled the size of its real estate development team in New York City. This allowed the organization to create nearly 250 housing units and undertake major renovations of existing properties, significantly increasing the scale of housing it can deliver in the coming years.

Catalyzed more than \$1 billion in public and private investment in affordable housing.

The Foundation's initial \$15 million in grants helped unlock more than \$1 billion in total financing, including through Low-Income Housing Tax Credits, public housing subsidies, construction loans, and additional philanthropic funds. With this early capital, the nonprofit developers could move their projects further along, making them more likely to receive tax credits and other financing. Projects that are closer to construction — often described as "shovel ready"⁷ — are typically better positioned for more funding.

EARLY INVESTMENT BOOSTS HOUSING PRODUCTION

The Weinberg Foundation's predevelopment funding is helping to create more homes today and building a stronger supply for tomorrow.



INVESTING EARLY. BUILDING MORE HOMES. STRENGTHENING OUR COMMUNITIES.

By supporting nonprofit developers at the earliest stages, the Weinberg Foundation is helping create thousands of homes.

Built a firm financial foundation for future development. Nonprofit developers established or expanded internal lines of credit or revolving funds. Both financial tools provide the necessary resources and flexibility to cover project expenses, manage cash-flow challenges, and move multiple projects forward. As they complete projects, the money spent on predevelopment activities gets repaid to the revolving fund, which developers can use to finance another project. Such funds allow nonprofits to support future developments for years to come, rather than having to piece together loans that come with interest payments one deal at a time. They also enable nonprofits to move quickly to acquire land in competitive markets, where they often compete with larger for-profit developers.

- **Health Care for the Homeless** launched a housing development affiliate, using grant funds to hire more staff. And, with partner Episcopal Housing Corporation, secured more than \$93.6 million to build and operate affordable housing. This fueled planning for nearly 180 new housing units in Baltimore.
- **Breaking Ground's** \$16 million working capital fund reduced its reliance on external funding for predevelopment activities, enabling the organization to more rapidly initiate projects. It now has 435 units slated for construction in New York City.

NONPROFIT HOUSING DEVELOPERS

Baltimore

Chesapeake Neighbors
Episcopal Housing Corporation
Health Care for the Homeless

Hawai'i

Catholic Charities Hawai'i Housing Development Corporation
EAH Housing
Hawai'i Island Community Development Corporation
Hope Services Hawai'i
Permanently Affordable Living Hawai'i

New York City

Bowery Residents Committee
Breaking Ground
CAMBA
Project Renewal
Selfhelp Community Services

San Francisco Bay Area

Hope Solutions
Insight Housing

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

San Francisco Bay Area

San Francisco Housing Accelerator Fund

Hawai'i

Hawai'i Community Reinvestment Corporation

Conclusion

Helping turn

community plans into

completed homes.

As construction, labor, insurance, and operating costs continue to rise — and public funding remains competitive and uncertain — access to early, flexible

capital is increasingly critical to sustain affordable housing production. By investing in nonprofit developers — whether supporting predevelopment funds, providing low-interest capital, or directly supporting these nonprofits — philanthropic, private, and government partnerships can help create even more high-quality affordable housing that is sorely needed in communities throughout the country, giving individuals and families a firm foundation to achieve stability and thrive.