



LISC Houston Pre-development and Preservation Grant Application

About

The Local Initiatives Support Corporation (LISC), created in 1979 is a non-profit community development financial institution (CDFI) that supports community development initiatives across the country. LISC has offices in nearly 40 cities and works across 2,400 rural counties in 49 states. Since its creation, LISC has invested \$29.7 billion into communities, leveraging \$82 billion to support the creation of 489,261 homes affordable homes and apartments and 81.5 million square feet of retail and community facilities. As an intermediary, LISC is uniquely positioned to provide a range of grant dollars, one-on-one technical assistance, access to consultants, and trainings to build our partners' capacity. Plus, as a CDFI, LISC is also able to provide loans and tax credit equity to help community development organizations develop affordable housing, commercial projects, and community spaces.

LISC Houston was established in 1989, and since its inception has offered a wide range of technical assistance and capacity-building resources to local non-profit and emerging real estate developers to spur the preservation and development of affordable housing. Our approach is consultative, involving dialogue to identify priority issues. We support organizations and individuals as they leverage funding opportunities, navigate complex housing regulations, develop comprehensive housing strategies, strengthen organizational practices, and increase their ability to serve as effective neighborhood partners. In 35 years, LISC Houston has invested \$593 million, and leveraged \$1.6 billion in community development resulting in more than 10,000 affordable homes built and or preserved. Housing continues to be a core issue in the work of comprehensive community development. A safe, affordable home is key to financial health and well-being, and the foundation for sustainable, economically vibrant, and diverse neighborhoods. The benefits of affordable housing extend beyond the walls of a home to the broader community. It boosts spending and employment in the surrounding economy, brings revenue into local governments, and reduces the likelihood of foreclosure.

Problem

The 2023 Gap Report, issued by the National Low Income Housing Coalition (NLIHC), reveals Texas ranks sixth among the nation's worst states for affordable housing. Additionally, Houston stands fifth among the top ten metropolitan areas where extremely low-income renters face the most severe housing shortages. The escalation of costs and the proliferation of robust housing development geared towards higher incomes pose the imminent risk of displacement, consequently diminishing the availability of quality affordable housing options in both urban and suburban neighborhoods for low-to-moderate income households. According to [The 2023 State of Housing in Harris County and Houston](#), findings as of 2021 indicate that 51% of Harris County residents who are renters, are grappling with housing cost burdens, allocating more than 30% of their income to housing expenses.



Prospective homeowners encounter similar challenges. [The 2022 State of Housing](#) report by the Kinder Institute for Urban Research at Rice University indicates that homeownership rates for Black households in Harris County decreased from 41% in 2010 to 36% in 2020. Concurrently, rates for white households dropped from 71% in 2010 to 68% in 2020, while Hispanic household rates remained relatively stable at around 51% in 2020. This trend is exacerbated by substantial wage disparities across various sectors, with low-wage workers, particularly those in service and retail industries, grappling with financial strain. Coupled with the consistent growth in home prices across the Houston market during the same period, there is an urgent need for additional affordable housing options.

To address these pressing problems, LISC Houston collaborates directly with nonprofit community development organizations and emerging developers catering to low-to-moderate-income Houstonians, with a primary focus on sixteen [priority](#) communities with the most acute needs. Despite a median household income in the city of Houston of \$46,187, the figure is notably lower in LISC's priority neighborhoods, at around \$36,307. Ensuring a sufficient supply of quality, sustainable housing at an affordable price point remains a pivotal objective through our program. Without adequate housing, the impact of our endeavors at LISC could be severely compromised, or only reach a fraction of their intended beneficiaries.

Funding Purpose

This funding opportunity aims to tackle the pressing challenges of attainable affordable housing in the Greater Houston area by bolstering the development and preservation of both single family and multifamily affordable housing units including mixed use developments. This document will explain what areas are eligible for funding, eligible activities, and other pertinent information related to this funding opportunity.

Funding Areas

1. **Pre-development for Affordable Housing:** Support for projects at the pre-development stage, emphasizing activities within the planning phase. Projects already in the construction phase will *not* be eligible. For clarity on eligible pre-development activities, refer to the "examples" section below. Preference will be given to projects that demonstrate outright site ownership. However, projects with a clearly defined pathway to site ownership in the near future, such as a purchase agreement or acquisition letter, will also be considered. Applicants must provide a concise overview of the intended building use and development plan.
2. **Preservation of Affordable Housing:** Support for preservation of affordable housing. While examples of key preservation aspects are provided below, it's important to note that preservation efforts can extend beyond these examples. Applicants must provide a concise overview of the intended building use and development plan.



Eligible Activities

Examples: Pre-Development (including, but not limited to)

- Environmental review on potential housing project
 - Environmental expenses (e.g., Phases I/II, Hazardous Materials Survey, Remediation Plans)
- Architect and engineer services (e.g. planning, conceptual design, schematic design and/or structural testing)
- Market study to confirm the real estate use
- Other consultants (e.g., development consultants)
- Legal expense (e.g. finance, acquisition)
- Application fees (e.g., loan applications)
- Site development project manager (third-party cost only)
- Third-party community engagement and planning (feedback and input directly related to project site)
- Fiscal sponsor fees

Examples: Preservation (including, but not limited to)

- **Rehabilitation and Renovation:** Upgrading and repairing existing affordable housing units to meet current [HUD](#) standards and ensure they remain habitable and safe for residents.
- **Preventing Conversion:** Implementing measures to prevent affordable housing units from being converted into market-rate housing or other uses that reduce the affordable housing stock.
- **Extending Affordability Periods:** Renegotiating or extending the terms of affordability restrictions on properties to keep them affordable for an extended period, often through agreements with property owners or government subsidies.
- **Financial Assistance and Incentives:** Providing financial support, such as low-interest loans, grants, or tax incentives, to property owners and developers to maintain and improve affordable housing units.
- **Policy and Legislative Measures:** Enacting and enforcing laws and regulations that protect tenants and preserve affordable housing, such as rent control policies or tenant protection laws that promote affordable housing.
- **Acquisition and Ownership:** Nonprofit organizations, community land trusts, or government entities purchasing and managing affordable housing properties to ensure long-term affordability.

Non-Eligible Expenses include but are not limited to:

- **Overhead Expenses:** General overhead or administrative expenses that are not directly attributable to the project's pre-development activities.



- **Marketing and Advertising Expenses:** Costs related to marketing and advertising the project to potential buyers or tenants.
- **Insurance Premiums:** Costs for insuring the property or the development project.
- **Construction Costs:** Actual construction expenses, including labor and materials, once the project moves beyond the pre-development phase.
- **Taxes:** Property taxes, sales taxes, or other related taxes.
- **Interest Payments:** Interest on loans or financing unrelated to pre-development activities.
- **Furniture and Equipment:** Costs for furnishing or equipping the developed property.
- **Post-Construction Expenses:** Landscaping, maintenance, or other costs associated after the completion of construction.

Additionally, note that the funds cannot be used to pay off debt (e.g. payoff or pay down loan)

Eligible Entity Criteria

- **For-Profit Emerging developers** - company assets should not exceed \$5,000,000. Yearly revenue should not exceed \$2,500,000.

- **For-Profit Developers with company assets greater than \$5,000,000 and yearly revenue greater than \$2,500,000** must have a non-profit organization or a for-profit Emerging Developer (as defined above) as a partner.

- **Non-profit housing developers**

- **Non-profit organizations (e.g. religious institutions) with experienced non-profit, emerging, and/or for-profit developers as partners.**



Grant Amount

- Awards are available for up to **\$25,000** to non-profit housing developers and/or for-profit emerging developers. Application must include an itemized budget.

Project Budget

Provide a detailed budget outlining all predevelopment and preservation costs associated with the project. Please [download](#) the budget template, complete it and upload it with your online application. The excel template has two tabs: one for predevelopment and one for preservation. Please *only* complete the template for the category in which you are applying.

[Pre-Development Budget Template](#)

Funding Timeline

August 2024 – May 2025

Evaluation Criteria

- 1. Project Overview**
 - a. Projects that clearly address affordable housing development, preservation, and access.
 - b. Clear demonstration of how the funds will be used for eligible expenses directly related to predevelopment.
- 2. Community Impact**
 - a. Projects that demonstrate a strong potential to significantly impact the target community, especially underserved populations.
 - b. Clear, feasible plans for community engagement and inclusion in the project development process.
- 3. Feasibility and Project Readiness**
 - a. Assessment of the project's overall feasibility, including a realistic timeline, thorough budget planning, and evidence of preliminary work (e.g., secured land, initial assessments completed).
 - b. Readiness to proceed with predevelopment activities promptly upon funding.
- 4. Organizational Capacity**
 - a. Evaluation of the applicant organization's experience and track record in successfully managing and completing similar projects.
 - b. Strength and expertise of the project team.
- 5. Financial Need and Leveraging**
 - a. Demonstration of financial need and effective use of requested grant funds.
 - b. Ability to leverage additional resources or funding to maximize the impact of the grant.



Instructions To Apply

1. Complete the online [application](#) (Note you will not have to create a user account. However, you will not be able to save your application to submit later, so plan to complete it in one sitting. Please only start once you're ready to submit. For your convenience, the application questions are provided in this document so you may work offline before you submit.)

2. Submit your responses through the [online application](#) by 12pm July 15, 2024.

Incomplete or late applications will not be accepted or considered.

Timeline

- Application Release Date: June 4, 2024
- Q & A Workshop [virtual]: June 12, 2024 from 12p - 1p

Register [NOW!](#) (Webinar will be recorded and posted on the website.)

- Application Technical Assistance Drop-In Office Hours:
 - June 18th from 12:00p – 1:00p [click this link to join, registration not required.](#)
 - June 25th from 12:00p – 1:00p [click this link to join, registration not required.](#)
- Grant Application Deadline: July 15, 2024, at 12p
- Announcement: no later than July 31, 2024
- Awards will be made in August 2024
- Grantee Introduction meeting: October 2024
- Grantee Check-In Meetings: January 2025
- All Projects Complete: June 30, 2025
- Reporting Deadline: July 31, 2025



Application

Terms and Conditions

Applicants may apply once for this round and for one entity only. Awards will be made to qualified for-profit emerging developers and non-profit developers, and eligibility is based on accurate and complete submission.

If selected as a finalist, you will be notified via email. Being selected as a finalist does not guarantee a grant will be awarded. As a finalist, additional documentation will be required, including financial statements (preferably audited or CPA prepared financials) for 2022 and 2023 to verify revenue. Must be certified in good standing with the Texas Secretary of State. A 501(c)(3) letter for non-profits, and EIN. This due diligence inquiry may include background search that we will conduct at our expense. If the due diligence step is successfully completed, we will ask for W-9 and appropriate banking information so that we may transfer funds by ACH to your designated account.

Eligibility Standards:

- 1. Non-Profit Housing Developers:** Registered 501(c)(3) that engage in the process of developing real estate properties, which can include residential, commercial, Industrial, or mixed-use projects to low-to-moderate income individuals residing in Harris County. Please see income categories [here](#). Must provide financial statements (preferably audited or CPA prepared financials) for 2022 and 2023 to verify revenue. Must be certified in good standing with the Texas Secretary of State.
- 2. For-Profit Emerging Developers:** Registered for-profit business entities - company assets should not exceed \$5,000,000. Yearly revenue should not exceed \$2,500,000. Must have 2022 and 2023 financial statements (e.g. tax returns, audits, and CPA prepared financial statements) to verify revenue. Must be a business entity (e.g. LLC, LP, S Corp, C Corp – Sole Proprietors are not eligible). Must be certified in good standing with the Texas Secretary of State.
- 3. For-Profit Developers:** with company assets greater than \$5,000,000 and yearly revenue greater than \$2,500,000 must have a non-profit organization or a for-profit Emerging Developer (as defined above) as a partner. Must have 2022 and 2023 financial statements (e.g. tax returns, audits, and CPA prepared financial statements) to verify revenue. Must be a business entity (e.g. LLC, LP, S Corp, C Corp – Sole Proprietors are not eligible). Must be certified in good standing with the Texas Secretary of State.
- 4. Non-Profit organizations:** (e.g. religious institutions) with experienced non-profit, emerging, and/or for-profit developers as partners. Must provide financial statements (preferably audited or CPA prepared financials) for 2022 and 2023 to verify revenue. Must be certified in good standing with the Texas Secretary of State.



Privacy: Applications are submitted online through Form Assembly. Information provided through the application process is the responsibility of each applicant. Submitted applications will not be shared with the general public or any fellow applicants. Applicants shall not hold LISC, its affiliates, members, partners, and staff liable for any losses, damages, costs, or expenses, of any kind relating to the use or the adequacy, accuracy, or completeness of any information loaded in the form.

Publicity: If awarded, please be advised that the business/applicant's application information, name, statements, and other information provided during the award process may be used for promotional purposes in all forms and media and the business/applicant may be contacted by LISC and/or the program sponsors for such purposes. Applicant grants to LISC and the program sponsors a perpetual license to use such information without additional compensation (except where prohibited by law), and without any right to review and/or approve such content. Until notified, applicants must agree not to share any status as a finalist publicly, including but not limited to all social media platforms, news media, or local publications.

Monitoring: LISC may monitor and conduct evaluation activity funded by the **LISC Houston Pre-development & Preservation Grant**. This might involve a review of quantitative or qualitative data needed to understand the impact of the fund.

Submission Guidance: It is recommended that before completing and submitting the online form, respondents save their answers in a separate backup document, as your work may not be saved if you leave the web page before submitting the application. You may also lose your work if your internet is disconnected, or as a result of other potential web browser issues. We cannot accept changes to your application once it has been submitted, so please review it carefully.

You will receive a confirmation email after successful completion of this application.

1. I acknowledge I have read and agree to the Terms and Conditions stated above:

- a) Yes
- b) No



Applicant Information

2. Are you a For-Profit Developer, or a Non-Profit organization (501 (c)(3))?

- a) For-Profit Emerging Developer
- b) Non-Profit Housing Developer
- c) Non-Profit organization
- d) For-Profit Developer with Non-Profit partner

2.1 What is the structure of your For-Profit? *Conditional if business is selected*

- a) Corporation
- b) Sole Proprietorship
- c) Limited Liability Company
- d) Partnership (General and Limited)
- e) Other - Please specify

2.2 Please specify – *Conditional if other is selected*

3. If for-profit, do you have more than \$2.5 million in revenue and \$5 million in assets

- a) Yes
- b) No

3.1 Have you secured a non-profit organization or emerging developer to partner with? *Conditional if yes to question 3*

- a) Yes
- b) No

4. Entity Information

Legal Entity Name (Include dba if Applicable)

Organization EIN/TIN

Year formed



Website

Primary Social Media Address (e.g. Facebook, Twitter, or Instagram)

Physical Street Address

Address Line 2 (Suite, Floor, etc. - If Applicable)

City/Town

State

Zip Code

If not the same as the address above, what is the entity's legal mailing address? (Street, City, State, Zip) Conditional

5. What was your organization's gross revenue in the calendar or fiscal year of 2023?

- a) Less than \$100,000
- b) \$100,000 to \$299,999
- c) \$300,000 to \$499,999
- d) \$500,000 to \$999,999
- e) \$1,000,000 or more
- f) My organization did not exist

6. What was your organization's total amount of assets in the calendar or fiscal year of 2023?

- a) Less than \$1,000,000
- b) \$1,000,000 to \$1,999,999
- c) \$2,000,000 to \$2,999,999
- d) \$3,000,000 to \$3,999,999
- e) \$4,000,000, or \$4,999,999
- f) \$5,000,000 or more
- g) My organization did not exist



Total Number of Workers

The following questions ask about the number of workers at the entity. For this section, full-time workers are those who work 35 hours/week or more; part-time workers are those who work less than 35 hours/week.

7. To the best of your knowledge, how many full-time workers, including yourself, did the entity employ as of January 2023?

Enter the digit 0 if there are no FT workers.

8. To the best of your knowledge, how many part-time workers, including yourself, did the entity employ as of January 2023?

Enter the digit 0 if there are no PT workers.

Contact Information

9. Primary Contact: Project Manager or Person Completing Application

First Name*

Last Name*

Title*

Email – This email will be used for **all** LISC communication. *

Cell Phone*

Secondary Contact: Lead Business Owner/Non-Profit Executive Director Information

First Name*

Last Name*

Title*

Email*

Cell Phone*



10. Do you authorize LISC to contact you at the above number via SMS/text if needed?

- a) Yes
- b) No

Socioeconomic Data

The next portion of the application requests socioeconomic data related to the lead business owner/non-profit executive director. Please provide information based on how the individual self-identifies.

11. Age

Business owners need to be at least 18 years old.

- a) 18-24
- b) 25-34
- c) 35-44
- d) 45-54
- e) 55-64
- f) 65+
- g) Prefer not to say

12. Gender (Based on how the business owner/executive director self-identifies)

- a) Woman
- b) Man
- c) Non-binary
- d) Other
- e) Prefer not to say

13. Are you a veteran?

- a) Yes
- b) No
- c) Prefer not to say



14. Race/Ethnicity

(Please specify based on how the lead business owner/non-profit executive director self-identifies)

- a) African American/Black
- b) American Indian/Alaska Native
- c) Asian
- d) Native Hawaiian/Pacific Islander
- e) Hispanic/Latino
- f) White
- g) Biracial
- h) Multiracial
- i) Prefer not to say

4.1 Partner Entity Information - Section conditional if yes to question 3.1

Legal Entity Name (Include dba if Applicable)

Organization EIN/TIN

Year formed

Website

Primary Social Media Address (e.g. Facebook, Twitter, or Instagram)

Physical Street Address

Address Line 2 (Suite, Floor, etc. - If Applicable)

City/Town

State/Territory

Zip Code



4.2 If not the same as the address above, what is the entity's legal mailing address? (Street, City, State, Zip) Conditional

5.1 What was your organization's gross revenue in the calendar or fiscal year of 2023?

- g) Less than \$100,000
- h) \$100,000 to \$299,999
- i) \$300,000 to \$499,999
- j) \$500,000 to \$999,999
- k) \$1,000,000 or more
- l) My organization did not exist

6.1 What was your organization's total amount of assets in the calendar or fiscal year of 2023?

- h) Less than \$1,000,000
- i) \$1,000,000 to \$1,999,999
- j) \$2,000,000 to \$2,999,999
- k) \$3,000,000 to \$3,999,999
- l) \$4,000,000, or \$4,999,999
- m) \$5,000,000 or more
- n) My organization did not exist

Total Number of Workers

The following questions ask about the number of workers at the entity. For this section, full-time workers are those who work 35 hours/week or more; part-time workers are those who work less than 35 hours/week.

7.1 To the best of your knowledge, how many full-time workers, including yourself, did the entity employ as of January 2023?

Enter the digit 0 if there are no FT workers.

8.1 To the best of your knowledge, how many part-time workers, including yourself, did the entity employ as of January 2023?

Enter the digit 0 if there are no PT workers.



Contact Information

9.1 Primary Contact: Project Manager or Person Completing Application

First Name*

Last Name*

Title*

Email – This email will be used for **all** LISC communication. *

Cell Phone*

Secondary Contact: Lead Business Owner/Non-Profit Executive Director Information

First Name*

Last Name*

Title*

Email*

Cell Phone*

10.1 Do you authorize LISC to contact you at the above number via SMS/text if needed?

- c) Yes
- d) No

Socioeconomic Data

The next portion of the application requests socioeconomic data related to the lead business owner/non-profit executive director. Please provide information based on how the individual self-identifies.



11.1 Age

Business owners need to be at least 18 years old.

- h) 18-24
- i) 25-34
- j) 35-44
- k) 45-54
- l) 55-64
- m) 65+
- n) Prefer not to say

12.1 Gender (Based on how the business owner/executive director self-identifies)

- f) Woman
- g) Man
- h) Non-binary
- i) Other
- j) Prefer not to say

13.1 Are you a veteran?

- d) Yes
- e) No
- f) Prefer not to say

14.1 Race/Ethnicity

(Please specify based on how the lead business owner/non-profit executive director self-identifies)

- j) African American/Black
- k) American Indian/Alaska Native
- l) Asian
- m) Native Hawaiian/Pacific Islander
- n) Hispanic/Latino
- o) White
- p) Biracial
- q) Multiracial
- r) Prefer not to say



Project Overview

Note: To be classified as low or moderate income an individual or family's household income must be 120% of the Area Median Income for Houston/The Woodlands/Sugar Land Region. See [chart](#). Preference goes to deeper affordability projects.

15. What is the name of your project?

16. What type of housing will this project be providing?

- a) Single Family
- b) Multi-Family
- c) Mixed-Use

17. Is the project one of the following?

- a) New construction – Pre-development
- b) Renovation – Pre-development
- c) Preservation
- d) None of the above
- e) Other (please specify)

18. What is the total number of units for this project?

19. Please provide the breakdown of units based on income levels?

- Market rate
- Less than or equal to 120% AMI
- Less than or equal to 100% AMI
- Less than or equal to 80% AMI
- Less than or equal to 50% AMI
- Less than or equal to 30% AMI



20. In which neighborhood is this project located? (Check all that apply)

- a) Acres Homes
- b) Alief
- c) Denver Harbor/Port Houston
- d) Fifth Ward
- e) Greater Third Ward
- f) Sharpstown
- g) Gulfton
- h) Independence Heights
- i) Kashmere/Trinity/Houston Gardens
- j) Magnolia Park
- k) East End
- l) Near Northside
- m) Northline
- n) OST/South Union
- o) Sunnyside
- p) Spring Branch
- q) None of the above
- r) Other

20.1 Please specify - *Conditional if none of the above or other selected*

21. Address of Project

22. Site control status

- a) Owned/Purchased
- b) Under Purchase agreement
- c) To be acquired
- d) Other

22.1 Please Specify – *conditional if to be acquired or Other selected*

23. What is the total grant amount requested?



24. In addition to the funding requested through this grant, please identify and describe all other sources of funding that will support the predevelopment or preservation phases of your project. Detail each source of funding, specifying whether it is secured or anticipated, and include information on any external financing, grants, private investments, or in-kind contributions. Explain how these funds will be integrated with the grant to finance the overall project costs in the sources and uses form. Please use this [form](#) and upload to the application.

25. Provide a detailed budget outlining all predevelopment and preservation costs associated with the project. Please [download](#) the budget template, complete it and upload it with your online application. The excel template has two tabs: one for predevelopment and one for preservation. Please only complete the template for the category in which you are applying.

Community Impact

26. (limit 500 words) Please provide a detailed description of your project, including its key objectives and expected outcomes. Specify the project's development or preservation, and how it improves access to affordable housing.

27. (limit 500 words) Please provide details about the community this project will serve (e.g. community is experiencing displacement)

28. (limit 250 words) What are the general demographic characteristics of the population that will benefit from this project?

29. (limit 250 words) How does your project address a need within the affordable housing sector (e.g. need for senior housing, multifamily)?

30. (limit 250 words) Explain your strategy for community engagement and planning. How will you incorporate community feedback and input into the predevelopment/preservation process?



Feasibility & Project Readiness

31. (limit 250 words) What is the anticipated timeline of your project? Include major milestones and expected completion dates (e.g. secured land, initial assessments completed, funding from this grant).

32. (limit 250 words) If applicable, provide details about your fiscal sponsor. How will the fiscal sponsor support the project?

33. (limit 250 words) If applicable, please describe the partnership structure between your non-profit organization and the developer(s), specifying whether they are for-profit or emerging developers. Detail how the partnership is structured and outline the roles and responsibilities of each party.

34. (limit 500 words) Explain how your organization is leveraging the expertise of the developer to achieve project goals. Include information on any collaborative strategies or joint initiatives that are being utilized to enhance the effectiveness of the partnership.

Organizational Capacity

35. (limit 250 words) How many projects has your company completed? Please list and provide brief descriptions of at least two completed projects, including the scope, location, and outcomes?

36. What types of projects does your company specialize in? (e.g., single family housing, multifamily housing, senior housing, etc.)

37. (limit 500 words) Describe your organization's experience and capacity in managing and completing affordable housing projects. Include information about your team's expertise and past projects.



Thank you for your interest in the LISC Houston Pre-development and Preservation Grant program.

For more information, please contact:

Jason Grant, Program Officer

713-597-6836

jgrant2@lisc.org