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Illinois Community Action Development Corporation

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Vice Chairman Dan Little, MCS Community Services Retiree

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In 1999, the Illinois Community Action Development Corporation (ICADC) was created by the Illinois Association of Community Action Agencies (IACAA) and its member Community Action Agencies to increase the amount of affordable housing throughout Illinois.

The primary mission of ICADC is to provide training and technical assistance so that Community Action Agencies have the capacity to develop affordable housing for Illinois’ most vulnerable citizens, including veterans, senior citizens, families with low incomes, and people living with mental illnesses.

Upon receiving training and technical assistance from ICADC, Community Action Agencies are equipped with the knowledge, skills, and abilities needed to serve as developers, property managers, owners, or project sponsors. By offering training and technical assistance to Community Action Agencies, ICADC helps recipients learn about developing and managing a wide array of affordable housing and/or community development projects. Community Action Agencies also obtain first-hand experience by working in tandem with ICADC to allow them to pursue community and economic development projects on their own in the future.

ICADC has supported numerous Community Action Agencies with one-on-one technical assistance either from in-house staff or outside consultants. ICADC also provides financial support to new projects because most agencies lack the necessary predevelopment resources to get a project initiated.

**ABOUT THE GUIDE**

This guide is for Community Action Agencies interested in learning more about becoming affordable housing developers, establishing public-private partnerships, and helping to meet the housing needs of low- and moderate-income families. Its purpose is to provide basic information that prospective nonprofit developers need to know about planning, financing and developing affordable housing. It is also intended to serve as a guide to assist agencies with the basic knowledge of deal structuring in the event the agency is approached by outside developers seeking a partnership or joint venture.

For more comprehensive information and assistance, consult the Illinois Community Action Development Corporation at (217)789-0125.
Before the first brick for new housing is laid, the leadership of your nonprofit organization will want to make sure the organization will be around to see the project completed, welcome new neighbors, host the mortgage burning and continue the good works that you’ve started. To accomplish this, your board of directors must take a close look at the nonprofit’s capacity and financial soundness.

The goal of a self-assessment is to determine if developing affordable housing fits into your organization’s goals, and if so, if it has the capacity to become a successful nonprofit developer.

**YOUR MISSION STATEMENT, BYLAWS AND STRATEGIC PLAN REVIEW**

Although developing affordable housing is a good idea, your board of directors may find that it does not fit with the organization’s goals. Your board of directors (or a committee) must draw up bylaws and a mission statement or review existing ones to ensure that becoming a housing developer furthers the purpose of your organization.

Becoming involved in housing development will significantly impact your organization’s future. Developing a strategic plan that reflects the development goals will help keep your organization on track while the project is under way and after its completion.

**ASSESS THE EFFICIENCY OF YOUR BOARD OF DIRECTORS**

Becoming an affordable housing developer will require your board of directors to assume additional responsibilities, such as increased fund-raising, closer community scrutiny, a larger staff and potentially greater fiscal liability. The board of directors’ efficiency checklist can be used to help you assess your board’s strengths and weaknesses.

---

**CH A P T E R  1 :**

**SELF-ASSESSMENT:**

**LOOKING AT THE ORGANIZATIONAL REALITIES**

**Board of Directors Efficiency Checklist**

- Do your chairman and directors strongly support the goal of becoming an affordable housing developer?
- Does your board of directors reflect the diversity of the community being served?
- Do your chairman and directors have access to the professional expertise needed to facilitate affordable housing development (e.g., an accountant, banker, attorney and real estate professional)? If not, let ICADC assist you.
- Has your board established an effective system of fiscal checks and balances?
- Is the membership on your board committed and stable?
- Are your board meetings well attended and effectively run?
- Has your board provided good stewardship of the organization in its past endeavors?
INTERNAL OPERATIONS

Undertaking a development project requires good planning, accounting and reporting systems to ensure that the development is carried out in a proper and efficient manner and that your organization is complying with the requirements set by funding sources. The three basic systems all nonprofits need are project planning, financial, and reporting systems.

Project Planning System

Before the development process can begin, you must have a plan that identifies your goals and the steps you will take to accomplish them. Many organizations use committees to help prepare the plan. Typical tasks include the following:

**NEEDS ASSESSMENT**: Identifying the housing needs in your target area and the best ways to meet them.
**FINANCE/BUDGET**: Ensuring financial statements are complete and accurate when preparing the budgets for the project.
**MARKETING**: Preparing a communications plan to inform the local community and potential customers.
**INSURANCE**: Identifying insurance needs and the most cost-effective ways to meet them.
**FUND-RAISING/FINANCING**: Identifying funding resources and developing a plan to access them.
**CONSTRUCTION/REHABILITATION**: Planning all phases of the project’s physical development.
**LONG-TERM PROJECT MANAGEMENT**: Development of a plan for ongoing, long-term management of the project.
Financial System

Monthly income statements, balance sheets and cash flow statements are necessary if your organization will have housing-related income and expenses. Financial statements should be reconciled to the budget and reviewed by your executive committee and board of directors on a monthly basis. Once construction is under way, an ongoing comparison of the percentage of the project completed to percentage of budget used should be done.

Becoming involved with affordable housing development will add many layers to your organization’s annual audit. It is vital that your records for the housing development activities be complete, in conformity with audit standards and accessible.

Reporting System

Your board of directors and funding sources will have reporting requirements. Consider reviewing all the reports and who requires them, and establish a calendar of reports by due date. In addition to the reports required by your funding sources, your nonprofit needs to produce board meeting minutes, committee reports, an annual report and an annual audit report. It is quite possible that your organization will need to form a separate entity that will own the housing development. This serves to further protect your organization from liability although it adds another level to your reporting system.

STAFFING CONSIDERATIONS

Using personnel resources wisely is important to the success of any development project. An important question your nonprofit’s board of directors must answer is whether the skills of your current staff match the skills and experience your organization needs to become an affordable housing developer.

If the answer is no, your board of directors must hire or contract for the needed expertise. Some organizations hire a director and contract for other services and expertise on an as-needed basis. Other organizations hire a staff that might typically include an executive director, construction/rehab manager, receptionist/secretary and bookkeeper. Each organization must develop a staffing pattern that best meets the goals set by the board of directors. ICADC can offer assistance in making these determinations and may be available to fill existing voids.

IRS Nonprofit Status

Has your organization obtained its nonprofit status from the Internal Revenue Service? To be eligible for tax-deductible donations, foundation grants and public funds, your organization must apply for and receive nonprofit – usually 501(c)3 – status from the IRS.
A nonprofit organization can play many important roles in the affordable housing development process. Becoming a developer may not be your best option. To determine the best role for your nonprofit, your board of directors can begin by asking a few simple questions:

- Can unmet housing needs in the community be best met by our organization becoming a nonprofit affordable housing developer?
- Is our organization the only one that can meet these needs?
- Are there ways to produce affordable housing without our nonprofit becoming the developer?

Consider the following list of development roles to see which one best suits your organization’s mission and capabilities. Many organizations that began by playing an advocacy or counseling role have, with experience, become developers.

**A NONPROFIT SPONSOR**

Your organization’s strong community ties and knowledge can enable you to develop partnerships with community leaders, public officials, builders, developers, and financiers to promote the development of affordable housing. This role can be less risky for your organization while developing the capacity to undertake larger roles in the future. It is important to note however, that as a vital member of the development team, your organization should reap commensurate benefits based on the role that you play. You should remain and active and informed member of the team!

**HOME BUYER COUNSELOR**

You can maximize your community ties by serving as a home buyer counselor. A natural role for some community action agencies is to identify potential home buyers, conduct home buyer counseling workshops and then help mortgage applicants qualify for a loan. Home buyers counseling may be conducted on a fee-for-services basis or as a contract service for a financial institution or developer.
JOINT VENTURE PARTNER

Many nonprofits enter into joint ventures with experienced housing developers (either nonprofit or for-profit) that need the community based organization’s knowledge of the community. Joint ventures are an excellent, lower risk way to learn about housing development.

LAND DEVELOPER

Your nonprofit could choose to facilitate affordable housing development by buying or getting options on land, subdividing it and adding infrastructure. The land may then be sold to home builders.

TURN-KEY DEVELOPER

The turn-key developer acquires the property, undertakes the building construction or rehabilitation, and sells the housing once construction is complete or hands ownership off to the project owner. As a turn-key developer, your organization makes the decisions and assumes the risk up until the keys are turned over to another entity.

DEVELOPER/OWNER

The multi-family developer role is the most difficult and carries the greatest risk. The developer acquires the property, arranges predevelopment, construction, and long-term project funding, and constructs or rehabilitates the structures, in addition to being responsible for the long-term management of the property.

NOT SURE WHICH ROLE IS BEST FOR YOUR ORGANIZATION, ICADC CAN HELP!

ICADC can assist your organization in various ways to reach your development objectives. Depending on your organization’s capacity, we can serve in any of the following roles:

Technical Advisor – If you are developing your own project or considering entering into a joint venture with another developer, ICADC can provide technical assistance and mentoring during the development process.

Co-Developer – ICADC can work in partnership with your organization or another entity to develop a project in your service area. Long term ownership roles and responsibilities are negotiated.

Turnkey Developer – ICADC can develop a project on behalf of your organization. Upon completion, ICADC turns over ownership of the development to you and you are responsible for long term project management of the development.

Developer/Owner – ICADC develops a project with the support of your organization. ICADC is responsible for long term project management and ownership of the development.

Remember, ICADC can serve as a resource no matter what role or phase you are in of a project. Please feel free to use our assistance! We are here to serve you!
A successful development doesn’t just happen—it must be skillfully managed. There are five essential components that require planning, research, decisions and action: team, community, market, product and resources.

BUILDING A TEAM – CREATING A VISION

Your development team should be diverse, committed and able to provide expertise and access to the community and resources. Team members should be involved from the beginning of the project, kept informed and called on to provide input and resources.

Your team might include:
- Community representatives
- A potential-customer representative
- Bankers
- A city housing department representative
- A city zoning department representative
- A real estate broker
- A development expert
- An attorney
- An accountant
- An architect
- A marketer
- Potential funding sources and investors or donors

ENSURING COMMUNITY INVOLVEMENT

Community involvement and support is critical to the success of your development. Community input is essential for you to understand local housing needs, and it will be needed throughout your project.

The community should be involved in planning the development as much as possible. You should seek their feedback and ask for their commitment to the development’s goals.

Let ICADC Help Assemble Your Team

Through ICADC’s vast experience in all areas of the state, we have formed working relationships with some of the industry’s top experts. If you have an unfilled role or are unsure of who should serve on your team, let us help. We can also help facilitate necessary and meaningful communication ensuring that your project is a success!
There are many ways to generate community involvement; the following are a few to consider:

- Have community representatives on your board of directors
- Ask community representatives to serve in leadership positions on your development team and committees.
- Seek community input through focus group meetings or through a door-to-door survey.
- Work with and through other community-based organizations such as churches and chambers of commerce.
- Keep the community informed through a series of community meetings, articles in the local newspaper or other creative ways to communicate.

**KNOW YOUR MARKET**

The goal of a good market study is to identify potential customers and to learn about their needs and desires. A market study will generally include the following information:

- The demographics of area residents, including their age, income, length of residency, household size, income and if they rent or own.
- Current housing conditions, including the number of units of single- and multi-family housing and the age of the housing stock.
- An inventory of the competing single- and multi-family housing, such as the number of units that are vacant or for sale and the average length of time it takes for a unit to be rented or sold.
- The size of the potential market.
- The type of housing needed and wanted.
- The housing price range for sale or rental.
- Housing unit sizes.
- Where the development should be located.
- Local cost of materials and construction.
- The need for auxiliary services such as home ownership counseling.
- The opportunities and risks the project will present to the community and the nonprofit organization.
- Other market factors that might impact the success of the development.

**Development Team Responsibilities**

The members of your development team will have many responsibilities. They will:

- Work with your board of directors to develop a strategic plan for the project.
- Chair pivotal committees such as the budget, finance, fund-raising, marketing, design, construction, communications, and long-term management committees.
- Identify and access resources.
- Represent the development project at community meetings and in other public forums.
- Provide project oversight throughout the development process.

**The Art of Listening**

Listen to what the community is saying so you can assess what the neighborhood wants and needs. Your organization must then decide if it can provide what the community needs. Be prepared to educate the community on the benefits of affordable housing, statistics, and even curb appeal. This may require taking field trips with major decision makers to neighboring communities to see other affordable housing models.
Your market study must match realistic market wants and needs with the need to maintain housing affordability. When choices must be made, the best choices will increase long-term durability and marketability of the housing.

**CHOOSING THE BEST PRODUCT**

Once your market research is finished, you should know who your customers will be and what their housing needs are. Depending on customers’ needs, you will have a number of development options to choose from—single-family rehabilitation, new single-family construction, multi-family rehabilitation and new multi-family construction.

**Single-Family Rehabilitation and New Construction**

The rehabilitation or construction of single-family housing is often the initial product for most first-time affordable housing developers. Total project costs are usually lower and the financing is less complex than in multi-family housing development. The cost of developing single-family housing must be compatible with what the market study shows people can pay. The affordable standard for single-family housing is about 30 percent of household income.

If there are vacant homes in need of repairs that are available for donation or sale at a low cost, your organization may choose to purchase and rehabilitate single-family houses for resale. Before your nonprofit invests in a property, the amount and cost of the rehabilitation should be closely evaluated to ensure that the property will remain affordable after the rehabilitation is finished.

If a neighborhood has many vacant lots or tracts of vacant land, you may decide the best option is to acquire the property for new home construction.

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**Market Studies**

If your nonprofit is undertaking a small development project, usually under $2 million, you may want to conduct an in-house market study. Demographic and housing information may be obtained from the city, county, or state housing departments. Your development team could conduct a market survey or focus group meeting. Large projects may require you to hire an outside firm that specializes in affordable housing market studies. Make sure that you check with funders to determine if they have an approved list of market study vendors. In Illinois, an approved list of market study vendors may be found on the Illinois Housing Development Authority’s website at www.ihda.org.

---

**Know Your Neighborhood**

Know every street, every lot, every vacant house...

Know the demographics, inside and out...

Know income ranges and size of families...

Know who you are serving, what they want... and what they can afford.

This is your area of expertise. Develop it and use it.
Multi-family Rehabilitation and New Construction

Multi-family housing development is rarely a first endeavor for nonprofit organizations. Identifying a good project, financing and construction, marketing, and long-term management of multi-family housing is complicated and potentially expensive. At the same time, project development costs should not cause rental rates to exceed 30 percent of customers’ income.

Seasoned nonprofit developers recommend that a multi-family project be large enough to take advantage of economies of scale. When a project is too small, per foot construction costs may be too high, and once it is operating, a small project may not generate enough cash flow to cover management and maintenance costs. Multi-family housing development requires many partners, all of whom must be reliable. No matter what role your nonprofit plays in the development process, you must choose your partners carefully.

Single-family Rehab and New-Construction Tips

- Rehabilitate or construct housing in stable neighborhoods or as part of a neighborhood-wide redevelopment effort. If a new home is the only livable house on the block, no one may want to buy it.
- Use local, community-based contractors when possible.
- Ensure that potential home owners have access to home ownership counseling.
- Early in the development phase, conduct a home ownership fair for potential home buyers where they can meet with local bankers who can explain the mortgage application process and help them complete the loan application.
- Invite program representatives, who can assist potential home buyers with down payment and closing costs or provide all or a portion of the mortgage at a low interest rate, to the home ownership fair and other meetings.
This section of the guide discusses the information funding sources need to make decisions about investing in or financing your affordable housing development. The seven basic areas of development funding that you should become familiar with are:

- Types of available funding
- Budgets
- Acquisition, construction and permanent financing
- Ratio analysis - determining the debt, equity and subsidy mix
- Financing gaps and strategies to overcome them
- Sources and uses - putting it all together
- Additional information funding sources will need

**Types of Funding**

The goal of developing affordable housing is to build or rehabilitate quality housing that will be affordable for low- and moderate-income families. To accomplish this, your development funding must be compatible with this goal. To keep a housing development affordable, it is often necessary for you to use many different types of funding.

**Grants and Subsidies**

Grant money and subsidies are given without expectation of repayment. Grants are usually given to accomplish goals set by the donor, such as the development of affordable housing. Foundations and federal, state, and local governments are important sources of grant monies and subsidies for affordable housing.

**Loans**

Loans are often referred to as debt financing. Loans must be repaid according to a fixed payment schedule, generally with interest. There are three categories of debt financing providers:

- **Conventional Debt Financing**
  
  Is most often provided by financial institutions and is generally short-term financing.

- **Public Debt Financing Sources**
  
  Includes state and local governments that loan state and federal money as well as housing finance agencies that issue bonds. Public funding sources can offer more flexible
repayment terms in order to facilitate affordable housing development.

- **LONG-TERM FINANCING SOURCES**
  Include national nonprofit intermediaries, banks, thrifts, mortgage companies, pension funds and insurance companies. Secondary-market agencies (e.g. Fannie Mae and Freddie Mac) that purchase loans are also long-term financing sources.

**Loan Guarantees**
Loan guarantees are made by a third party that guarantees the loan will be repaid. State and local governments and nonprofit intermediaries are often sources of loan guarantees.

**Equity**
Equity investments are those made in return for a share of ownership. Equity investors are paid a monetary return on the investment if there is money left after the expenses and loans are paid. Equity can be raised through the sale of affordable housing tax credits or from for-profit or foundation investors who believe in the purpose of affordable housing.

**Quasi Equity**
Quasi equity is a nonmonetary equity investment such as donated property, volunteer labor or pro bono services. Quasi equity reduces the cost of the project or monthly operating expenses. This may also be referred to as an in-kind donation. An example could be a city or municipality’s willingness to waive permit and tap fees, sweat equity, or a property tax abatement.

**BUDGETS**
Your funding sources for subsidies and debt and equity investments require information about the costs and future income of the proposed development to determine the amount and types of funding resources your development will need. Your organization must develop at least three comprehensive budgets for the development—predevelopment, development, and operating income and expense (pro forma) budgets—which will be presented to your funding sources and used throughout the development phase and the operation of the project.

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**Funding vs. Financing**
There is a difference between funding and financing.

Funding is inclusive – it includes investments and grants that do not have to be repaid and loans that require repayment.

Financing refers only to loans that must be repaid.

**Predevelopment Costs**
Predevelopment costs are often difficult to finance through a bank because there are no guarantees that the project will actually be developed. Foundations and local government are possible sources for predevelopment grants. ICADC may also be a possible source of predevelopment financing. Your development team may also help identify services (e.g., market study or legal counsel) that can be obtained pro bono or at a reduced cost.
The following budgets focus on a small multi-family development. However, they are adaptable to single-family and larger multi-family developments.

**The Predevelopment Budget**

Affordable housing development begins with your desire to fill a need and a vision of how it can be accomplished. The predevelopment phase begins when your nonprofit organization makes the decision to begin testing the feasibility of your vision. The predevelopment phase may be accomplished in a series of steps, each requiring a budget and resources. Typical steps include the following:

- Conduct a market study to verify the need for affordable housing and to develop an understanding of the people who will purchase or rent the housing to ensure that what you build will meet their needs.
- Contract with an architect or builder and engineer to develop cost estimates for property acquisition and building rehabilitation and/or construction to determine if your project is economically feasible.
- Contract for a preliminary environmental assessment of the property.
- Take an option on the proposed property.
- Develop project proposals that can be presented to potential funding sources.

Additional budget items may include hiring or contracting with professional development staff, and legal and accounting fees. ICADC may be a source you can use to help fund predevelopment expenses.

**The Development Budget**

Your development budget must be prepared by a qualified architect or builder and engineer. It includes the cost of property acquisition and cost estimates for construction or rehabilitation of the building(s). A good development budget includes an allocation for contingencies and establishes interest and operating deficit reserves. A developer’s fee should be included in the budget. The developer’s fee is the reward for incurring a commensurate level of the development’s risk.

---

### Sample Development Budget

**Our Town Apartments**

**Acquisition Costs**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition</td>
<td>$70,000</td>
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<tr>
<td>Building Acquisition</td>
<td>$280,000</td>
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**Construction or Renovation Costs**

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<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials</td>
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<tr>
<td>Labor</td>
<td>$200,000</td>
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<tr>
<td>Fixtures</td>
<td>$80,000</td>
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</tbody>
</table>

**Soft Costs/Contingencies/Reserves**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appraisal</td>
<td>$4,000</td>
</tr>
<tr>
<td>Architect/engineering fee</td>
<td>$10,000</td>
</tr>
<tr>
<td>City permits</td>
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</tr>
<tr>
<td>Financing fees</td>
<td>$10,000</td>
</tr>
<tr>
<td>Insurance</td>
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<tr>
<td>Interest on construction loan</td>
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<tr>
<td>Legal fees</td>
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<tr>
<td>Property survey</td>
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<td>Real estate taxes</td>
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</tr>
<tr>
<td>Utility hook-up fees</td>
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</tr>
<tr>
<td>Title and recording fees</td>
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<tr>
<td>Developer’s fee</td>
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</tr>
<tr>
<td>Hard and soft cost contingencies</td>
<td>$10,000</td>
</tr>
<tr>
<td>Interest and operating deficit</td>
<td>$15,000</td>
</tr>
<tr>
<td>reserves</td>
<td></td>
</tr>
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</table>

**Development Costs**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Costs</td>
<td>$955,000</td>
</tr>
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</table>

**Predevelopment Expenses**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predevelopment Expenses</td>
<td>$65,000</td>
</tr>
</tbody>
</table>

**Total project cost**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total project cost</td>
<td>$1,020,000</td>
</tr>
</tbody>
</table>

Notes: This development budget is for 40 units. The average unit size will be 800 square feet, for a total of 32,000 square feet. The cost per square foot is $31.88 ($1,020,000 cost/32,000 square feet). This sample budget is a guide, and depending on the project, categories may need to be added or deleted.
Consider the following when developing your budget:

- Be realistic about costs; they are almost always higher than anticipated.
- Be realistic about how long it will take you to put the financing in place. Consider any costs that will accrue during this time.
- Be realistic about how long it will take you to complete construction. Project delays can be very expensive and should be anticipated.
- Make sure reserves and contingency money are adequate to absorb unforeseen problems.
- Developer fees should be reasonable. A developer should not be unduly enriched but should be adequately compensated for assuming risk.

**The Operating Budget (Income and Expense Pro Forma)**

An operating budget shows income and expenses from rental units. As the developer, you should be prepared to present monthly operating budgets for two years and annual budgets for five years. Your budget should reflect all sources of income and operating expenses, including reserves for maintenance.

Preparing the operating budget allows you to examine income and expenses to ensure that your development will have enough income to pay expenses and make monthly loan payments and provide a return to investors and your nonprofit organization.

**Lease-Up Period**

You should prepare a lease-up period budget when some, but not all, of the units are leased. The lease-up period budget will show lower occupancy and less income than the operating budget will show once the project’s occupancy is stabilized.

**Acquisition, Construction and Permanent Financing**

Obtaining debt financing, attracting equity investments, and securing subsidies or grants are the components of development funding. Every project you do will need three stages of funding: acquisition, construction, and permanent.

---

### Sample Monthly Operating Budget (Income/Expenses)

**Our Town Apartments**  
(After Stabilization)  
40 Units

<table>
<thead>
<tr>
<th>Rental Income</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>10 units at $400/month</td>
<td>$4,000</td>
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<tr>
<td>10 units at $500/month</td>
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<tr>
<td>15 units at $600/month</td>
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<tr>
<td>5 units at $650/month</td>
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<tr>
<td>Rental revenue</td>
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</tr>
<tr>
<td>Less 10-percent vacancy</td>
<td>(2,125)</td>
</tr>
<tr>
<td>Total rental income</td>
<td>$19,125</td>
</tr>
</tbody>
</table>

**Operating Expenses**

<table>
<thead>
<tr>
<th>Expense</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasing and administrative</td>
<td>$4,000</td>
</tr>
<tr>
<td>Property manager/leasing agent</td>
<td></td>
</tr>
<tr>
<td>Maintenance Contract</td>
<td>3,500</td>
</tr>
<tr>
<td>Advertising</td>
<td>700</td>
</tr>
<tr>
<td>Accounting</td>
<td>500</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>75</td>
</tr>
<tr>
<td>Telephone</td>
<td>200</td>
</tr>
<tr>
<td>Insurance</td>
<td>500</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>200</td>
</tr>
<tr>
<td>Utilities</td>
<td>1,600</td>
</tr>
<tr>
<td>Replacement reserve</td>
<td>1,500</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>$12,775</td>
</tr>
<tr>
<td>Net operating income</td>
<td>$6,350</td>
</tr>
</tbody>
</table>

---

1 This budget does not include interest expense on loans received to finance the project. The monthly principal and interest payment on the project’s financing will be determined later.
**Why Banks Are Short-Term Lenders**

Banks use deposits from customers to fund loans. Customer deposits are generally short-term (in the form of checking and savings accounts), allowing the bank to use them only for a short period. Banks must be careful to match the term of a loan to the term of its deposits. For example, a bank would not want to fund a 30-year mortgage with deposits that could be withdrawn next week. To solve this problem, banks sell loans into the secondary market, which represents long-term investors.

---

**Acquisition**

Acquisition funding may be in the form of an equity investment or a short-term loan that is paid off when the permanent financing is closed. Banks and other private lenders are often reluctant to finance property acquisition because vacant land and buildings are not income producing and may not provide adequate collateral for a loan. Your alternative sources for acquisition financing include state and local governments, housing finance authorities, foundations, and community development corporations. An option should be obtained on property until you are sure all financing is in place!

**Construction**

Banks are often willing to make a construction loan because it is short-term, usually 12 to 18 months. Because the lender wants to make sure the loan will be paid off when construction is finished, permanent financing commitments must be secured before the loan is made. The amount of the construction loan will be limited by the amount of permanent funding. State and local governments can also provide construction financing.

**Permanent**

Permanent funding may be in the form of equity investment or debt financing. Permanent debt financing should be at a fixed rate of interest for a long term—at least 10 years and, more ideally, 15 to 30 years. Both single- and multi-family housing development require permanent financing.

The mortgage loan secured by the home purchaser is the permanent financing source for single-family housing development. The construction financing source will want the home buyer confirmed and the mortgage loan commitment secured before the construction loan is made.

Securing permanent financing for multi-family housing development is more difficult. Sometimes a bank will roll over all or part of the construction loan into permanent financing. Often, if a bank provides the permanent loan for a single- or multi-family housing development, the bank will want to sell the loan into the secondary market.
In addition to permanent bank financing and the secondary market, other sources of permanent financing can be used, including multi-bank lending consortia, pension funds, nonprofit intermediaries, federal funds passed through to state and local governments, and other public financing sources such as state housing finance agencies and trust funds.

Multi-family affordable housing tax credit investors are a valuable source for permanent equity investment, reducing the amount of permanent financing needed. In this scenario, developers—either for-profit—or non-profit, apply to the state housing finance agency, or IHDA, for low income housing tax credits through a competitive application process. If awarded the developer then sells the credits, usually through a syndicator, to an entity in need of federal income tax relief for several cents per dollar of credit. The developer uses the proceeds from the sale as an equity injection into the project and the purchaser becomes an investor to the project.

**Ratio Analysis – Determining the Debt, Equity, and Subsidy Mix**

When assessing how much debt your development project can prudently repay, your lenders will be interested in two ratios — the loan to value ratio and the debt coverage ratio. The maximum amount of debt financing will usually not exceed the maximum of either ratio. Once the maximum amount of debt financing is determined, the balance of the project costs will have to be covered by either equity investment or grants and subsidies.

The loan-to-value ratio (LTV) compares the amount borrowed with the appraised value of the project. Most lenders will not lend more than 80 percent of the value. As the developer, your organization will have to seek equity investments or grants and subsidies totaling at least 20 percent of the project’s value.

The debt-coverage ratio is the amount of monthly net operating income (income minus expenses), divided by the amount of monthly debt service (principal and interest payments on the loan). When underwriting a loan, the bank must make sure that after all operating expenses are paid, there is enough cash to make the principle and interest payment, as well as a cushion for unforeseen circumstances. A commonly used debt-coverage ratio is 1.20 percent-paying 100 percent of the monthly debt service and an additional 20 percent cushion.

**Loan-to Value Ratio — Our Town Apartments**

Based on the sample development budget on page 14, the project will cost $1,020,000. Based on an LTV ratio of 80 percent, the maximum amount a financial institution would consider lending is $816,000 (80 percent x $1,020,000 = $816,000).

Based on an LTV ratio of 80 percent, the minimum amount of equity your organization must have in the project is $204,000 (20 percent x $1,020,000 = $204,000). Note: Assume that the appraised value, as well as the project’s cost, will be $1,020,000.
The funding gap is the difference between your total development budget and the amount of debt financing available. Filling the funding gap requires you to identify and leverage many resources that can either help lower the cost of your project or increase the amount of equity investment and grants and subsidies. Your options may be different for multi-family and single-family developments.

**Multi-family Options**

**Option 1: Lower Your Development Costs**

Identify property, materials, and labor that can be donated.

Local city or county officials may have property that was acquired through tax foreclosure that could be donated or sold at a discounted price. Property that was repossessed by banks or local state or federal government may be donated or sold at a low cost to nonprofit affordable housing developers. Local government officials may also be willing to waive or reduce the cost of permits and other city services.

Identify services that can be donated or obtained at a lower cost.

Your project’s development team can assist in identifying donated or lower cost services from architects, engineers, accountants, marketers, and others.

**Option 2: Raise Net Operating Income by Increasing Income or lowering Expenses**

Increase income by ensuring a high occupancy rate.

You can meet with local housing authority officials to ensure that your development is eligible for renters using rent-assistance programs. This will not only help maintain a high occupancy level but will provide safe and decent housing for those most in need.

Lower Expenses

You can seek property tax abatements from local governments or work with other nonprofit or for profit housing providers to jointly purchase supplies and share other administrative expenses.
Option 3: Raise Equity

Sell federal affordable housing tax credits

You can raise equity by selling affordable housing tax credits to investors seeking credits against their federal income tax in return for making equity investments in approved, affordable multi-family housing projects.

Sell State Donation Tax Credits

State donation tax credits, also referred to as Illinois Affordable Housing Tax Credits, are awarded by IHDA to any entity that makes an eligible donation over $10,000 to an affordable housing project. As a result of such a donation, the entity may receive a state tax credit to reduce state income tax liability in an amount equal to 50% of the donation.

If the donor has no use for or wishes to sell the credit to a different entity, that entity will also be required to make a donation to the project and any equity raised in the sale can also be used towards the project.

Option 4: Secure Grants, Subsidies, or Subordinated Deferred Loans to Fill the Funding Gap

Involve nonprofit intermediaries

State and national organizations with an affordable housing mission may make grants, loans, or investments in affordable housing developments. Some examples include Corporation for Supportive Housing and Local Initiatives Support Corporation.

Apply to foundations

Many foundations make predevelopment and development grants and loans to nonprofit affordable housing providers. Depending on the goals of your housing development, you may have to do some research to determine what is available. For example, if you are serving the veteran population, you should check with special interest groups such as Veterans of Foreign Wars, AMVETS, and the Purple Heart Foundation.

Debt-Coverage Ratio — Our Town Apartments

Based on a net operating income (NOI) of $6,350, shown in the sample operating budget on page 15, and a debt-coverage ratio of 120 percent, your project can manage a monthly loan payment of $5,291 ($6,350 ÷ 120 percent = $5,291).

A $5,291 monthly loan payment, which includes payment on principal and interest, could pay off a loan of $602,914 over a 30-year term at 10-percent interest.¹

Using the debt-coverage ratio as a guide to ensure that Our Town Apartments is able to meet its monthly debt service obligation, the maximum total debt should be no more than $602,914.

Your organization will have to seek $417,086 in equity investments or grants and subsidies to fill the gap between the $1,020,000 project cost and the maximum loan amount of $602,914 ($1,020,000 - $602,914 = $417,086).

¹ To do this calculation, you will need a present value table or a financial calculator. Ask the banker or accountant on your development team to assist in determining the maximum loan amount based on the debt-coverage ratio. The maximum loan amount will also change, depending on the loan term and interest rate.
Determining the Funding Gap - Our Town Apartments

The total project cost is $1,020,000. Based on the loan-to-value ratio of 80 percent, the maximum loan amount is $816,000, and based on the debt-coverage ratio of 120 percent, the maximum loan amount that the development can support is $602,914.

Because $602,914 is the lesser loan amount, it becomes the maximum amount of debt available to the project. The project cost is $1,020,000 and the maximum loan amount is $602,914, leaving a funding gap of $417,086 that must be filled ($1,020,000 - $602,914 = $417,086).

To fill the funding gap, you would have to raise $417,086 in equity investments or grants and subsidies, lower the cost of your development or increase your net operating income.

Golden Rule

The greater the equity, the lower the loan payment and the less likely the development will have future financial difficulties. Raise as much equity as possible.

Seek neighborhood support

Many nonprofit developers are neighborhood based, with support from the local community. Fund-raising in the neighborhood — a chili cook-off or carnival — will affirm the community’s support for your project and help raise money.

Use local, state, and national government programs

City, county and state governments receive federal money that can be used to make grants or subordinated loans to affordable housing developers. State and local governments may also allocate local tax dollars to affordable housing developments.

For example, if you are developing within a tax increment financing district, the city may be able to provide funds towards project development. Furthermore, a developer may be able to apply for either city, county, or state community development block grant funds. Many funding opportunities also exist for projects that include energy efficiency improvements or green development.

Explore opportunities available through community development corporations (CDC’s) and lending consortia.

Community Development Corporations can make subordinated loans to or equity investments in affordable housing developments. CDC’s can form a consortium and pool their resources to lend to affordable housing projects.

Financial institutions may also have access, through other entities such as the Federal Home Loan Bank’s affordable housing program, to funds that can be used for grants or loans.

Option 5: Lower Monthly Loan Payments

Seek deferred loan-payment programs

Payment on a deferred loan begins after the primary loan is paid in full. City, county, and state governments, may have program funds that can be used to make deferred loans for affordable housing. This is an attractive way to free up cash flow while still acquiring the necessary financing to get a project completed.
Seek lower interest rate loans

Loans from city, county, state, and federal government agencies may be made at a very low or zero interest rate. Examples include Home Funds, the State Trust fund, and funds flowing from the Community Development Block Grant.

Look for extended loan terms

A longer term will reduce the monthly loan payment. For example, if the source providing permanent financing extends the term of a $100,000 loan from 10 years to 20 years, the monthly payment is reduced from $1,213 to $836.

Single-Family Options

Single-family projects may also face a funding gap. The single-family gap is the difference between what the buyer can afford in down payment and monthly mortgage payments and the cost of the house.

Option 1: Lower the Cost of the House

Acquire donated property, material and services.

Apply for grants from the government or foundations that can be used to lower development and construction costs.

Have home buyers participate in the construction as part of a mutual self-help or “sweat equity” program.

Option 2: Find Subordinated Financing or Subsidies

Reduce the primary mortgage loan with a deferred or low-interest, subordinated mortgage loan from the city, county or state or from a federal agency.

Reduce the home buyer’s down payment and closing costs through an affordable housing grant or self-amortizing loan program of a foundation, or state or local government.

Defining Lien Position and Subordinated Debt

The lien position of creditors establishes the order in which creditors will be paid if the borrower defaults and the assets are liquidated. The primary lender-usually the bank-will have the first lien on the collateral. Public financing sources are often willing to be in a subordinated lien (second and sometimes third or fourth lien) position.

When there are multiple lenders in different lien positions, it is often referred to as layered financing. If the borrower defaults on the loan, the primary lender will be paid off first, and if there is money left over, the lender in the subordinate position will be paid.

Public financing sources also offer more flexible debt financing with lower loan to value and debt coverage ratios.
Once you have developed the project’s budget and identified potential funding sources, you will need to prepare a statement of sources and uses of funds. The statement will serve as a guide for seeking sources of funding to match your development budget.

As you work with your potential funding sources and secure funding commitments, the funding sources may change. For example, using the sample sources and uses statement, the Our Town Apartments may only be able to raise $375,000 in equity investment from the sale of tax credits. If this occurs, the developer would have to either secure a $25,000 grant or equity investment from another source or ask the bank and city to increase their loan amounts.

The mix of your funding sources will determine the monthly principal and interest payment your organization has to make on the development project loans.

The more equity funding the project has, the lower the monthly debt payment will be. When planning the sources of funds, the resulting total monthly debt payment must meet the debt-coverage ratio discussed on page 17.

### Sample Statement of Sources and Uses of Funds

#### Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation grant for predevelopment expenses</td>
<td>$60,000</td>
</tr>
<tr>
<td>Neighborhood fund-raiser for predevelopment expenses</td>
<td>$3,000</td>
</tr>
<tr>
<td>Donated architectural services</td>
<td>$2,000</td>
</tr>
<tr>
<td>Equity investment from the sale of $700,000 in tax credits allocated to the project</td>
<td>$400,000</td>
</tr>
<tr>
<td>Bank loan for project construction. Bank has first lien and a Secondary-market resource Has agreed to purchase the Loan when the project reaches 80-percent occupancy. The permanent loan will be For 30 years at 10-percent interest.</td>
<td>$470,000</td>
</tr>
<tr>
<td>Loan from the city - 30-year, second lien loan at 3-percent interest; principal and interest payments deferred for 5 years</td>
<td>$85,000</td>
</tr>
</tbody>
</table>

**Total sources** $1,020,000

#### Uses

<table>
<thead>
<tr>
<th>Use</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predevelopment expenses</td>
<td>$65,000</td>
</tr>
<tr>
<td>Land acquisition</td>
<td>$70,000</td>
</tr>
<tr>
<td>Building acquisition</td>
<td>$280,000</td>
</tr>
<tr>
<td>Renovation/construction costs</td>
<td>$430,000</td>
</tr>
<tr>
<td>Soft costs, contingencies and reserves</td>
<td>$175,000</td>
</tr>
</tbody>
</table>

**Total uses** $1,020,000

1. Tax credits are sold at a discount based on the project’s risk and because the tax benefit to the investor is spread over 10 years, even though the investment is made in the first year.

2. The bank loan plus the loan from the city equals a total debt of $555,000, which is less than $602,914, the maximum amount of debt available to the project identified on page 19.
In addition to budget information, your funding sources will want information about your organization and your development project.

**ABOUT YOUR ORGANIZATION**

Funding sources, including financial institutions, will need to assess your organization’s stability, resources, and experience, as well as its ability to complete the development and, if necessary, provide long-term management. The organization information checklist shown below is typical of the organizational information your funding sources will request.

**Organization Information Checklist**

- Three years of financial statements, including balance sheet, income statements, cash flow statements and statements of changes in financial position
- Number of years your organization has been in existence
- Verification of your organization’s nonprofit status with the IRS
- Your mission statement and board resolution authorizing the development project
- List of board members
- Resumes of staff and directors involved in the project and resumes of development professionals your organization hired or contracted with to assist with the project
- List of your organization’s accomplishments
- Description, status and financial information on similar projects your organization has undertaken
ABOUT THE DEVELOPMENT PROJECT

Your funding sources will need information on the development project itself, including information about the market the project will serve, other funding sources and data on the property. The development information checklist identifies the information your funding sources will use to make their investment decisions.

The funding source will also order an appraisal, survey, environmental report and property inspection, all of which will generally be an expense to the nonprofit developer as a part of predevelopment expenses and should be accounted for in the predevelopment budget.

Development Information Checklist

Market
- Market research on the need for the development and on competing properties
- Demographics on the market area
- Housing supply and absorption rate information
- For multi-family projects, rent comparables; for single-family development, housing sales comparables

Economics
- Historical operating statements and rent rolls for existing properties
- Commitment letters and financial information on other funding sources, including the permanent funding source(s).
- Sales contract(s) or lease commitments

Property
- Property description, including legal description, street address, size, site conditions, current use and zoning
- Pictures of improvements on property
- Site plan, drawings and description of proposed improvements
- Purchase option agreement
- Construction contract with contractor and a resume and financial statement from the contractor
- Contracts with the architect or builder and engineer and their resumes and references
- Construction work schedule
- Insurance verification
- Property tax receipts
- Title commitment

Ongoing Property Management
- Plan for ongoing property management
- Contract with outside management firm
If you are thinking about or actively pursuing a potential real estate development project ICADC would be happy to assist!

Below is an outline that describes a series of benchmarks that ICADC will work with your organization’s leadership and staff to obtain. Remember, ICADC will assist you in every step of the way from developing a project concept to successful operations.

**Planning/Site Selection**
- Letter of interest from the Community Action Agency to ICADC
- Description of the type of commitment the project entails – long term or short term
- Description of the type of project that is being proposed – including structure and financing
- List of the benefits of the project will bring to the CAA
- List of the potential risks the project will bring to the CAA and ICADC
- Information about the potential property/site location
- Preliminary Development Budget
- Preliminary Sources and Uses Budget
- Preliminary Affordability Study
- Preliminary Operating Proforma
  (15 year for tax credit application)

**Feasibility**
- Description of the development team, detailing member roles and responsibilities
- Completed project timeline
- Detailed listing of upfront costs that will be required of ICADC and the local CAA
- Demographics Study – preliminary market assessment
- Report on alternative locations that have been considered
- Summary of local board meetings that have occurred
- ICADC staff/local CAA recommendations
**Predevelopment Activities**
- Detailed development budget and operating pro formas
- Completed market study and physical needs assessment
- Schematic designs
- Detailed description of sources of financing for the project

**Pre-Financial Submissions**
- Letters of support from the community
- Draft grant/tax credit, etc. applications

**Pre-Closing**
- Conditional contract bids
- Financing commitment letters
- Borrowing resolutions
- Completed agreements between parties

**During Construction**
- Payout Documents including owner’s sworn statements and contractor’s sworn statements
- Change Orders

**Project Closeout and Occupancy**
- Final owner’s sworn statement and contractor’s sworn statement
- Certificate of Occupancy
- Status of leasing/sales activity

**Ongoing Operations**
- Year-end property management reports
- Partnership audits
- Annual budgets
A strong community-based nonprofit organization, solid community support, committed partners, good planning and a sound financial plan are the ingredients for successful affordable housing development. Many nonprofit organizations have put these ingredients together to rehabilitate single-family homes, create new single-family developments, rebuild multi-family housing, and even build new multi-family complexes. This important work provides affordable housing for individuals and families, whose lives will be made better by your organization’s efforts and those of other nonprofit community-based organizations taking on the challenge of developing affordable housing. Good luck!

If you are interested in learning more about how ICADC can assist you with your real estate development activities, please contact us at (219) 789-0125.

Strawberry Meadows- West Frankfort, IL
GLOSSARY

AMORTIZATION - Liquidation of a debt by making periodic installment payments over a set period of time, at the end of which the loan balance is zero.

ANNUAL REPORT - A yearly report of an organization’s financial statements and accomplishments.

APPRAISAL - The process through which conclusions as to property value are obtained.

APPRECIATION - Increase in the value of property due to improvements made to the property or surrounding area/neighborhood by the owner or other parties, including the government and/or more general market forces.

ARTICLES OF INCORPORATION - Legal document submitted to a designated officer of the state for permission to commence business as a corporation (for-profit or nonprofit). The articles of incorporation, or charter, state the purpose, rights, and duties of the corporation.

ASSETS - Anything owned by an individual or business (including nonprofit corporation) that has commercial or exchange value.

AUDIT - An examination of the financial records of an organization to ensure that they are complete and accurate.

BALANCE SHEET - A financial statement showing a “snapshot” of the assets, liabilities and net worth (fund balance) of an organization on a given date.

COMMUNITY DEVELOPMENT CORPORATION - A corporation, either for-profit or nonprofit, that is capitalized for the purpose of making debt and/or equity investments in projects that promote community and economic development, including affordable housing development. There are different forms of CDC’s. CDC’s can be a wholly owned subsidiary, an individual bank or bank holding company, or a shared ownership corporation among several banks, or among banks, other financial institutions, community organizations and public and private investors.

BOARD OF DIRECTORS - The policy-making unit of the organization that is legally responsible for the corporation.

BUSINESS PLAN - A document prepared by an organization that guides the development, operation, marketing, and financial management of the organization.

BYLAWS - The rules governing the internal affairs of an organization.

CASH FLOW - Incoming cash to the organization less the outgoing cash during a given period.

CLOSING - The final procedure in a real estate sale, in which property ownership is transferred in exchange for an agreed upon payment.

COLLATERAL - Assets pledged to secure a loan.

COMPARABLE - Real property that can be used to establish the value of a specific property by comparison.

DEBT SERVICE - Loan principal and interest payments.

DEED - A legal instrument that identifies property ownership.

DELINQUENCY - Failure to make timely payments under a loan agreement.
**DEMOGRAPHIC DATA** - Information about the characteristics of human populations, including size, income, age, wealth, race/ethnicity, gender, housing conditions, and so on.

**EQUITY** - Ownership interest in a project after liabilities are deducted.

**FAIR MARKET VALUE** - The price that a willing buyer will pay and that a willing seller will accept for real or personal property.

**FINANCIAL STATEMENTS** - Written record of the financial status of an individual or organization. Statements commonly include income statement, balance sheet, cash flow statement and, if the organization is a nonprofit, a funds balance statement.

**FINANCING FEE** - A fee charged by a lender to originate a loan. The fees are based on a percentage of the loan amount, and one point is equivalent to 1 percent.

**501(C)3** - Internal Revenue Service designation for nonprofit, tax-exempt status.

**FORECLOSURE** - The legal process used to enforce the payment of debt secured by a mortgage whereby the property is sold to satisfy the debt.

**GRANTS** - Gifts of money given by foundations, government or others.
CAA DIRECTORY

BCMW Community Services, Inc.
909 E. Rexford, P. O. Box 729
Centralia, IL 62801-0729
618-532-7388
www.bcmwcommunityservices.org

C.E.F.S. Economic Opportunity Corporation
1805 S. Banker, P. O. Box 928
Effingham, IL 62401-0928
217-342-2193
www.cefssec.org

Carver Community Action Agency
P. O. Box 28, 235 E. Main St.
Galesburg, IL 61402
309-342-0158

Champaign County Regional Planning Committee
1776 E. Washington
Urbana, IL 61803
217-328-3313
www.ccrpc.org

Chicago Department of Family and Support Services
1615 W. Chicago Ave., 3rd Fl.
Chicago, IL 60622
312-743-0300

City of Rockford Human Services Department
612 N. Church St.
Rockford, IL 61103
815-987-5795
www.rockfordil.gov/human-services.aspx

Coalition of Citizens with Disabilities in Illinois
300 E. Monroe, Suite 100
Springfield, IL 62701
217-522-7016
www.ccdionline.org

Community Action Partnership of Central Illinois
1800 5th St.
Lincoln, IL 62656
217-732-2159
www.capcil.org

Community Action Partnership of Lake County
1200 Glen Flora Ave., P.O. Box 9059
Waukegan, IL 60085
847-872-5526
www.caplakecounty.org

Community & Economic Development Association of Cook County, Inc.
208 S. LaSalle St., Suite 1900
Chicago, IL 60604
312-795-8844
www.cedaorg.net

Community Contacts, Inc.
100 S. Hawthorne
Elgin, IL 60123
847/697-8800
www.cci-hci.org

Crosswalk Community Action Agency
410 W. Main
West Frankfort, IL 62896
618-937-3581
crosswalkcaa.com

Decatur-Macon County Opportunities Corporation
1122 E. Marietta St.
Decatur, IL 62521
217-428-0155
www.dmcoc.org

DeKalb County Community Services Department
2550 N. Annie Glidden Rd.
DeKalb, IL 60115
815-758-3910
www.dekalbcounty.org/ComSvs/ComSvs.html

DuPage County Community Services
421 N. County Farm Rd.
Wheaton, IL 60187
630-682-7000
www.co.dupage.il.us/humanservices/
Mid Central Community Action, Inc.
1301 W. Washington St.
Bloomington, IL 61701
309-829-0691
www.mccainc.org

Northwestern Illinois Community Action Agency
103-109 N. Chicago Ave.
Freeport, IL 61032
815-232-3141

Peoria Citizens Committee for Economic Opportunity
711 W. McBean
Peoria, IL 61605
309-671-3900
www.pcceo.org

Project NOW Inc., Community Action Agency
418 19th St.
Rock Island, IL 61201
309-793-6391
www.projectnow.org

Sangamon County Department of Community Resources
2833 S. Grand Ave. East Suite C100
Springfield, IL 62703
217-535-3120
www.co.sangamon.il.us/CR/resource.asp

Shawnee Development Council, Inc.
530 W. Washington St., P.O. Box 298
Karnak, IL 62956
618-634-2201
www.shawneedevelopment.org

St. Clair County Intergovernmental Grants Dept./CAA
19 Public Square, Suite 200
Belleville, IL 62220
618-277-6790
http://www.co.st-clair.il.us/Departments/Intergovernmental+Grants/

Tazwood Community Services, Inc.
2005 S. Main St.
Morton, IL 61550
309-266-9941

Tri-County Opportunities Council
405 Emmons Ave., Box 610
Rock Falls, IL 61071-0610
815-625-7830
www.tcochelps.com

Two Rivers Head Start Agency
1661 Landmark Road
Aurora, IL 60506
630-406-1444
www.trhsa.org

Two Rivers Regional Council of Public Officials
1125 Hampshire 62301
Quincy, IL 62306
217-224-8171 ex. 105
www.trrrcopo.org

Springfield Urban League, Inc.
100 N. 11th Street
Springfield, IL 62703
217-789-0830
www.springfieldul.org

Wabash Area Development, Inc.
110 Latham St.
Enfield, IL 62835
618-963-2387
www.wadi-inc.com

Western Egyptian Economic Opportunity Council
1 Industrial Park, P.O. Box 7
Steeleville, IL 62288
618-965-3458
www.weeoc.org

Western Illinois Regional Council – Community Action Agency
223 S. Randolph
Macomb, IL 61455
309-837-2997
www.wirpc.org/communityaction/

Will County Center for Community Concerns
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