Beyond Traditional Giving: How Place-Based Philanthropy Catalyzes Housing Solutions

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Summary

Place-based philanthropy can serve as a powerful tool to support housing production and affordability by catalyzing resources, convening key stakeholders across multiple sectors, and coordinating strategic efforts within specific geographic areas. In many cities, community foundations and other place-based philanthropies are activating and focusing efforts to address the unique challenges and opportunities within their local housing ecosystem, and leading initiatives to launch programs that boost housing supply and affordability. In some cases, they are also directing impact investments into housing production and preservation that generate positive, measurable social or environmental impact alongside financial return.

As a leader in housing production support, the Community Foundation for Greater Atlanta (CFGA) expects to leverage its investments to create or preserve 5,000 affordable units in a five-year period between 2022-2026. San Diego Foundation similarly aims to develop 1,000 units annually through 2034 through its San Diego Housing Fund. A national effort to launch and support similar programs and investment funds could catalyze the creation of at least tens of thousands of units annually.

The Challenge this Tool Solves

The affordable housing ecosystem at the local level is diffuse and often disorganized, making it difficult for stakeholders to broadly assess community needs and coordinate housing production and preservation efforts. Most regions lack a centralized process to match projects in need of additional capital with potential funders, forcing developers to take a piecemeal approach to assembling the capital stacks for worthwhile projects and leaving many opportunities unidentified or abandoned. Moreover, there is significant need for patient, flexible, and affordable capital for acquisition and predevelopment costs, as well as capacity-building for non-profit and under-capitalized private developers, to build and maintain a strong project pipeline.

Community foundations and other place-based philanthropies can help address these challenges by forming the backbone of local coalitions that bring together policymakers, philanthropy, and the private sector. These coalitions can play key roles in evaluating data, engaging community voices, prioritizing critical needs, and developing or supporting comprehensive strategies to address local housing gaps. As aggregators of mission-driven capital, place-based philanthropies can significantly expand housing production and affordability through impact investment funds, traditional grant-making, and partnerships with the public sector. Community foundations in cities and regions across the country are uniquely positioned to leverage both their social and financial capital to meet the urgent needs of the current housing crisis.

Expected Impacts of this tool

Community foundations nationwide collectively manage more than $110 billion in assets and award more than $14 billion in grants annually. More broadly, U.S.-based philanthropic organizations manage over $1.1 trillion in assets, but only about 5% of those are devoted to impact investments. Increasing the percentage of assets that these organizations devote to housing production and deploy through impact investment funds could unlock billions of dollars to support the creation of tens of thousands of homes annually.

Types of Communities that can use this tool

More than 900 community foundations operate nationally, covering every state and both urban and rural areas. In almost every geography in the U.S., a place-based funder will be operating and could potentially play a supporting or lead role in addressing the housing crisis as a convener, pilot funder, capital aggregator, or organizer of local coalitions.

Background

Community foundations are grantmaking public charities that mobilize the assets of past and current donors to improve quality of life and economic stability for residents in defined geographic areas. Affordable housing is a key factor in achieving these objectives, as it provides stability for families, supports workforce retention, and enhances overall individual and community well-being. Notably, workers who are forced to move due to housing insecurity are 22% more likely to lose their jobs within a year, and numerous studies demonstrate connections between high household housing cost burdens and poor health outcomes.

As the costs of land, construction, financing, and maintenance have increased in recent years, projects that build or preserve affordable housing increasingly need additional low-cost capital to be financially feasible. This is particularly true for projects that target affordability for households falling significantly below Area Median Incomes (AMI), such as those targeting households earning less than 80% AMI. In a growing number of higher cost markets, subsidies are needed for projects with rents targeted for affordability at or even slightly above median income (up to 120% AMI).

Recognizing this reality, many community foundations and other place-based philanthropic organizations that emphasize economic mobility and quality of life are increasingly interested in supporting affordable housing and housing production. This includes not only direct grantmaking to non-profit organizations that develop housing or provide housing counseling and related services but also raising and managing impact investment funds that directly support for-sale or rental housing projects. Additionally, some local funders engage with policymakers, the private sector, and other philanthropic organizations to assess, develop, and manage new collaborative programs that address gaps in local housing ecosystems.

There are over 900 community foundations currently operating in the United States, the majority of which focus on a regional (metropolitan area or similar) footprint, with others also operating at a statewide level. Many place-based private philanthropic organizations play similar roles in their communities, such as The James Irvine Foundation in California and the George Kaiser Family Foundation in Tulsa, greatly expanding the pool of potential organizations that could serve as conveners and funders. Yet much of this potential remains untapped: a 2024 study found that U.S. philanthropic organizations hold total endowment assets valued at over $1.1 trillion, though only 5% of philanthropic foundations invest *any* of their endowments for impact.

Proposed Solution: Local Philanthropy as Catalyzer, Convenor, and Deployer

Community foundations and other place-based philanthropy can play critical roles in supporting housing production, preservation, and affordability in their geographic areas through four main avenues.

Defining and Prioritizing

Place-based funders can serve as initial catalysts to help regions identify the scale and scope of their housing challenges, as well as gaps or deficiencies in their regional housing ecosystems. Specific actions could include funding a market analysis or needs assessment of the local housing market, convening a group of civic (public, private, and philanthropic) leaders to evaluate the housing market, and developing strategic plans for bolstering housing production. Atlanta and Omaha are both examples of geographic regions where philanthropy played critical roles in developing strategic plans for addressing the housing crisis.

Ongoing Convening and Organizing

Local philanthropy can be essential to "setting the table" for longer term collaboration around housing policy and production. Housing markets are inherently regional, meaning no single local government entity can coordinate housing production for a broader metro area. Furthermore, the short-term tenure and competing daily demands of elected officials may not align with the longer-term strategic focus needed to increase housing production and supply, making it critical for non-governmental actors to deeply engage in implementing long-term housing priorities. Local Foundations have supported ongoing convening and organizing through the funding of intermediaries to coordinate regional strategic plans over the long-term (Atlanta, Omaha) and collective impact efforts that partner with local governments and other philanthropy to coordinate transitional housing and homeless services (Oregon, Chicago).

Piloting New Investment and Program Models

Elected leaders and public officials may hesitate to pilot new programs, particularly due to "NIMBY" constituent concerns and competing budget pressures over the commitment of limited government funds. Private investors, particularly those managing institutional capital, may be reluctant to invest in projects they view as risky (e.g., investing in historically disinvested neighborhoods with high loan-to-value and large appraisal gaps). Philanthropy can play a unique role in funding pilot funds, programs, or projects to validate the feasibility of new models for producing or financing housing. Examples include funding to support projects that use innovative building technologies like modular construction (Telluride, Los Angeles), new models for supporting homeownership opportunities (San Diego, Chicago), creating new financing vehicles and products to support affordable developments (Atlanta, Austin) through demonstration models that prove the concept and/or market, and providing seed funding to launch organizations like Community Land Trusts that steward long-term affordability (Western Nevada).

Organizing and Aggregating Long-Term Capital

Many community foundations already serve as capital aggregators for their communities. They pool donations from individual donors, families, and businesses into a unified investment portfolio, achieving economies of scale that enable more effective fund management and greater returns. This provides an opportunity for community foundations to establish and raise impact investment funds focused on housing production. Impact investments through program related investments (PRIs) offer several potential advantages over traditional grants. These include the ability for funds to revolve, exceeding the traditional 5% or similar annual fund threshold for deployment, the possibility of attracting and pooling capital from a wider range of funders (including private investors), and a broader range of investment vehicles through which funds can be deployed (including equity-like instruments). When offering PRIs to non-profits, foundations can play a role in building up the balance sheet and credit history of a non-profit, enabling long-term scaling and growth. Foundations can fund administrative, management costs, and seed funding, with most of the investment capital itself coming from private donors. Examples of foundations that have established and are managing large ($100+ million) impact investment funds include the Community Foundation of Greater Atlanta, San Diego Foundation, and Seattle Foundation. Other organizations like the Scranton Area Community Foundation are beginning to assess how impact investing and philanthropic capital can be most effectively deployed to fill gaps, scale innovative solutions, and support housing and other issue areas relevant to inclusive economic development.

Ideally, place-based philanthropy can act as a flexible, strategic, and long-term convener and catalyst for local efforts in increasing housing production and supply. It can leverage its unique position to take risks in funding new pilots or new investments models that traditional funders may not be willing to take. It can also foster collaboration among the public, private, and philanthropic sectors, serving as a neutral "table-setter" to bring together all the necessary actors in the local housing ecosystem. Philanthropy can also serve as a long-term advocate for systemic changes, an important position in a system where many political actors are constrained by electoral cycles and the desire to differentiate their policies from their predecessors.

Case Studies of Specific Geographies

Several community foundations have already devoted grant and impact investments to support housing production and affordability. In high-cost, fast growth markets like San Diego, they are launching impact investment funds to support the production of needed workforce housing and partnering with non-profits to pilot new models of affordable housing development. In cities like Chicago with a stark homeownership gap, they are convening the private and philanthropic sectors to work collaboratively to pilot new pathways to homeownership. In Los Angeles, where public resources are insufficient to meet the huge demand for affordable housing, they are partnering with the city and private sector to launch flexible capital funds that can speed housing production and opportunistically acquire existing marker-rate housing that can be converted into mixed-income rental housing. Finally, in Atlanta, philanthropy is serving as a catalyst for policy change and an aggregator of impact capital, partnering with the city and private foundations to deploy impact investments at scale.

The following case studies provide more information about the activities of philanthropic actors in each of these cities:

San Diego Foundation

Like many cities, San Diego continues to face significant challenges from the ongoing housing crisis. Nearly 40% of households in the region are cost burdened, and the income needed to afford a downpayment on a median-priced home in the city is approaching $200,000. Recognizing that housing affordability represents the greatest threat to San Diego's economic growth, the San Diego Foundation (SDF) launched the San Diego Housing Fund (SDHF) in 2024. SDHF partners with investors, developers, and property owners to adopt a new approach to provide faster, more efficient housing production across the spectrum of affordability for all San Diegans. By providing low-cost philanthropic capital to increase low-and middle-income housing, SDHF aims to support the creation of 1,000 new units annually through 2034, totaling 10,000 units. San Diego permitted 9,693 new homes in 2023, therefore, if SDHF successfully meets its goals, it could increase the city's housing production by more than 10% annually.

SDHF uses an innovative four-pronged affordable housing strategy. First, it **builds cross-sector coalitions,** including philanthropists, architects, planners, community advocates, to address housing affordability. The second prong **activates vacant and underutilized land** to build housing units on land at low or no cost, with ground leases or fee simple ownership, alongside improvements to adjacent infrastructure. SDHF also has trusted partners in major institutional landowners that consists of government, quasi-government, education, and religious partners with a strong alignment to improve housing accessibility whether they are cash poor or resource rich.

Third, the strategy uses **philanthropic capital,** building affordable housing by underwriting financial returns at philanthropic, community-centered rates. This capital helps catalyze new construction and enables deeper affordability in mixed-income projects. Finally, SDHF builds **community resilience** by offering wraparound services for healthcare, life skills, tutoring, childcare, and even book and gardening clubs. SDHF is also utilizing proactive management with technology, text messaging, door knocks, and tenant feedback to build community resilience along with long-term ownership and stable communities by de-risking assets and improving lives.

SDHF established a number of partnerships related to affordable housing, like its **Joint Venture** with Naturally Affordable Housing, which builds workforce housing in San Diego for individuals working in the Arts, Education, and Healthcare. This collaboration identifies parcels for systematic development, employs pre-approved site plans to reduce time and costs, and focuses on restricted units for residents with incomes between 60-120% AMI, independent of publicly provided bond financing or tax credits. Construction is set to start this year on roughly 500 units in San Diego County. SDHF also has a strategic partnership with Catholic Charities Diocese of San Diego (CCSD) to explore opportunities to redevelop real estate properties owned by CCDSD to address the housing crisis. This is an illustrative example of a nationwide trend of faith-based organizations taking a more active role in supporting housing production that some have called "Yes in God's Back Yard."

The SDF also administers the Access Granted Homebuyers Program, which works to close the racial wealth gap by creating opportunities for qualifying Black, Indigenous, and People of Color (BIPOC) households to purchase a home in one of the highest-cost housing markets in the country. Operated in partnership with LISC San Diego and the Urban League of San Diego County, the program serves households with incomes at or below 120% AMI ($119,000) who are first-time homebuyers. Participants receive a $40,000 grant from the San Diego Foundation (applied during closing) and an additional $10,000 grant for closing costs. Since its launch in August 2021, 84 buyers have purchased homes in San Diego County through the program at an average price of $455,899.

The Chicago Community Trust

Reflecting a national trend, Chicago saw a surge in homelessness in 2024. According to the Chicago Coalition to End Homelessness, approximately 76,375 people experienced homelessness, a 10.4% rise from the previous year. A recent report by the Illinois Policy Institute estimated that 42% of all Chicago families — and 88% of low-income families in the city — are housing cost burdened.

The Chicago Community Trust (CCT) addresses the housing crisis by supporting **innovative programs combating homelessness** and **deploying low-cost capital** to help promote opportunities for homeownership. CCT is the convener of Connecting Capital and Community (3C), an all-inclusive housing initiative working to give Chicagoans in two West Side communities, East Garfield Park and Humboldt Park, a smoother path to homeownership and the wealth-building benefits that homeownership can provide. 3C collaborates with residents, lenders, developers, HUD-certified Housing Counseling Agencies, community navigators, private, public, and philanthropic partners to create supply and demand solutions for homebuyers.

The core product offered through 3C is a 30-year fixed rate mortgage at 3.5% with no Private Mortgage Insurance (PMI). CCT has enabled the deployment of this product by providing a $1 million loan loss reserve fund along with contributions by JP Morgan Chase and another foundation. Thus far, 3C has raised about half of their $7 million goal for this mortgage loan fund, with the hope of selling it on the secondary market for greater scale. Participants can access downpayment assistance through the city's Building Neighborhoods and Affordable Home Program. To qualify, participants must have income below 120% of AMI, complete eight hours of homebuyer education courses, and purchase a home built by a qualifying developer in East Garfield Park or Humboldt Park.

CCT also promotes housing stability and combats homelessness through a number of initiatives, including its Sustainable Solutions for Housing Stability program. Launched in the spring of 2024, the program supports organizations working toward housing security and addressing homelessness in Chicago and Cook County. It funds services and initiatives that provide housing opportunities, improve client outcomes, pivot towards culturally relevant services for various populations, and strengthen coordinated care networks.

One of the program's key components involves supporting organizations fulfilling housing needs, particularly of underserved populations like asylum seekers, at-risk youth, and returning citizens, among others. Their approach is "people-centered" rather than issue-based, recognizing that many people don't fit within the traditional service model. More than $2.375 million in grants have been awarded to 26 organizations exploring solutions to housing stability and homelessness. Prior to the Sustainable Solutions for Housing Stability program, the Trust made nearly $2.3 million in grants to 35 organizations providing direct services and advocacy to reduce homelessness.

Los Angeles (LA4LA/California Community Foundation)

LA4LA is a groundbreaking public-private partnership between local philanthropy, the private sector, and the Office of Los Angeles Mayor Karen Bass. The goal of LA4LA is to create a more flexible pool of capital than can reduce the cost of providing affordable housing in the city by lowering the cost of capital, acquiring properties that can be converted into affordable or mixed-income developments, and speeding up housing production. Housed at the California Community Foundation (CCF), LA4LA was launched in 2024 with seed funding from The Conrad N. Hilton Foundation.

The Housing Authority of the City of Los Angeles (HACLA) has worked closely with LA4LA to expand the impact of the new initiative and to accelerate the rapid delivery of deeply affordable housing. In just its first year, LA4LA has helped unlock more than 1,200 affordable units —

including several projects in partnership with HACLA.

As an illustrative example of an LA4LA funded project, in January 2025, HACLA and LA4LA acquired Clarendon Apartments in Woodland Hills, a 335-unit multifamily property that was built in 2019. HACLA acquired the Class A property in an off-market transaction at a price that was significantly below the cost to build new affordable housing. The development will be converted into a mixed income project, providing deeply affordable housing units in one of the State of California's Highest Resource Opportunity Areas, near employment, retail, schools, and other amenities. HACLA was able to sell tax-exempt bonds to finance the property and provided an investment from HACLA's acquisition equity fund.

HACLA was also able to utilize HUD's Restore Rebuild program, which adds long-term rental assistance for lower-income families, to help finance this project. This is the first time this program has been utilized in a project in Southern California. Ultimately, the project will include a mix of market rate units and units with long-term income and rent restrictions, including units affordable to families earning up to 30%, 50%, and 80% of area median income. Affordability will be preserved even as units turn over, and no current residents will be displaced as a result of the conversion.

The purchase of the Clarendon is also part of HACLA's Acquisition Program, which focuses on buying market rate apartment buildings and adding affordable housing for families with a range of incomes. Since 2020, HACLA has been one of the most active buyers in the City of Los Angeles, closing on more than 30 transactions with a value of nearly $1 billion. HACLA also purchases and converts properties in partnership with for profit and non-profit partners through its Innovative Partnerships Program.

Atlanta

In Atlanta, nearly 72% of households spend more than 45% of their annual income on housing and transportation, leaving fewer funds for other critical needs and savings. Rent for a one-bedroom apartment has increased 50% since 2014, outpacing wage growth, meaning that despite the strong regional economy many households find themselves further behind financially. Furthermore, Atlanta historically lacked collaboration between the public, private, and philanthropic sectors in addressing housing affordability and production.

Based on these concerning and growing housing challenges, nearly 200 housing leaders launched House ATL in 2018. This ad hoc group developed a plan with 23 specific recommendations for addressing the growing housing challenges of the broader region. The recommendations coalesced around four main themes:

1. *Invest in an Affordable Atlanta* by raising $1 billion in new local capital specifically to support the creation or preservation of 20,000 homes affordable for incomes between 0-120% of AMI.
2. *Prioritize Community Investment Without Displacement* by targeting programs and policies to

help those at risk of eviction or losing housing because of rapidly increasing costs.

3. *Working Together Better and Smarter*, creating new mechanisms for collaboration across the private, public, and philanthropic sectors, including the launch of the ATL Funders Collaborative and creating a senior-level cabinet position in the Mayor's Office focused exclusively on Housing.
4. *Empowering Atlantans through Education and Engagement* to inform civic leaders and residents about the importance of affordable housing, and opportunities for community members and neighborhood groups to participate in decision making.

This strategic plan formed the blueprint and catalyst for several important local initiatives involving the public, philanthropic, and private sectors.

Then-Mayor Keisha Lance Bottoms adopted several of the policy recommendations from House ATL, including setting a goal of creating or preserving 20,000 new affordable units by 2026 and authorizing the issuance of $50 million in affordable housing bonds. Furthermore, many of the groups and philanthropic organizations involved in developing the strategic plan formed the Atlanta Affordable Housing Fund in early 2020 to deploy flexible, low-cost capital to accelerate the creation of affordable housing across Metro Atlanta. The initial $15 million invested helped support 11 new projects totaling over 800 units, 78% of which were affordable to households making less than 80% of AMI.

These initial efforts gained momentum in 2021 with the election of Mayor Andre Dickens and the absorption of the Atlanta Affordable Housing Fund and related initiatives by the Community Foundation of Greater Atlanta (CFGA). Mayor Dickens pledged to create an additional 20,000 affordable units by 2030 and established a Housing Strike Force, led by a senior cabinet-level position, including senior executives from every major public agency that touches housing or controlling public land that could be developed for housing. Together, this group has reformed lethargic systems, deployed cutting edge housing innovations, and begun reshaping what affordable housing delivery can look like at the municipal level.

The success of the Atlanta Affordable Housing Fund served as a proof of concept for two larger funds launched by the CFGA: the $100 million GoATL Affordable Housing Fund, which provides loans at discounted rates of 3%-6.5% to developers of affordable housing, and the $100 million TogetherATL Affordable Housing Fund, which provides 0% interest conditional loans and grants to projects which ensure deep and long-term affordability for a period of at least 65 years. These philanthropic funds complement an additional $100 million bond approved by the city of Atlanta in 2023, which finances housing production, preservation, and homeless support services. While CFGA manages its own funds separately from the city's funds, its staff regularly meet with members of the city's housing staff to share information about projects under review for potential investment. As of early 2025, the city, CFGA, and partners had collectively deployed approximately $157 million across these three investment vehicles, with tens of millions more committed to planned projects.

Notably, these funds benefited from a $100 million investment from two Atlanta-based foundations: the Robert W. Woodruff and Joseph B. Whitehead Foundations. CFGA provided the essential infrastructure to manage these funds, creating a streamlined vehicle through which interested private foundations could easily deploy their investments without the burden of significant administrative overhead. This model has already supported impactful projects like Oliver & North, a 114-unit multifamily community in the English Avenue neighborhood where 100% of the units are affordable at 80% of the Area Median Income (AMI) or below, with 50 units specifically affordable at 50% AMI or below. The GoATL Affordable Housing Fund provided a 4.5 million construction and permanent financing package for this $41 million project, leveraging an additional $24 million in tax-exempt financing and $5.6 million in federal and state tax credit equity.

CFGA and House ATL also launched the Housing Funders Collaborative, a group of "public, philanthropic, and private (banks, CDFIs, social impact) funders who seek to raise new capital, and more efficiently coordinate existing resources, to support the production and preservation of affordable housing in Atlanta, as well as related programs and services." The collaborative includes a Pipeline Review Committee that meets regularly to review affordable housing deals that have capital gaps, with membership consisting of local funders and investors with resources and capital to deploy into affordable housing projects. This group provides a forum that facilitates matching capital providers with developers.

The story of CFGA and its other partners in Atlanta demonstrate the full breadth of actions that local philanthropic organizations can take to boost housing production:

Initially, they focused on **policy and issue prioritization**. Recognizing the need for a clear roadmap, a philanthropically led coalition spearheaded the development of the aforementioned 2018 housing strategic plan for advancing affordable housing. Crucially, the plan didn't just identify problems; it also laid out specific recommendations for addressing these issues, calling for coordinated action across the public, private, and philanthropic sectors.

Building on this strategic foundation, CFGA took on the vital role of **ongoing convening and organizing**. HouseATL, which began as an ad hoc working group, was formally established in 2021 as an enduring entity, fiscally sponsored by CFGA. CFGA's Board and staff have since maintained a consistent effort in coordinating regional affordable housing initiatives. This includes supporting the Funders Collaborative and numerous other working groups, all focused on critical areas like homeownership, affordable rental preservation, policy advocacy, and prioritizing investments.

CFGA and its allies also worked to **pilot new investment models**. They brought together local philanthropists and investors to establish the $15 million Atlanta Affordable Housing Fund. This initiative served as a powerful proof of concept, showcasing how local capital could be effectively deployed to support affordable housing developments and highlighting the significant demand for such investments.

Finally, CFGA played a crucial role in **capital aggregation and organization**. The GoATL and Together ATL Housing Funds stand as compelling examples of how aggregated capital from various philanthropic sources can be strategically deployed.

The programs and policies championed by CFGA and its partners in Atlanta demonstrate the full range of methods by which local philanthropic organizations can support housing production in their local communities.

Diffusion and Scaling of Local Philanthropy

Place-based funders already support housing production and affordability in many jurisdictions nationwide. What is needed now are national efforts to scale and multiply the impact of these scattered initiatives. Concentrated advocacy, education, and technical assistance could encourage dozens of philanthropic organizations to launch new housing initiatives or expand their current housing work for greater impact.

Specific ideas for enabling place-based philanthropy to expand its ability to convene, catalyze policy change, and deploy impact capital to spur housing production include:

- Working with intermediaries such as the Community Foundation Opportunity Network (CFON) and Mission Investors Exchange to spread awareness of how place-based philanthropy can support housing production, showcasing promising case studies and practices from across the country.
- Supporting technical assistance targeted at local community foundations ready to engage in housing, particularly in places where local political leaders are also committed to and engaged in implementing necessary policy and changes, such as the other ideas outlined in the Task Force's State and Local Action Plan.
- Educating private foundations about the potential of housing-focused impact investment vehicles. CFGA served as both a supplier and aggregator of capital from other local place-based funders, we expect that Community Foundations and other place-based philanthropy will play a similar role in many other communities.
- Creating model fund prospectuses and investment evaluation criteria that can be replicated and widely disseminated.

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