

COMMUNITY
SOLUTIONS

From Years to Months: Buying Buildings to Speed the Path Home

The CS Large Cities Housing Fund



Agenda

- Welcome and Introductions
- CS Housing Fund Overview
- Case Study: Market Street Village
 - Acquisitions
 - Impact
 - Operations
- Audience Q & A



Panelists



Dave Foster
President, BDP Impact
Fund Manager



Dale White
Managing Director,
Head of Acquisitions



Bennett Kelberman
VP, Operations



Sarai Williams
VP, Impact

About the CS Large Cities Housing Funds

The model is designed to fill housing supply gaps quickly and cost-efficiently in Built for Zero cities. The housing is connected directly to the housing placement system.



Fund I raised \$180M and acquired over 1800 units across 8 cities.

Fund II is in process, aiming to raise \$200M

How Did We Get Here?

1980s-2000s



CS' predecessor organization developed over 2,000 PSH units, including one of the first LIHTC projects in the country in NYC

CS launched the Built for Zero initiative to help communities measurably and equitably ending homelessness

2013



Developed the John and Jill Ker Conway Residence in Washington, D.C. The \$26M project took 8 years to deliver 124 units to the community.

2016



2018



Community Solutions acquired the Abrigo Apartments in Aurora, CO. The \$8M, 66-unit project closed in 90 days and used \$3.5M of local impact capital

CS wins the MacArthur Foundation 100&Change award, a \$100M grant.

MacArthur Foundation

2021

2022



Launched CS Large Cities Fund I aimed at ending veteran homelessness in 12 communities

2024



Fund I closed with \$150M; Launch of Fund II building on successes of Fund I

The Model



1. Acquire **existing multifamily buildings** with minimal renovation needs



2. Through natural turnover, fill units with **individuals experiencing homelessness referred from the local homelessness response system**



3. Employ a **tenant-focused approach** to property management ("Property Management Plus") supplemented by onsite wellness coordinators to support all tenants



4. Continue lease-up until the property achieves $\frac{1}{3}$ - $\frac{1}{2}$ **of units for individuals exiting homelessness, the remainder for individuals earning 80%-100% AMI.**



5. **Hold and operate the property** for up to ten years



6. Community Solutions recapitalizes and/or sells the property to a local nonprofit partner at exit to **preserve long-term affordability**

Fund Capital

Having fund capital already raised and ready to deploy allowed us to close quickly, and the Fund's capped return structure supports impact goals while still providing investors with strong returns.

LP Capital

\$144M of equity

Capped 9% return

Investors include Kaiser Permanente, UnitedHealth Group, and the Ford Foundation.

Returns in excess of the capped return are rolled into the refinancing of the project at exit to preserve long-term affordability.



First Loss GP Capital

\$10M of equity

Provided by Community Solutions through the MacArthur Foundation 100&Change Grant.

Powered by Social Impact Investment

A pool of capital from a group of social impact-minded investors.

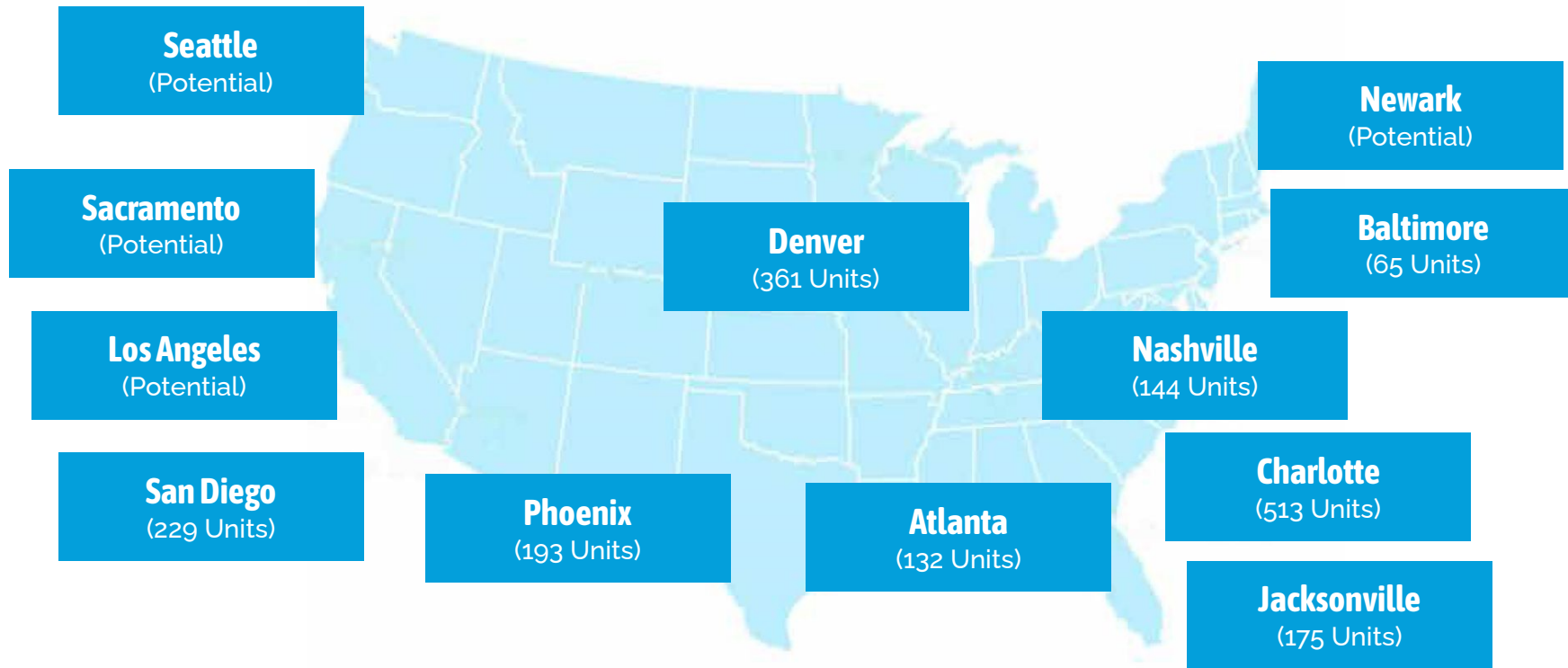
Investors get a return which is slightly below market rate.

- Fund: ~9%
- Typical Real Estate Investment: 15%+

Social impact investing is a growing area of interest for all types of investors- foundations, individuals, banks, and more.



Target Markets





Fund I

In 2022, CS launched the CS Large Cities Housing Fund aimed at assisting communities in ending homelessness. The Fund attracted some of the largest impact investors in the nation, exceeded its \$125M fundraising goal, and continues to deliver strong operating and impact metrics.

Fund II is designed to build on this success.

\$180M+

CAPITAL RAISED

\$380M+

ASSETS ACQUIRED

1800+

UNITS ACQUIRED & PRESERVED FOR
PERMANENT AFFORDABILITY

9%+

PROJECTED IRR*

780+

INDIVIDUALS HOUSED

80%

POSITIVE HOUSING STABILITY

*Target gross return for Fund I is 9% capped return

Deep Dive: Market Street Village



About Market Street Village

Market Street Village is a Class A property in downtown San Diego that Community Solutions converted to 100% affordable housing.

50% of the units are designated for individuals exiting homelessness and 50% of the units are for people earning 80% AMI or below.

The purchase was enabled by an innovative financing structure powered by the CS Large Cities Housing Fund.



Property Snapshot

Units: 229-units (avg 675 SF)
90 studios (avg 523 SF)
104 one-bedrooms (avg 706 SF)
35 two-bedrooms (avg 975 SF)

Amenities: fitness center, pool, clubhouse,
community roof deck, on-site parking garage,
and in-unit washer and dryer.

Occupancy: 96%

Individuals Housed Out of Homelessness:
over 50 and counting

Unit Ready to Move-in Timeline: 35 days



Financing Innovation

Uses

Acquisition	\$82,640,344
Soft Costs	\$3,342,391
Hard Costs	\$2,808,562
Supportive Service Reserve	\$700,000
Transaction Costs & Reserves	\$2,803,405
Total	\$92,294,702

Sources

Fund Equity	\$23,143,946
National Equity Fund Loan	\$67,140,756
Alliance Healthcare Foundation Loan	\$1,000,000
BQuest Loan	\$1,000,000
CMFA Grant	\$10,000
Total	\$92,294,702

Speed: The Fund model executes acquisitions far faster than LIHTC or new construction, enabling quicker affordability preservation and immediate community impact.

Acquisition Timeline: 3-4 months

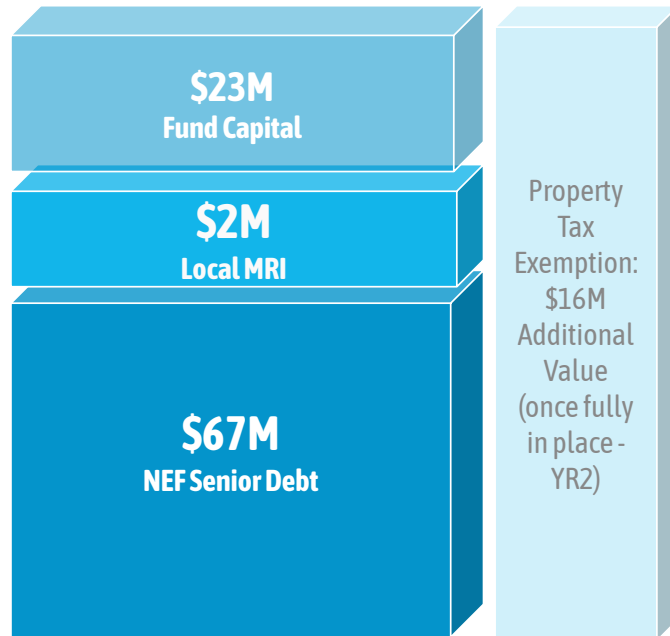
LIHTC Timeline: 4-6 years

Cost: Fund acquisitions are below replacement cost and avoid LIHTC overhead (e.g., \$250–400k in legal costs), delivering affordability at a fraction of the cost.

MSV price/door: \$403k/unit

Avg. LIHTC price/door (CA): \$750k/unit

Capital Stack



The project's capital stack enabled the conversion of a class A property in the heart of one of the most expensive real estate markets in the country into permanently affordable housing– and it is simple, and replicable.

A tax exemption requires all units to be affordable for individuals earning at or below 80% AMI, which required a *decrease* in rent for many existing tenants.

A Flexible Model: Other Project Types



Glastonbury Woods, Nashville, TN

Acquisition model: Class-C Value Add



Avalon, Phoenix, AZ

Acquisition model: Class B; low basis acquisition after full renovation



1001 Tyvola, Charlotte, NC

Acquisition model: Class A new construction with property tax exemption₁₆

Property Management Plus

***A Resident-Centered Approach to Property Management** that promotes housing stability, strengthens resident experience and supports long-term property performance.*

Tenancing Process

Partner with local homelessness response systems and the VA to connect individuals and veterans with housing

Streamline tenant selection and remove unnecessary barriers to housing

Reduce vacancy time, expedite housing placements, and support broader efforts to end homelessness.

Ongoing Management

Proactive management, coordinated support, and eviction prevention

Sustained maintenance standards, thoughtful amenities, and welcoming shared spaces

Real-time tracking of resident outcomes and property performance

Tenant Support

Wellness coordinators are on-site to support tenants

Social events and link to tenants' case managers

Access to job training and placement, mental/behavioral health services and transportation

Resident Services & Partnerships

***Resident Services Coordinators** address social determinants of health by connecting residents to resources, services, and **community partnerships** that promote housing stability and overall wellbeing*

Connect residents to educational opportunities, job training, and digital literacy resources

Support financial wellbeing through employment resources, benefits navigation, financial education, and assistance programs

Foster social connections, community engagement, and a sense of belonging through resident activities and partnerships

Improve quality of life by connecting residents to transportation, essential resources, and services that enhance their living environment

Facilitate access to physical and behavioral healthcare, wellness programs, and preventive services

Education Access & Quality

Economic Stability

Social & Community Context

Neighborhood & Built Environment

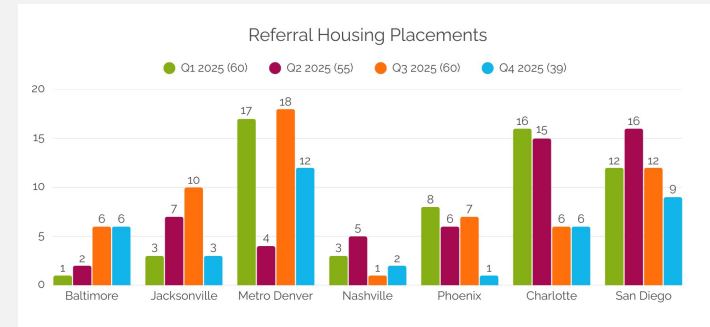
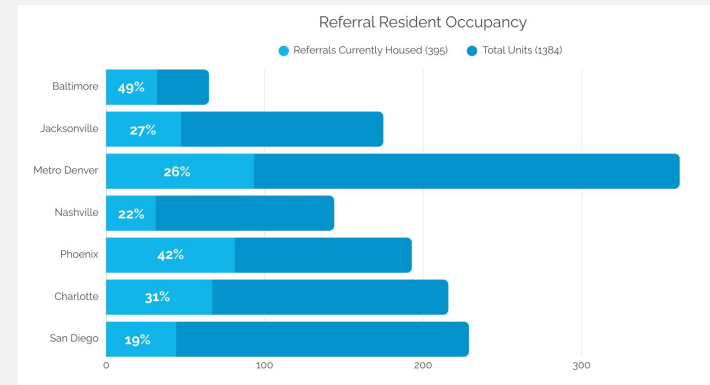
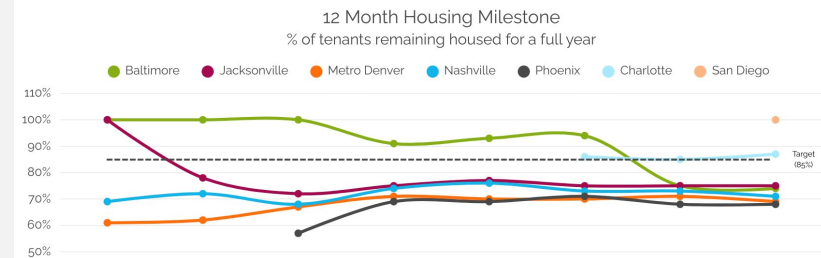
Health Care Access & Quality



Impact Metrics & Reporting

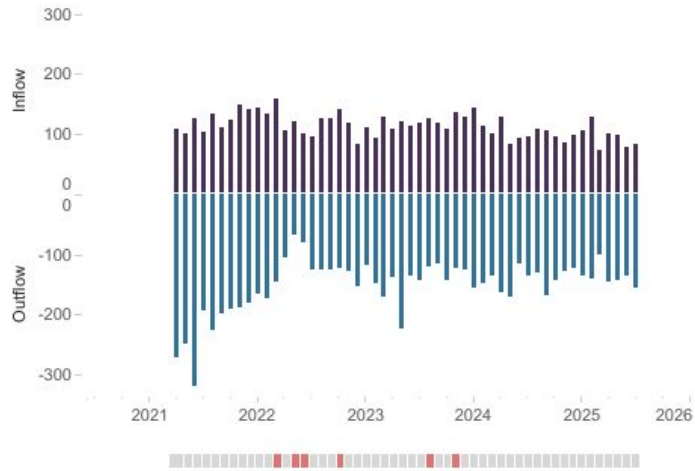
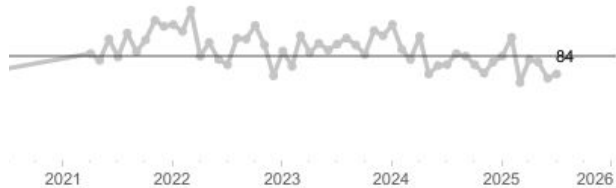
Tracking and reporting on impact metrics is central to our work. Data points tracked include, but are not limited to:

- Number of people housed out of homelessness
- Length of stay/Retention - % of people who remain housed for 12 months
- Reasons residents moved from the properties
- Resident-Reported Well being (Annual Survey)
- Impact of Resident Service Coordinators:
 - Number of evictions prevented
 - Amount of financial assistance provided
 - Number of touchpoints with tenants
 - Program attendance
 - Number of community partnerships established



A Continuous Feedback Loop

Monthly Inflow & Outflow Red square at bottom indicates Inflow exceeded Outflow



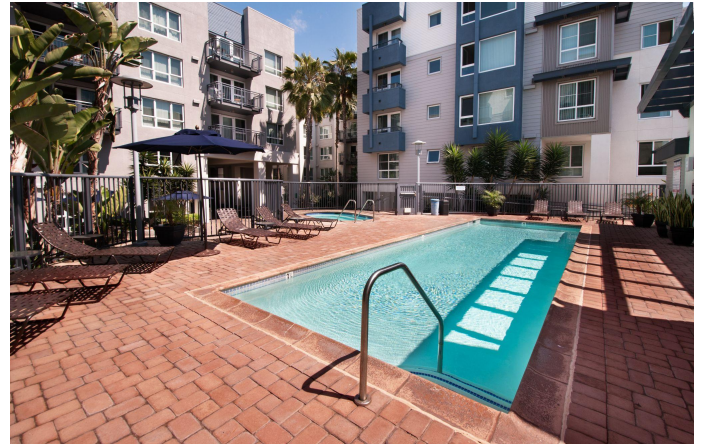
- San Diego's Built for Zero dashboard tracks homelessness in real time, informing resource allocation and allowing for rapid adjustments
- Market Street Village is directly connected to the community's broader homelessness response system, supporting coordinated housing placements
- Challenges identified at the property help reveal systemic barriers and inform community-wide solutions
- This integrated approach strengthens accountability, improves housing outcomes, and advances the community's efforts to end homelessness

How is Asset Management Different from a Typical Property?

- Implementing the Property Management Plus model
 - Emphasis on tenant stability and housing outcomes; eviction as a last resort
 - Maintaining high quality of asset and creating/promoting amenity spaces (eg. computer lab, meeting space for case management)
- Balancing the needs of the property's different stakeholders: Non-profit ownership, property manager, Resident Services Coordinator, residents who have exited homelessness, workforce housing residents
- Budgeting, rent setting, and underwriting the Fund model
- Property tax exemption model; tenant income certifications

Safety and Property Maintenance

- Guests of residents who have exited homelessness
- Elevated repair and maintenance issues in some cases
- Security concerns
 - Camera monitoring and remote guard model; security patrols



Replicability and Scalability

- Buy don't build: Want more affordable housing? Build less of it
- Maximize your existing resources - get creative in how you bring capital together (and not just financial capital)
- Political will and collaboration matters
- Speed matters: time is money
- Be clear on your objectives (housing vs. economic development)



A stylized illustration of a city skyline at dawn. The sky is a light blue-grey, filled with large, soft, pinkish-white clouds. A bright orange sun is rising in the center, with thin yellow rays emanating from it. In the bottom right corner, the tops of several buildings are visible, rendered in a flat, geometric style with colors like cream, light blue, and grey. The overall mood is peaceful and hopeful.

Questions