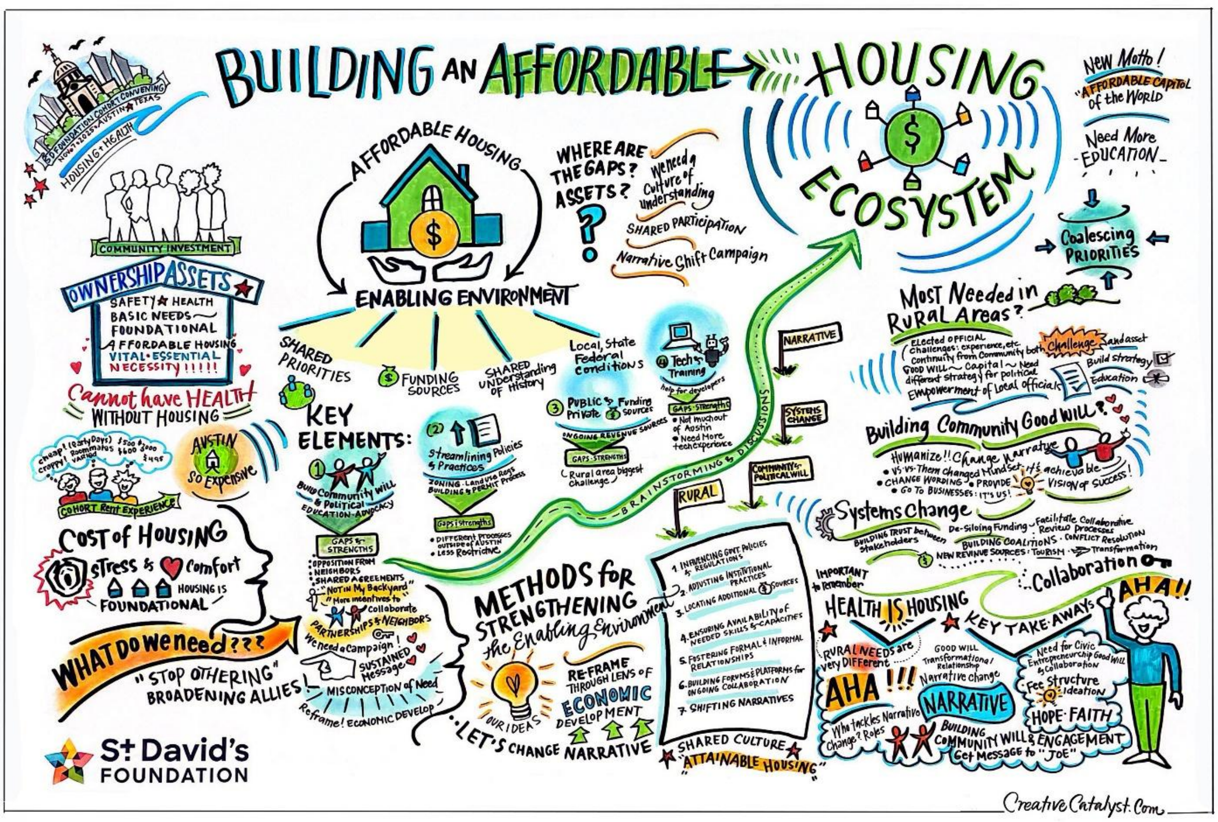
Housing + Health

2025 Evaluation & Learning Report

For St. David's Foundation



Graphic Recording of the 11/07/25 Housing Cohort Gathering

csb
philanthropic solutions

Background

In August 2024, St. David's Foundation (SDF) released Housing + Health (H+H), an open call to fund planning and predevelopment grants designed to increase access to affordable housing for low-to-moderate income Central Texans. This funding opportunity is part of the Foundation's broader Housing strategy focused on partners testing new approaches, preparing to launch projects, or exploring system-level improvements. In December, it awarded over $8.4M through 18 grants to 16 organizations/collaborations for predevelopment activities (i.e., costs that precede construction and are often necessary to secure future financing) and planning activities (i.e., community engagement, local coordination, needs assessments, and goal setting).

The majority of awardees proposed projects within the City of Austin (66%) with the remainder in Bastrop, Caldwell, Hays, and Williamson Counties and one focused on opportunities across the region. Most focused on multi-family rental housing (61%) with the remainder pursuing home ownership strategies (22%) or broader community planning efforts (17%).

In June, SDF commissioned an evaluation to assess the impact of flexible funding for planning and predevelopment on resourcefulness and capacity of affordable housing in Central Texas. Specifically, the evaluation explored the degree to which philanthropic support for planning and predevelopment can catalyze, expedite, and increase completion of projects, including leverage of additional funding sources. In addition to assessing the progress made in affordable housing planning and development, SDF desired to learn directly from grantees about the current affordable housing ecosystem in Central Texas and what is most needed to create an enabling environment. The findings will inform future investment and action to increase the number of safe, healthy, and affordable housing options and strengthen cross sector efforts to improve Central Texas' affordable housing ecosystem by 2030.

To capture learning, evaluate the initial impact of funding, and develop recommendations for future SDF H+H funding, csb philanthropic solutions:

- Reviewed SDF plans and grantee proposals and refined research and learning questions
- Conducted virtual surveys and listening sessions with more than 30 representatives from 15 organizations and collaboratives
- Conducted a half-day, in-person convening with 23 attendees representing 17 projects
- Interviewed 15 grantee organizations (23 people) and 7 field expert organizations (12 people) for a total of 22 organizations (35 stakeholders)

Impact of SDF Funding

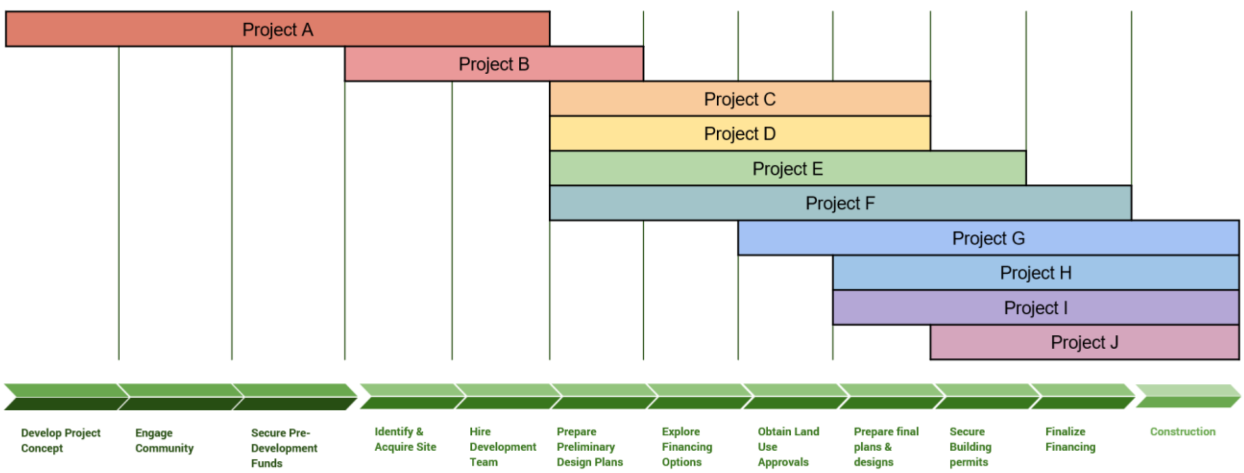
Over 840 units were envisioned in all, and 644 are currently in progress. Two large projects (264 units total) are not advancing – one due to changes in tax credits, interest rates, and the housing market that made it no longer financially feasible and the other due to a lack of organizational capacity to take on multiple projects at once. Three projects were able to increase the number of units planned, however, adding 54 additional units in total, and two projects, which did not include unit counts as they were only in the planning stage, now have 12 units in pre-development. Four actually broke ground and two more will by mid-2026.

“SDF was a lifeline and a bridge to get across the riskiest part of development.”

H+H’s investments had significant impact in three primary areas: Increasing timeliness of development; catalyzing learning and risk-taking; and building organizational capacity.

1) Increasing the quality, quantity, and timeliness of affordable housing development
Fifteen proposals featured specific housing developments in various phases – from the earliest conceptual stage to those already working on construction financing – and **SDF funding helped 10 of them make very significant progress**. Four have already started construction, 2 will break ground in the next six months, 1 completed permitting, 1 completed design, and 2 chose development partners and completed architectural renderings.

Snapshot of 10 Projects Progress in One Year



The affordability and quantity of housing also improved in several cases, with two projects deepening the affordability of the units and three increasing the number of units on site. Funding also helped organizations collaborate with one another, serve new populations, and conduct robust community outreach. As one project summarized,

“Without SDF support, this project would have sat for a while – the funding provided momentum and allowed us to partner with a new organization and serve a new target population.”

Funding from SDF also increased organizations and projects’ creditability, helped them to raise additional dollars, and directly leveraged new funding sources. This was particularly true for the organizations where SDF dollars were the first pre-development ones in, taking the risk and providing the capital needed for the project to become ready to apply for other sources. SDF provided letters of support and references for other funders, recommended projects to Austin Community Foundation’s Accelerator Fund, and enabled access to a range of financing sources.

Over $25M from public and private sources was cited as being directly influenced by SDF.

SDF investment had a 3 to 1 ROI, helping to leverage more than $25M in additional funds

- ***"When we say it has SDF funding, it gives us credibility."***
- ***"The first money is the hardest to raise, and SDF funding set the tone in terms of amount, bumping up others to increase their contributions."***
- ***"SDF is a seal of approval."***
- ***"SDF was the first significant major gift that we then shared with all the next donors. It built early momentum."***
- ***"Funding allowed us to keep going and get to the next step and so it made it viable to get to a financial closing. Some deals die on the vine, but SDF funding ensured this one went."***
- ***"SDF made a big difference for getting a major foundation to increase their grant to the $1M level. Seeing SDF, which isn't known as a housing funder put in as a health funder, helped others see the social determinants of health connection. By SDF going first, others followed."***

Field experts and grantees agree – SDF's planning and pre-development funds filled a critical gap in the marketplace and are needed across a range of housing project types and geographies. As one grantee remarked, "*that SDF put any funds in this is a miracle – soft funds at this scale had not existed before*." Other funders and lenders appreciated SDF's willingness to provide funds to the very small organizations that are ineligible for their resources. Grantees particularly appreciated the size of the awards – normally they might have to cobble together five or more sources at this stage, which delays projects significantly; one stated that they could: "*cut two years off the development timeline with the SDF $750K investment up front*."

2) Catalyzing projects, risk-taking, and learning

In at least four cases, SDF's H+H open call instigated a new community planning process or project – one that might not have happened otherwise. This was especially true for the areas outside of Austin where the first step is to build public and political understanding and will for this work. As one stakeholder explained, *"SDF funding made this project happen – putting out the RFP sparked it all. It inspired everyone to come together and go after it, and now we have this collaborative public and nonprofit sector housing effort that is continuing beyond the funding."* While another explained that SDF early funding was critical to increasing awareness:

> *"It has been wildly transformative. One year ago, affordable housing was not a conversation in the county or cities or anywhere."*

In another case, a community services organization was just beginning to consider how they might find a development partner and add affordable housing to planning for a new services site. The open call prompted them to formally select a developer and engage with the community to design a project that meets pressing community needs. "*It helped us to focus and design more creatively and responsibly – adding a mix of housing unit sizes and affordability levels."*

Many stakeholders emphasized the importance of SDF taking a risk on them and their projects – offering funds for the earliest stages of planning and project development when no other resources are available. Representative quotes include:

- *"SDF is amazing – they let you dream and let you fail and let you learn;"*
- *"It allowed us to take risks and explore things which has been critical;"*
- *"SDF provided a sense of safety and let us take some risks that we couldn't have taken without it."*
- *"This investment has allowed us to test, learn, and adapt."*

Just as important as the funds' availability was the flexible approach to this portfolio and the trust-based philanthropy practices used. The majority of grantees praised the ease of SDF's application materials, the flexibility of how funds could be used, and the speed in which they were delivered.

Not only was SDF the first funder in (and often the only funder) in these cases, but it took enough risk in its grantee selection that there are actually a few projects that were not successful. SDF funded five projects that had limited affordable housing experience and/or capacity, and the three led by service providers did not progress. In one case the organization folded due to fiscal challenges, in another Executive Director transitions and a lack of capacity stalled the project (though groundwork has been laid for the future), and in the third, the nonprofit concluded that its housing model is not financeable, and that it needs to focus on its existing mission and services rather than expanding to permanent housing. To reiterate, the fact that not all projects moved forward is a testimony to the risk taken, reflecting a goal of the Foundation's strategy to not just support "safe bets."

3) Building organizational and collaborative capacity

SDF funding increased organizations' capacity for affordable housing planning and development – even in instances where the specific project did not move forward. Three projects that did not proceed specifically cited ways in which the grant built capacity and preserved ground for future housing development, allowing organizations to hire staff and consultants with housing expertise, bring on new board members, develop new partnerships, and continue operations.

Smaller organizations especially valued the flexibility to bring in a range of technical expertise that they had not had access to before, while one larger national organization said it helped them build their capacity to better serve Central Texas, customizing their approach and building critical local relationships. Future capacity was improved for organizations with successful projects as well:

> *"We could not have gotten the ball rolling (project started) at all without this. We now have the organizational capacity for the next project after this one."*

Grantees particularly appreciated the way that SDF connected them with additional partners through virtual and in-person meetings as well as direct referrals. This was especially true for newer groups and smaller organizations – "*This grant has helped us connect to other groups and create a broader network*," – for creating a sense of community – "*Thoroughly enjoyed conversations at the collaborative, understanding what others are going through has been really helpful,"* – and sharing best practices – "*we benefited from sharing specifics of projects and barriers and successes with others as a group."*

Affordable Housing Enabling Environment Insights

The surveys, listening sessions, and in-person convenings all provided rich content on the strengths and gaps in Central Texas' **enabling environment** for affordable housing.

Overall, the City of Austin has strong political and public will for affordable housing, multiple funding sources and housing friendly-policies, and strong housing developers and advocates. Stakeholders particularly cited the Accelerator Fund, HousingWorks Austin, Austin Housing

Coalition, and the Equitable Development Initiative (Capital Impact Partners) as key resources. Concerns remain about Austin Energy Works (timing and expense), slowness of government bureaucracy across departments, and recent market changes that make affordable housing at the 60-80% MFI less viable. Funding from the City is also declining due to overall budget issues, and the next Affordable Housing Bond will likely be in 2028 or later, rather than 2026, which will decrease the availability of capital in the next few years and likely make preservation of land for future affordable housing more challenging.

Some of the most significant gaps in Austin and Central Texas are the same as those experienced by communities across the nation – lack of financial sources to build and operate housing at the 30% MFI and below level; lack of supportive services funding; and unaffordable or unavailable permanent financing resources. Coupled with increased construction and insurance costs and labor shortages, these funding gaps mean that affordable housing production cannot begin to meet demand, particularly for the lowest-income households.

Central Texas counties, cities, towns, and unincorporated areas outside of Austin face the challenges above but *without* the benefit of the strong actors, systems, and funding sources available within city boundaries. As one statewide housing leader said, "*Not a lot of strengths in the jurisdictions outside Austin, I just see gaps.*" Few philanthropic funders are active in these areas, the Accelerator Fund has not yet been able to find a viable project to finance there, and few affordable developers are active in these markets. In many areas the starting point is to build an understanding of the need for affordable housing and then develop public and political will for plans and policies to begin to meet these needs.

Definition: Enabling Environment

The enabling environment is the setting in which community investment and affordable housing development takes place. It includes everything that makes it easier or harder to identify shared priorities and develop and fund projects to make those priorities a reality. This ranges from policies, institutional practices, funding sources, and other resources to skills, relationships, and the community's understanding of its history and future. Federal policies affect community investment, but local, state, and regional conditions also have a significant impact—and can be easier to change. In communities with strong enabling environments, more deals can be completed more quickly and more smoothly, moving the housing pipeline forward. Every community's enabling environment depends on its unique opportunities and constraints, including the impact of mainstream loans and investments.

Excerpted from the Center for Community Investment's Capital Absorption Framework

Future Strategy Considerations & Recommendations

Stakeholders had a range of ideas for St. David's Foundation and other future philanthropic investors that could increase housing affordability and availability throughout the region. These are grouped in three categories – strategies focused on the City of Austin, surrounding areas, and initiatives that could benefit the entire region.

Strategies to Explore in the City of Austin

1. *Increase and diversify housing development capacity*
   Support individual and cohort training and technical assistance for emerging developers including direct project support after they have completed the training stage and established

the needed partnerships for project viability. This can help to ensure that more 'investment worthy' projects are able to become 'investment ready.'

2. *Align affordable housing resources*
   Affordable housing developers must secure many different funding sources to form the 'capital stack' required to build housing. Each source has different requirements, application timeframes, and targets, which reduce cost effectiveness and efficiency. A number of jurisdictions (e.g. Atlanta, Los Angeles, San Francisco) have developed quarterly affordable housing pipeline review committees where developers present potential projects to philanthropic, for-profit, and public sector funders (grants and loans), which are then discussed and prioritized. Hearing the funding commitments from their peers, de-risks investment in projects for individual funders and provides more transparency and certainty for developers.

3. *Strengthen affordable housing advocacy*
   Many stakeholders cited the need for increased, coordinated housing advocacy at the city, regional, and state level. Funds are needed to support professional housing advocacy and policy staffing as well as affordable housing trade groups, particularly in preparation for the next bond campaign.

4. *Improve housing stability of current residents*
   Multiple stakeholders suggested that philanthropy should consider ways to keep current residents housed and prevent displacement and homelessness in addition to producing more housing. Austin lacks a comprehensive and coordinated eviction prevention, targeted homelessness prevention, and diversion system to ensure that families and individuals at the highest risk have access to financial, legal and support service resources to stay housed. Funding for a landscape analysis to understand the existing types of prevention, identifying strengths and gaps, and then grants to support the ripest opportunities is recommended.

Strategies to Explore in Central Texas (outside City of Austin)
Initial planning and/or predevelopment grants to Bastrop, Caldwell, and the city of Taylor all sought to help cities, towns, and unincorporated areas understand the need for affordable housing and potential ways to meet this need. Awareness was raised and a range of products – from needs assessments to pre-approved ADU development plans to renderings for a 200-unit master planned community were developed. Continued support for this public education and community will building is needed to grow the potential for affordable units outside the City of Austin. Stakeholders recommended several critical next steps to improving the enabling environment:

1. *Regional needs assessment, plan, and coordination*
   Stakeholders praised the regional housing summit held by HousingWorks Austin (HWA) and Asset Funders Network and suggested it become an annual event. They also felt that the development of a regional framework for affordable housing – including specific housing needs and goals – would be very helpful. This would build upon the initial case-making and education that some have been doing and help to develop more housing champions throughout the region. Funding to convene the jurisdictions more regularly would also be important to implementing plan goals once developed.

2. *Training and ongoing education for elected officials and government staff*
   Elected officials and government staff in smaller jurisdictions are often required to wear multiple hats and rarely have professional training or experience in affordable housing.

Positions turn over frequently, and stakeholders cited the need for ongoing education for new leaders to ensure they understand the importance of affordable housing, and the many ways that they can encourage development.

3. *Technical assistance, policy fellows, and funding for local jurisdictions*
   Due to their size, smaller jurisdictions often lack dedicated housing staff, and the staff responsible for this function often fulfill multiple roles. Philanthropy could provide matching grants for local jurisdictions (to ensure they have skin in the game as well) and/or time from a pool of qualified consultants to help them develop and implement more housing friendly policies. Stakeholders suggest starting with a 'coalition of the willing' who are interested in fee waivers, expediting building permits, pre-approved plans, and other promising practices, and then providing resources to help develop them. Development of a regional Policy Fellows program that recruits and places mid-career professionals in jurisdictions for one to two years to work on affordable housing-related policies could be a cost-effective way to address this need.

Promising Practice: Policy Fellowships

The Partnership for the Bay's Future developed a Policy Fellows program that brings local governments and community partners to the same table, facilitating collaboration and community engagement in policy making to inform more robust, effective, and equitable policy. The Policy Fund's innovative "inside-outside" strategy bridges local government efforts with community advocacy, fostering trust and collaboration to achieve equity-focused housing outcomes. Strengthened by a Housing Policy Fellow (mid-career professionals recruited and placed by the program), funding, technical assistance, and a support network, it creates an environment ripe for developing policies responsive to the communities' needs—promoting sustainable and adaptable long-term housing solutions across the region.

Excerpted from the Partnership for the Bay's Future evaluation report

Regionwide Strategies

Three primary areas were proposed to improve housing affordability across the region: increasing the viability of housing development and supportive services for households at 30% MFI; accelerating community land trust movement; and deepening other funders understanding of and investment in the housing-health connection through the social determinants of health framework.

1. *Increasing viability of projects for 30% MFI and below*
   There was universal agreement that creating and operating housing for the lowest-income households, including providing supportive services as needed, was the most challenging area to address, but there were few clear solutions proposed. A few ideas raised are worthy of further exploration however:
   - Make grants (or long-term program-related investments) to buy down affordability in projects – providing equity to stay with the project and reduce rents from 50-60% MFI down to 30-40% affordability
   - Support purchase and land banking of properties or parcels and donate them to affordable housing developers in the future
   - Partner with the City of Austin and/or other stakeholders to pilot off-site construction methods that reduce cost and time such as the successful permanent supportive housing site example in San Francisco that has led to the development of a specific industrialized construction fund for other properties.

2. *Community Land Trusts*
   Stakeholders often cited community land trusts (CLTs) as a promising strategy that needs additional resources to really take hold. Outside of Guadalupe Neighborhood Development Corporation, there are few practitioners in Central Texas currently, but many feel CLTs are an affordable way to develop home ownership opportunities in the surrounding counties as well as preventing displacement in Austin neighborhoods.

3. *Expanding on the Health-Housing Linkage*
   Stakeholders were particularly excited about SDF's entry into the housing space and hope that SDF will amplify this work, helping other policy makers and funders understand and invest in housing as a health intervention.

Conclusion

The initial year of SDF's Housing + Health strategy has demonstrated strong results – increasing the number of affordable homes that are actually built, improving organizational and systems capacity, and providing critical learning for grantees, SDF, and the field at large. Continuing this approach and pursuing recommendations like those above will move SDF closer to achieving its goal of increasing the number of safe, healthy, and affordable housing options.