Equitable Path Forward

2024 Annual Report

Issued May 2025

Enterprise

Table of Contents

Foreword

Dear Partners,

As we reflect on four years of progress made through Enterprise's Equitable Path Forward (EPF) — namely, $711 million invested, more than 10,500 homes created or preserved, and nearly 100 developers supported — it's worth contextualizing these achievements against the pervasive and historical challenges our partners and industry have faced.

The first several years of our initiative were defined by a global pandemic, the reverberations of which can still be felt today. More recently, we saw supply chain breakdowns and rampant inflation. Last year could be characterized by ongoing rental arrears, skyrocketing costs for materials and insurance, stubbornly high interest rates, and unavoidable development delays.

Now juxtapose a group of historically undercapitalized developers whose primary aim was and remains to deliver what their communities need most, i.e., good homes with affordable rents, and what you should have is a recipe for failure. And yet the results are anything but.

Due in large part to the passion and resourcefulness of our partners together with our commitment and most especially your — our investors' — undaunted support, we are able to honor the remarkable strides taken in just over four years' time in this report.

Nearly half of our partners report having accessed capital from Enterprise that was unavailable or inaccessible elsewhere. Their staff levels have grown on average by nearly 20%, and more than 80 advisory services engagements have helped launch or refine plans for further growth, new acquisitions, and improved financials — and that's to say nothing of helping to infuse the industry with a new wave of young talent through a unique training program.

But the true power of EPF is realized in projects like AmberStones at Old North, where two EPF partners are using multiple capital products to rehabilitate and preserve 68 affordable homes in North St. Louis. Sixty-eight families will pay rents they can afford, a neighborhood will benefit from new investment, and two developers have forged a partnership that will likely grow in the future. This is the lasting impact of EPF.

Technically, we are currently entering the fifth and final year of Equitable Path Forward. But, as I have shared with many of you, Equitable Path Forward represents our permanent way of doing business. Financing should be readily available based on a holistic understanding of an idea's validity and the vision, strength, and ability of the company to implement the idea. As we have observed before, it's impossible to grow a balance sheet if there's no support for your idea to begin with.

At Enterprise, we believe in the power of good ideas implemented by the people and companies who know their streets, neighborhoods, and communities best.

I can't thank you enough for your support and dedication.

Sincerely,

Lori Chatman
President, Capital Division
Enterprise Community Partners

Executive Summary

Equitable Path Forward pursues three goals:

1. **Filling the capital gap created by a lack of access to financing**
2. **Strengthening providers through advisory services and other non-financial support**
3. **Creating new career pathways to broaden leadership in real estate**

Working with our EPF partners, we have met each of these goals, exceeding our expectations and ensuring lasting change in communities across the country. In just four years, we have partnered with 96 developers, deployed $711 million of capital, and leveraged $5.5 billion of additional resources, with an additional $260 million in the pipeline. This puts EPF on the path to create or preserve 10,648 homes in dozens of communities. We have also provided more than $2.2 million in advisory services, positioning EPF partners for even greater accomplishments in the future. And we have hired four cohorts of early-career analysts through the Real Estate Analyst Training (REAT) program, a total of 10 analysts.

This report highlights the achievements of our partners, provides concrete examples of EPF's impact on the real estate industry, and describes the ways in which Enterprise has deployed new forms of capital. It also shares our learnings from the initiative to date and offers a forward-looking view as Enterprise prepares for the next five years and beyond.

GOAL 1: EPF capital fills a vital gap for developers, unlocking resources to grow and meet community needs

EPF provides capital that our partners have said they were not able to secure from other sources. Partners have the skills, experience, and vision to execute their developments, but many report that they were previously rejected for capital products similar to those they now access through EPF. In addition, products like our Standby Guaranty Facility have strengthened EPF partners' negotiating position and enabled them to retain their developer fees rather than having to forgo a majority of what they have earned in exchange for a guaranty. Operating capital sources like the EPF Small Lines of Credit (for which we have provided $16.3 million to 23 partners) have provided the resources necessary to keep projects and companies on track as funds were used to maintain and expand staffing, fund predevelopment costs, and respond to changing market or community circumstances.

Among this subset of partners, 83% report that the initiative positively impacted their ability to leverage additional funding "to a great extent." Over the course of the program, EPF has enabled partners to strengthen their balance sheets — for-profit developers report higher average liquidity, which rose 71% from $533,000 to $911,000, while nonprofit partners boast stronger net asset positions, an increase of 45% from $10.7 million to $15.4 million

GOAL 2: Advisory services remain a rare and valuable opportunity in the sector, helping EPF partners achieve key wins

To date, EPF has provided advisory services valued at more than $2.2 million and funded 84 separate bespoke engagements. These services have helped our partners achieve key wins, including securing audited financials,[1] identifying thousands of units for potential acquisition, and optimizing internal systems to reduce administrative burden.

GOAL 3: EPF has created new career pathways for real estate professionals and supported partners in growing their teams

EPF has helped to create new pathways for real estate professionals through two key strategies. First, EPF advisory services and capital products supported partners in building the organizational infrastructure to grow their teams. This support helped grow the average number of staff employed by each partner by 3.1 staffers over the life of the program, an increase of 18%. With this increase in staff, our partners have shared that they are now able to take on more projects and invest more of their time in honing their organizational growth strategies.

Second, EPF's Real Estate Analyst Training (REAT) program sponsored 10 analysts in four cohorts to complete a two-year rotational fellowship across Enterprise's business lines. The first class of analysts have graduated and moved on to successful careers in real estate — one has joined Freddie Mac, and the other is pursuing her passion for resident services by earning a master's degree in social work. The second and third classes are engaged in ongoing rotations, and the fourth is preparing to join Enterprise in the next few months. The early-career opportunities created through these two strategies are critical for building a talented pipeline of community development finance and affordable housing leaders.

[1] Underwriting standards frequently require multiple years of audited financial statements; for example, Affordable Housing Investors Council (AHIC) requirements recommend three years of audited financials from guarantors on LIHTC projects. Securing audited financial statements removes a barrier to entry for smaller development companies and nonprofits.

EPF has built a valuable community of practice among partners

Over the past four years, EPF has met many of its goals. It has strengthened the industry, brought new resources to communities, and created opportunity for families across the country through affordable housing development. In addition, it has built a vital community of practice among its many partners. Enterprise has nurtured this community through regular convenings — most recently in November 2024, where 48 EPF partners and 13 members of the Enterprise Community Leadership Council[2] came together in Atlanta to network, learn, share their concerns, and brainstorm solutions.

As you will read, these relationships extend beyond the occasional convening, and have led to notable successes. One such success can be found in a neighborhood in North St. Louis where two EPF partners — The Acquisition Group and Efficiency Development and Consulting — joined together to preserve 68 affordable rental homes. By combining their expertise and the EPF lines of credit[3] and Standby Guarantee Facility,[4] these two developers ensured affordable rents for 68 families, brought new resources into a community, and forged a partnership that can serve as an example to others. The story of AmberStones at Old North in North Saint Louis is the story of hope, ingenuity, and commitment. It is also the story of EPF and its unique potential to bring about real change.

[2] The Enterprise Community Leadership Council (ECLC) consists of industry leaders in affordable housing and community development. The board advises Enterprise on lending policies, field practitioners' needs, and emerging innovations to strengthen communities of opportunity.

[3] EPF Lines of Credit — including unsecured lines of credit, often among the hardest-to-access forms of capital — offer partners the flexibility they need to grow their organizations, take on larger projects, and pivot projects as needed through uncertain circumstances.

[4] The Standby Guaranty Facility is a credit enhancement tool available to EPF partners developing Low-Income Housing Tax Credit projects. It improves opportunities for growth by eliminating the need for developers to secure a third-party co-guarantor.

EPF By the Numbers

$971 million
OF CAPITAL DEPLOYED OR IN UNDERWRITING

$5.5 billion
OF TOTAL LEVERAGE

10,648 homes
CREATED OR PRESERVED

2,307 homes
PRODUCED FOR HOUSEHOLDS WITH EXTREMELY LOW INCOMES

84 engagements
FUNDED BY ADVISORY SERVICES GRANTS

$2.27 million
IN ADVISORY SERVICES

45% of partners
ACCESSED FUNDS THROUGH EPF FOR WHICH OTHER LENDERS HAD PREVIOUSLY REJECTED THEM

18% more staff
ARE NOW EMPLOYED BY EPF PARTNERS COMPARED TO BASELINE

Theme 1: EPF capital unlocks vital resources for developers

The first goal of Equitable Path Forward is "filling the capital gap created by a lack of access to financing" for developers who are socially and economically disadvantaged. Based on financial data, survey responses, and partner stories, the initiative has proven that it can effectively fill capital gaps and unlock resources for our partners. EPF provides critical capital that many organizations have not been able to obtain elsewhere, with 45% of EPF partners reporting that they have been previously rejected from capital products like those they now access through EPF.[5]

Partners who have previously been rejected for similar products also reported that the resources they accessed through EPF allowed them to improve their organizational infrastructure and secure leverage from other sources to invest in development. For example, 83% reported that the initiative enabled them to leverage additional financing.[6] Sixty-one percent reported that these capital products had a great impact on their staff capacity.[7]

45%

OF PARTNERS ACCESSED CAPITAL PRODUCTS FOR WHICH THEY HAD PREVIOUSLY BEEN REJECTED BY OTHER LENDERS

83%

OF THIS GROUP REPORTED THE INITIATIVE IMPACTED THEIR ABILITY TO LEVERAGE ADDITIONAL FINANCING "TO A GREAT EXTENT"

61%

REPORTED THE INITIATIVE IMPACTED THEIR STAFF CAPACITY "TO A GREAT EXTENT"

> "EPF support came at a critical juncture for CRCD's housing development activities. It provided early financial products that provided other CDFIs and foundations the comfort level to also invest in our production. We now have a brand-new housing strategy that will guide our pipeline over the next 4 - 5 years, and has supported our housing education efforts at the federal, state and local levels."
>
> –COALITION FOR RESPONSIBLE COMMUNITY DEVELOPMENT (LOS ANGELES, CA)

[5] Cohort percentages cited in this report employ data from the annual EPF KPI survey, including the most recent available response for each partner. Fifty-one partners have completed at least one KPI survey.

[6] By comparison, 46% of partners who had not previously been rejected for similar products reported that the initiative impacted their ability to leverage additional financing "to a great extent."

[7] By comparison, 35% of partners who had not previously been rejected for similar products reported that the initiative impacted their staff capacity "to a great extent."

EPF partners are putting these resources to work creating or preserving housing across the country. As of December 2024, EPF partners have developed 10,648 units into production over the life of the program. Four of every five units produced (81%) are affordable to households with low incomes. Importantly, 2,307 homes (22% of units produced by EPF partners) are affordable to households with extremely low incomes, who face a particularly acute shortage of affordable homes in communities nationwide. Economic modeling suggests that the units EPF partners have produced drove the creation of more than 17,000 jobs nationwide.

These results come in the context of an unfavorable national development environment, including rising construction costs, interest rates, and insurance premiums (see page 17). EPF partners have not been immune to these sector-wide challenges. Rising costs are opening financing gaps on previously balanced projects, and developers must find new sources of funds and cost efficiencies to close these gaps. As a result, on average, partners reported closing fewer deals on their most recent KPI surveys compared to the baseline, including 20% fewer deals as sole developers and 15% fewer deals as joint partners. The capital stacks of successful developments also reflect lower use of private capital, which fell from 62.9% of the average capital stack to 57.5% over the course of the program. Correspondingly, both public and philanthropic sources now compose larger shares of capital stacks.

Units in Development

- **Total Units:** 10,648
- **<30% AMI:** 2,307
- **31-50% AMI:** 1,449
- **50-80% AMI:** 4,826
- **81-120% AMI:** 1,227
- **Market Rate:** 839
- **Jobs Created:** 17,367

> "Participating in the **Standby Guaranty [Facility]** has greatly enhanced my financial position in various projects where liquidity minimums have been a barrier to entry. It has given me **added leverage in negotiations with potential partners**, which in turn has increased my company's financial position as **I am now able to retain a larger share of developer fee**. In addition, the EPF program has offered valuable insights, training, and resources essential for **sustaining and driving continued growth for my company**."

–TAROLD DAVIS
OWNER AND PRESIDENT
THE ACQUISITION GROUP (KANSAS CITY, MO)

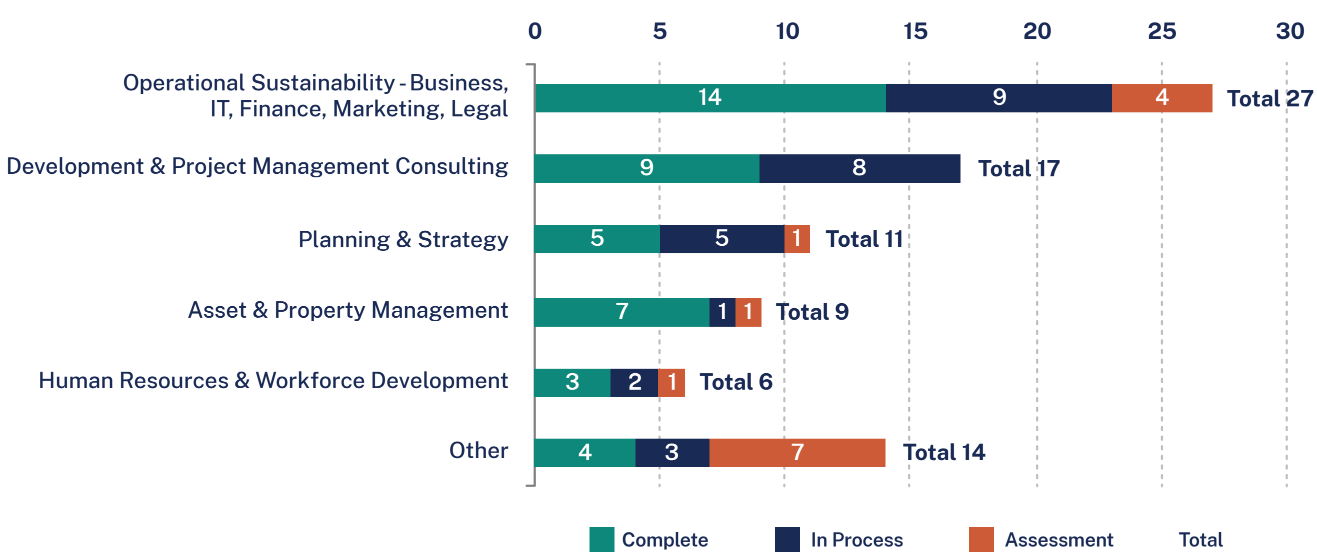
Even amid these challenges, however, partners have continued to build their financial strength. The average liquidity of for-profit partners rose 71%, from $533,000 to $911,000, approaching the $1 million liquidity threshold recommended by the Affordable Housing Investors Council for underwriting LIHTC deals. Partners who exceed $1 million in liquid assets are better positioned to meet conventional underwriting standards, allowing them to compete for and execute more deals. Nonprofit partners' average net asset position increased by 45%, from $10.7 million to $15.4 million. Along with EPF products like the Standby Guaranty Facility, stronger balance sheets help partners secure higher equity shares in joint ventures or strengthen their position for pursuing deals as sole developers. Joint ventures are often extractive; for example, one developer shared that potential JV partners had required fee and cash-flow shares between 60% and 90%, allowing their company to retain just $100,000 to $400,000 on a typical project with a fee of $1 million. By avoiding these arrangements and retaining their full fees, developers have the capital to invest in their company's growth.

In a recent check-in with EPF staff, CEO and Founder Robert "A. J." Patton reflected that 548 "**faced a lot of headwinds early, but we have pretty good armor now**." Patton described the past two years as "**preparation for this year**," and particularly applauded the line of credit EPF extended to 548, calling it a "**massive deal**." Many developers access lines of credit at low interest rates from large banks, but when Patton sought one from big banks in Chicago, "**I had a million dollars in my pocket and a decade in private equity, and every single one said no**." Instead, 548 accessed the Small Line of Credit from EPF and used it to pivot a major project, maintain key staff, and navigate delays in the development process. 548 now has **five deals slated to close in 2025**, including four LIHTC projects and an industrial development, and is the sole or lead developer on three of the LIHTC projects. In Patton's words, Enterprise and EPF "**have seen the 548 star rise [...] you're doing the real work in a way that will really build capacity, and folks will build platforms from it**."

Theme 2: Advisory services support EPF partners' long-term sustainability

The second goal of EPF is "strengthening providers through advisory services and other nonfinancial support." To date, EPF has deployed over $2.2 million to fund 84 advisory services engagements (see Appendix D). Many of these engagements are complete (42) or in progress (28), offering a range of advisory services to partners to enhance their organizational and operational success. The three most common advisory services topics are described on the following page.

Chart 1: EPF Advisory Services Engagements by Topic and Status



1. **Operational Sustainability:** Twenty-six advisory services engagements have supported partners with operational sustainability, including business, IT, finance, marketing, and legal needs. Fast-growing organizations often outgrow their infrastructure, and advisory services to upgrade their back-office functions put them on strong footing for sustainable, long-term operations.

SMJ Development (New York, NY) has used advisory services funding to improve their reporting systems and back-office operations. SMJ Principal Juan Barahona faced a challenge in assembling financials as a one-person organization that was only a few years old. Enterprise supported him in engaging advisory services to create well-organized financial statements, which he uses both for reporting purposes and "**to originate new loans and/or make proposals for projects**." Without this grant, Barahona is "**not certain I would have been able to close on my Queens acquisition**," a site on Woodhaven Boulevard that SMJ acquired in part using a line of credit through EPF.

Improvements like streamlined financial reporting can be catalytic. Within a year after acquiring that property in Queens, SMJ Development closed on construction financing and "**today the project is literally coming out of the ground**." As Barahona describes it, "**the EPF program recognizes that there are many small pieces of the puzzle to achieving success in the development industry**." By carefully assembling these pieces, Barahona has worked with EPF to strengthen his organizational infrastructure and move a key project forward, and is moving toward establishing an in-house back office for SMJ in the future. In his words, "**this is the growth that I have been aiming for**."

2. **Development and Project Management Consulting:** Another common category of advisory services is development consulting, which partners use to strengthen their pipelines, support them in closing deals, and advise them on other development topics. For example, Kipling Development (Detroit, MI) hired a development contractor in July 2024 to support their acquisition pipeline. With the contractor's support, they identified 2,000 units for potential acquisition, secured 28 under contract, and entered due diligence on 481 more. Based on this success, Kipling chose to hire the contractor for a full-time position, enhancing their staff capacity going forward.

3. **Planning and Strategy:** Partners also commonly used advisory services for planning and strategy. For example, Black and White Investments, LLC (BWI), an EPF partner based in Indianapolis, IN, used EPF advisory services funding to complete a multi-year talent strategy for scaling and workforce development. This engagement produced market data guidelines and a compensation philosophy, compensation benchmarks and pay ranges for each role in its development company from property management to construction to development, as well as an incumbent analysis to assess current talent positioning. BWI has built on the momentum from this plan to develop a long-term strategy for financial growth. Through investment in strategic planning for talent management, EPF helped BWI position itself for long-term growth and workforce sustainability.

Theme 3: EPF has strengthened the pipeline of qualified real estate professionals

EPF's third goal is "creating new career pathways to broaden leadership in real estate." EPF partners have increased the average number of staff they employ by 18% over the course of the program, to more than 20 employees per organization. They have achieved this growth partly through support from EPF's unsecured lines of credit and revenue realized through executed deals. Enterprise is also doing its part to ensure a strong pipeline of talented real estate professionals. To date, our organization has sponsored three cohorts of its Real Estate Analyst Training (REAT) program. Each analyst rotates through placements in multiple Enterprise business lines, including Enterprise Community Loan Fund (ECLF), Enterprise Housing Credit Investments, Asset Management, Real Estate Equity, and Enterprise Community Development. Each analyst also engages and learns from a senior executive mentor and builds their network within and beyond Enterprise. Analysts also build their expertise through a three-course certificate in multi-family housing finance offered by Grow America and an intensive case-study analysis under the supervision of the chief credit officer of ECLF.

REAT leverages Enterprise's full-spectrum platform to train future real estate leaders

"Successful housing and community development professionals know the whole sector, not just their silo. One of Enterprise's greatest strengths is that our business lines span nearly every part of the field, from developing and operating homes at Enterprise Community Development to syndicating tax credits at EHCI to community lending at ECLF. We structured REAT the same way — by rotating through multiple aspects of Enterprise's work, our analysts build the cross-cutting skills our sector needs in our future leaders."

–TIM MARTIN, VICE PRESIDENT AND CHIEF CREDIT OFFICER, ENTERPRISE COMMUNITY LOAN FUND

"My time in Enterprise's Solutions Division has revealed how many organizations want our guidance on capital strategies. I've come to see development finance as the remaining piece of my affordable housing puzzle. The REAT program is a once-in-a-career opportunity to immerse myself in Enterprise's Capital Division, ask lots of questions, and expand my role in the community development field."

–INCOMING REAT COHORT 4 ANALYST

REAT's rotational design shows analysts all sides of the sector

"Real estate development is complex, and the rotational approach has allowed myself and others to see it through different angles. Enterprise Community Loan Fund offered the perspective of a short-term lender, Enterprise Community Development the aspect of a developer, and Syndications the case of a long-term investor. Exposure through experience is paramount."

–REAT COHORT 2 ANALYST

Analysts tackle complex financial topics and help deliver deals

"On my fifth deal with Housing Credit Investments, I gained a deep understanding of the complex financing behind a 4% and 9% twinning deal. This experience was particularly valuable because I was responsible for underwriting to solve the intricate financing structure while also balancing the needs of both the investor and the sponsor. It was the first time everything truly clicked for me."

–REAT COHORT 2 ANALYST

REAT's focus on mentorship is essential to its success

"I am humbled by the generosity of Enterprisers each and every time someone shares the story of their career path or diligently teaches technical lessons in deal structuring. Learning from their wealth of knowledge strengthens the foundation of who I am, and who I can be."

–REAT COHORT 3 ANALYST

Together, these three elements make REAT a unique opportunity

"By providing **hands-on experience, mentorship, and exposure to every facet of the industry**, the program equips analysts with the skills and networks necessary to drive meaningful change in communities that need it most. Enterprise has created an environment where talent and dedication are nurtured, ensuring that emerging leaders have the support and resources to grow into decision-makers who will shape the future of equitable housing."

–REAT COHORT 3 ANALYST

Alumni are taking skills from REAT into real estate careers

"The program helped me discover my interest in asset management. After my rotations, I realized I wanted to focus on portfolio management and reporting. And I'm excited to say I joined Freddie Mac as a multifamily asset management associate! Enterprise saw potential in me. If you're interested in finding work that has an impact, I think the REAT program is a fantastic place to start."

–REAT COHORT 1 ANALYST

Theme 4: EPF sparks connections among partners and with Enterprise

EPF Partners are collaborating on high-impact developments

Relationships between EPF partners make transformative impacts. As of March 2025, at least four projects that combine the expertise of two or more EPF partners are underway. One such project — AmberStones at Old North — illustrates the impact EPF developers achieve when they combine their strengths (see call-out box to the right).

EPF Peer Network convenings strengthen these relationships

Partnerships like AmberStones are forged and strengthened through EPF's Peer Network. EPF regularly brings partners together to discuss challenges, opportunities, and potential areas of collaboration. EPF Peer Network convenings are a cornerstone of this strategy. Enterprise brought partners together in Washington, D.C., in February 2023 and New York in January 2024. In the 2022 EPF Annual Report, Enterprise detailed four anticipated outcomes for the EPF Peer Network:

- New partnerships and cross-market relationships
- Policy and process recommendations to improve existing finance systems
- Understanding of potential barriers to growth for developers who are socially and economically disadvantaged, along with potential solutions
- Identification of capital gaps and Enterprise's role in filling them

Two EPF Partners Pair Two EPF Products: AmberStones at Old North (St. Louis, MO)

AmberStones at Old North is a tenant-in-place, substantial rehab of 68 affordable scattered-site rental units in North St Louis, funded by Low-Income Housing Tax Credits. The project is being developed by The Acquisition Group (TAG), led by Tarold Davis, and Efficacy Consulting and Development, led by Yaphett El-Amin. Davis brings extensive LIHTC development experience while El-Amin has led two prior LIHTC deals and knows the community well through her time representing North St. Louis in the Missouri state legislature. The two partners pooled a portion of their respective **EPF lines of credit** to fund pre-development activities. They determined that the project was financially viable and could preserve critical affordable homes in St. Louis. Despite their prior experience and the strength of the project, the partners did not have the financial liquidity that LIHTC investors typically require, even as a joint venture. **That's where Enterprise's Standby Guaranty Facility came in**. Deploying the SGF allowed TAG and Efficacy to pursue the project together without seeking another deep-pocketed financial guarantor partner that would have limited their ability to benefit from the project's economics, and use it to grow their organizations. The project closed on its financing on April 30, 2024, and is 47% complete as of January 2025. In Yaphett El-Amin's words, "**through Equitable Path Forward, we've been able to bring these apartments back online for these families and also partner to do it. That's a really cool thing.**"

In November 2024, partners from across the country traveled to Atlanta for a three-day EPF Peer Network convening. The session addressed each of these anticipated outcomes, and in each area, partners expressed an appetite for even more detail in the future. The meeting also offered partners the space to network with and learn from each other, sharing everything from high-level strategies for structuring businesses to deal-level technical expertise.

> **“The peer network is important because there is a wealth of knowledge here, so there’s a lot of opportunity for idea sharing, best practices. Just yesterday, I met two colleagues I’ll be following up with. One from Ohio who works on tax credits for homeownership and another from Detroit who runs a successful peer developer”**
>
> –OJI ALEXANDER, CEO
> PEOPLE’S HOUSING PLUS (NEW ORLEANS, LA)

Some developers expressed that in future sessions, they would like to devote more time to formal partnership-building. Partners may benefit from direct introductions to peers pursuing similar work in other markets or complementary work in the same markets, as either of these commonalities provides a strong foundation for a mutually beneficial relationship.

The convening also reserved time for partners and expert panelists to discuss challenges in property operations and strategies for mitigation. In a session called “What Keeps Us Up at Night,” conversations touched on growing rental arrears, rising insurance premiums and the challenges of securing coverage, dragging development timelines, and the combined financial stress these market conditions put on organizations (see next page). Enterprise Community Development President Janine Lind shared approaches that have worked for the division, including offering arrears amnesty for residents who resume paying rent and approaches to reduce risk and improve insurability.

This year’s Peer Network session connected EPF partners to new and growing programs and initiatives across Enterprise’s platform, including the Faith-based Development Initiative (FBDI), and the Renter Wealth Creation Fund (RWCF). Eighty-two percent of EPF partners currently access other Enterprise programs, and this was an opportunity to highlight and potentially connect more partners with Enterprise programs. Partners appreciated learning more about these other aspects of Enterprise’s work, and several recommended devoting more time to detailed one-on-one meetings with Enterprise program staff at future sessions, including in a potential “deal room” devoted to this purpose and open throughout the convening.

Partners closed out the trip with a site visit to SouthTown at Browns Mill Village, a development of 59 mixed income townhomes led by Cityscape Housing. Cityscape Partner Ralph Cook, Jr. shared that the Peer Network has connected the company to “**other developers like us that are in the same type of growth cycle that we’re in**,” and that Cityscape has completed projects with other network members. After days of high-level discussion, the visit was a fitting reminder of the on-the-ground transformations EPF partners achieve in their communities every day.

Theme 5: EPF capital products help partners weather real estate industry challenges

Developers face challenges at every stage of the development process, from deal structuring to construction to operations

Rising costs at every step of the development process have delayed projects across the sector. According to the Associated General Contractors (AGC) of America's 2024 report, 53% of firms are experiencing cost-related delays or abandonments, and at least one-third of projects have been postponed or canceled due to rising interest rates.[9] Significant cost increases for materials and labor and an insufficient supply of experienced labor create adverse impact on project budgets, and permit delays, regulatory approvals, and supply chain disruptions can hit project timelines with unexpected delays.

Developers and operators of affordable housing also face challenges after lease-up. Eviction moratoria, rental arrears, rising insurance costs, and high operating expenses have severely impacted operators nationwide, putting critically needed housing units at risk. In Washington, D.C., for example, rental arrears owed to affordable housing providers escalated from $11 million in 2020 to $100 million in 2024, and are projected to climb to $147 million in 2025.[10]

These twin challenges at the development and operations stages have hit some EPF partners particularly hard. At least one long-term partner was forced to shutter operations due to industry factors including aged receivables, high interest rates, and eroded receipt of rental income and development fees. For EPF partners who provide supportive housing, under-funded programs coupled with increased operational expenses and eroded rental income have informed their inclusion on Enterprise's asset management watchlist.

EPF continues to address these challenges

EPF has deployed $711 million in the form of large and small lines of credit, standby guarantees, LIHTC and New Market Tax Credit investments, and other ECLF on-balance-sheet investments, with an additional $260 million in underwriting. These financing products are customized to meet developer needs and the realities of the industry. They provide for flexible predevelopment and operations financing during periods of prolonged development timeframes while giving developers access to larger debt, equity, and permanent finance products when projects have achieved necessary milestones. Of partners who have received capital investments, 62% have received $3 million or less, and only 21% have received capital of $10 million or more. Smaller tranches of flexible capital are critical for allowing partners to adapt to changing and challenging environments.

[9] Associated General Contractors of America. (2024). A Construction Market in Transition: The 2024 Construction Hiring and Business Outlook. https://www.agc.org/2024-construction-hiring-and-business-outlook

[10] Flynn, M. & Wiener, A. (2024, October 1). 'Crisis' in unpaid rent leads D.C. to roll back eviction protections. *The Washington Post*. https://www.washingtonpost.com/dc-md-va/2024/10/01/dc-eviction-protections-council-changes/

Looking Forward

Enterprise launched EPF as a five-year initiative to support high-performing developers with limited access to capital in building homes, development platforms, and wealth. After four years, the results are clear: EPF's capital products have unlocked vital resources for developers, its advisory services have helped developers grow their organizations, and its commitment to staffing opportunities has strengthened the pipeline of qualified real estate professionals.

The challenges are clear too. Higher costs for materials, labor, and insurance have upended development budgets, delaying closings and straining developers. Rental arrears have put rental projects and the organizations that operate them at risk. Some of these challenges may escalate further in the coming years, particularly if pricing changes reduce the equity available through tax credits and if states exhaust the grants and loans that help projects pencil out.

Enterprise has sought to support our EPF partners in weathering this storm through our capital and advisory services and the network we have built. Looking forward, we plan to **link this work to Enterprise's broader efforts to provide resources to all developers struggling with today's headwinds, including our emerging Partner Sustainability program**.

We'll also be putting more emphasis on sharing what we have learned through EPF. We'll share what has worked in facilitating access to growth and opportunity in the face of capital limitations, but also where our initiative and others like it have left gaps in the resources our developer partners need. **We will deepen our evaluation approach** to better quantify EPF's impact on developer growth trajectories, as well as the impact of cohort programs like EPF. As part of this commitment, we will **continue to engage with other CDFIs and intermediaries**. We'll collaborate on the data we collect from our partners through initiatives like EPF, and aggregate and disseminate it in the service of amplifying our partners' successes and our sector's ongoing barriers and challenges.

By celebrating our successes and tackling our remaining challenges, we can continue improving our ability to meet our partners' needs. As one example, we are seeing many of our partner developers have success maintaining and building their deal pipelines, but still struggle to assemble the capital to maintain and grow their staffs while waiting through very long project revenue cycles until they see developer fee or other revenue milestones — often a year or more after construction completion. **We intend to assemble resources to support them in this critical period**.

In short, the future of EPF will be built on partnership — the same strong foundation as our first five years. Through our partnerships with EPF developers, we've learned what approaches work to meet the biggest challenges facing our sector. Through our partnerships with funders and investors, we've deployed nearly $1 billion to tackle these challenges. As Enterprise CEO Shaun Donovan told the EPF developers gathered in Atlanta in November 2024, "One of the things that we are laser focused on at Enterprise is how we focus on you, our partners. Making sure you're getting the capital you need, the knowledge you need, and building networks like this room where you can learn and share best practices across the country."

Appendix A: Key Performance Indicator Tables

Table 1: Overview of Enterprise Portfolio

Indicator	Metric	Initiative Year 1	Initiative Year 2	Initiative Year 3	Initiative Year 4	Total
# and % of deals and grants closed with all BIPOC-led developers across Enterprise portfolio[11]	# Closed	99	210	246	150	705
	% of Enterprise Deals and Grants	23%	39%	41%	40%	36%
$ and % of capital invested through all BIPOC-led developers across Enterprise portfolio	$ Capital Invested	$215M	$502M	$395M	$656M	$1.7B
	% of Enterprise Capital	11%	23%	19%	35%	22%
$ of capital leveraged and type of sources (e.g., public, private, philanthropic) based on total development costs	$ Capital Leveraged	$1.0B	$1.3B	$2.0B	$1.2B	$5.5B

Table 2: EPF Developer KPIs Since Entering the Initiative[12]

Indicator	Metric	Baseline Average	Most Recent Survey Average	% Change from Baseline
Annual unit production / commercial space square footage (% increase in production)	% Change Residential	110	152	38%
	% Change Commercial	28,008	36,667	31%
Average net assets (nonprofit) or total liquidity (for-profit)	Net Assets	$10,653,482	$15,402,673	45%
	Total Liquidity	$533,088	$911,361	71%
# Sole vs. joint venture deals	Avg. # Sole	1.20	0.96	-20%
	Avg. # Joint Venture	1.07	0.91	-15%
	% Deals as Sole	52.9%	51.2%	-3%
# of staff	# Staff	17.4	20.5	18%

[11] Enterprise began tracking the deals of BIPOC-led developers in late 2021 by asking developers to self-report the race/ethnicity of their executive director and board.

[12] Please note that estimates in this table are not directly comparable to those produced in previous Impact Reports, as Table 2 results for each year depend on the availability of survey data. In order to ensure that the same partners are included in the baseline and output analyses, trends over time should be evaluated using this table, not via comparison between reports.

Table 3: EPF Community Outputs

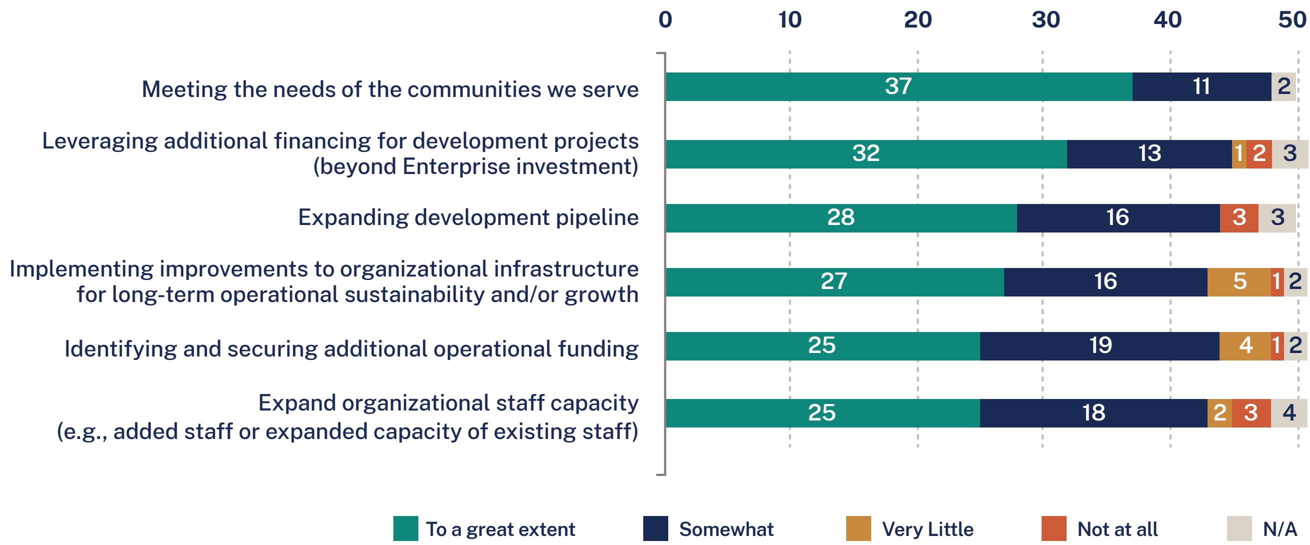
Indicator	Metric	2021	2022	2023	2024	Overall
Demographics of communities invested in (by cost burden and poverty rate)	% of Projects in Communities with Majority of Renters Housing Cost Burdened	45%	53%	43%	47%	47%
	% of Projects in Communities with High or Concentrated Poverty Rate (>25%)	45%	24%	43%	50%	42%
Jobs created (derived from economic model and based on total unit count)	Total	1,993	5,817	4,478	5,079	17,367
Discretionary income (derived from economic model and based on Enterprise-syndicated LIHTC units)	Total	$858,764	$540,291	$222,797	N/A[13]	$1.6M
	Average	$4,122	$3,496	$4,642	N/A	$3,947
Income levels served through units produced	<30% AMI	110	353	1,143	701	2,307
	31-50% AMI	198	580	272	399	1,449
	51-80% AMI	193	1,916	914	1,803	4,826
	81-120% AMI	934	81	203	9	1,227
	>120% AMI	9	159	329	342	839

[13] Discretionary income was not calculated for 2024 units created because nearly all properties involved rental assistance, making them out of scope for Enterprise's discretionary income methodology.

Appendix B: Impact of EPF Funding and Advisory Services on Partner Capacity

Chart 2: Impact of EPF Funding and Advisory Services on Capacity

(51 respondents, including only the most recent response from each EPF partner)



Appendix C: Capital Accessed by EPF Partners

Capital Product	Closed/Approved	In Underwriting	In Pipeline	Total
Enterprise Housing Credit Investments (EHCI)	$442,002,942	$190,432,416	$150,265,379	$782,700,737
Enterprise Community Loan Fund (ECLF)	$169,357,621	$29,400,000	-	$198,757,621
EPF Growth Fund	$48,200,250	-	-	$48,200,250
Real Estate Equity	$14,735,000	$38,577,732	-	$53,312,732
Lines of Credit	$31,137,500	-	-	$31,137,500
Standby Guaranty Facility (SGF)	$5,750,000	$1,500,000	$2,700,000	$9,950,000
Total	**$711,183,313**	**$259,910,148**	**$152,965,379**	**$1,124,058,840**

Appendix D: Advisory Services Grant Awards

Category for Advisory Services Engagement	Engagement Status			
	Assessment	In Process	Complete	Total
Asset & Property Management	1 ($20,000)	1 ($20,000)	7 ($155,000)	9 ($195,000)
Development & Project Management Consulting	0 ($0)	8 ($160,000)	9 ($220,000)	17 ($380,000)
Human Resources & Workforce Development	1 ($20,000)	2 ($40,000)	3 ($62,500)	6 ($122,500)
Operational Sustainability: Business IT, Finance, Marketing, Legal	4 ($80,000)	9 ($430,000)	14 ($325,400)	27 ($835,400)
Planning & Strategy	1 ($20,000)	5 ($113,200)	5 ($105,000)	11 ($238,200)
Other	7 ($260,000)	3 ($160,000)	4 ($80,000)	14 ($500,000)
Total	**14 ($400,000)**	**28 ($923,200)**	**42 ($947,900)**	**84 ($2,271,100)**

About Enterprise Community Partners

Enterprise is a national nonprofit that exists to make a good home possible for the millions of families without one. We support community development organizations on the ground, aggregate and invest capital for impact, advance housing policy at every level of government, and build and manage communities ourselves. Since 1982, we have invested $80.9 billion and created 1 million homes across all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands – all to make home and community places of pride, power and belonging. Join us at enterprisecommunity.org.