

Civic Viability—the return on altruistic investment

For Publication

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We are not building enough affordable housing at all income levels, however almost zero affordable housing is being built for middle-income earners, people earning between 80-130% of the area median income—our country's teachers, first responders, government and nonprofit workforce. The generous public incentives investors and developers enjoy in exchange for developing extremely low and low income housing do not exist for workforce housing. Workforce housing needs to be built not-for-profit by developers and community leaders working together, financed primarily if not solely with private philanthropic funding with limited to zero financial return, and far less political intervention. Doing this will conceptualize, entitle, and deliver quality, affordable housing faster for the people who need it most: the people who ensure our civic viability.

We need a new development model that changes the profit expectation, limits political influence, and focuses on product fit for the customer: people. People need to donate money, with no strings attached, to not-for-profit developers focused on JUST increasing the supply of housing. Any money earned by projects must capitalize more housing. Most importantly, as true community based organizations, projects must be designed and developed within the community. Housing needs to enrich our communities and neighborhoods, not just be a physical, investment asset. People call me crazy for pursuing this model. It's not crazy, it just has never been done. Success requires a change in mindset and a vocational, a-political leadership.

Profit, politics, and policy define the current affordable housing business model. Developing affordable housing is profitable—even when developed by nonprofit developers. These projects also reward a lot of people. Projects provide investors with both a reliable financial return on investment and the feeling of doing something good. Projects give politicians something to point to and reassure their constituents, “I fought for you”. Projects must adhere to policy often designed for problems defined years prior, implemented with political narratives, and which enshrine layers of bureaucracy in the name of accountability. Unfortunately, the last to be rewarded tend to be working people. This is not news. The process of developing affordable housing has blatantly disadvantaged lower income communities and communities of color. This demonstrates that the business model prioritizes the benefits for investors and politicians rather than people. This unjust history also incentivizes political officials to get involved as an advocate for their constituents, often without actual real estate development experience or expertise.

Finding the funding, playing the politics, and creating the bureaucratic apparatus takes more time and money than building a building. A third-party, not-for-profit entity missioned to solely serve the community by building affordable workforce housing, without public funds, makes logical sense to be the trusted entity to deliver housing resources. A team of people lending their expertise and skills in community and real estate development, construction, policy, and not-for-profit mission driven work will build housing for people working hard in jobs supporting our public needs. This isn’t just an idea. I know it works, I am doing it right now—The Affordability Project uses altruism as its not so secret sauce.

I am not naïve. There are bad actors who take advantage. I’ve been accused of being one of them. Proving the cynics wrong and being the first to show a real estate development model powered by altruism works, requires more than just building buildings. [The Affordability Project](#) is raising the level of our conversation and turning the focus from profit to trust, transparency, and accountability.

This model could be an ideal partner for other mission driven organizations looking to develop underutilized real estate. Think religious congregations, nonprofit organizations, and schools. Housing could generate revenue to fund services, house people in ways that align with their mission, and provide a reliable source of income instead of donations. This model will deliver one of the most important basic needs to people: shelter. This model also sends a powerful message to the community at large: The people who ensure our country's civic viability are more valuable than profit.