Spotlight on Section 4 Grantee: Westhab, Inc.

Westhab, Inc. (Westhab) is the largest nonprofit provider of affordable housing and supportive services in Westchester County, New York. Since 1981, Westhab has helped more than 7,000 homeless families and individuals access safe, stable and affordable homes. To date, Westhab has built/renovated 2,500 units of quality, affordable housing, representing a public and private investment of more than $80 million. Each year, more than 2,000 homeless or at-risk youth participate in Westhab’s youth programs, hundreds of families in underserved neighborhoods get help in its community centers, 500 people find new jobs through its employment programs, and 1,000 households call its properties home.

Local challenge

Despite decades of success, the 2009 recession put a lot of pressure on Westhab’s ability to deliver new affordable homes and provide the same level of much-needed services to the community. Many affordable housing developments faced significant delays in getting off the ground as construction financing, state and federal subsidies, and philanthropic sources pulled back. Simultaneously, local sources of funding for Westhab’s homeless services were significantly curtailed.
How Section 4 funds were used

Through its Partner Support Program, Enterprise combined technical assistance with Section 4 funding to support Westhab. Enterprise worked with the organization to provide a multiyear financial assessment. In 2011, Westhab used $50,000 in Section 4 funding to strengthen its long-term capacity for the management and development of projects in its real estate portfolio.

This support helped Westhab strengthen critical operations and provided the organization with the bandwidth to continue evaluating the intersection between its organizational priorities and long-term sustainability and implementing a viable plan to strengthen its real estate operations.

Enterprise reviewed Westhab’s balance sheets, short- and long-term financial projections, project pipeline, funds committed, funding applications pending and property appraisals. Enterprise also helped identify alternative revenue sources and financing strategies and evaluated staffing and budgetary systems.

Some of Westhab’s creative strategies included consolidating its office space and establishing an acquisition committee to review all new potential projects for mission compatibility, the likelihood of getting funded, the amount of upfront investment and the realistic timeline. Westhab also began partnering with other developers to move stalled pipeline projects forward. Moreover, Westhab prioritized its business lines, shutting some down while aggressively growing those in targeted areas of strength, including employment services, youth services and services for single adults.

How Section 4 funds enhanced capacity of organization

Section 4 helped support a vital organization in an area underserved by community development corporations. The recession hit many nonprofit organizations hard, and many have still not yet fully recovered. Westhab’s creativity, longrange vision and devotion to its mission were all key to allowing the organization to reposition itself for future success.

Section 4 funding played an important role in supporting the strategic planning and implementation process of the organization’s leadership—funding that is increasingly difficult to obtain.

The organization now has a viable and sustainable real estate development and operations strategy that will continue to support Westhab’s important social services work. The organization —now stronger and more stable— has access to organizational lines of credit, project loans, tax credit equity and other project financing needed to pursue its mission.

Westhab currently has an active affordable housing development pipeline. It recently closed on construction financing with Housing Credit equity from Enterprise on a 68-unit, special needs housing development in the Bronx, New York. In Yonkers, a building with 71 affordable apartments for seniors and a 16-unit supportive residence for young adults are both under construction.

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