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America's Affordable Housing Resource

UNIQUE NONPROFIT APPROACH

MINNESOTA AFFORDABLE HOUSING NONPROFIT LEVERAGES UNIQUE FINANCIAL STRUCTURE AND STRONG PARTNERSHIPS TO PROVIDE LONG-TERM COMMUNITY ASSETS

Unique Nonprofit Approach

Minnesota affordable housing nonprofit leverages unique financial structure and strong partnerships to provide long-term community assets



For over 30 years, Trellis Co., formerly known as Community Housing Development Corporation, has served as a developer, owner, property manager and core community partner in affordable housing in and around the Twin Cities of Minnesota.

With a portfolio of 50 properties totaling over 4,500 units, Trellis has positioned itself to be a true tour de force in the affordable housing industry. The 501(c)(3) nonprofit is financially self-sustaining, giving it the ability to engage in impactful developments and remain a long-term owner in each of the communities it works in.

In August 2020, in the midst of the COVID-19 pandemic, Trellis finalized its rebranding effort, born out of a desire to create a stronger brand to ensure more opportunities and partnerships. While elevating its presence in the community, Trellis remains committed to its core mission and operating philosophy: to preserve and create high-quality affordable housing options for all members of the community.

FINANCIALLY SELF-SUFFICIENT

Elizabeth Flannery, President and CEO of Trellis, believes the organization's nonprofit standing plays an integral role in the affordable housing landscape of Minneapolis and St. Paul.



President & CEO :: Elizabeth Flannery | Location :: Minneapolis, Minnesota



"It really comes down to the fact that it is very mission-driven and very vision-driven in the sense that if we're successful as a nonprofit and if we succeed in our mission in developing, owning and managing and have a healthy portfolio, any profits that come off that portfolio or our development activities are actually redeployed into more units..." she says. "I think nonprofit affordable housing developers like Trellis serve an incredibly important role that way in just continuing to give back to the community simply because of the structure. We've been successful with that, and it feels great."

Because of its mission and long-term vision, Trellis maintains fantastic partnerships with local governments and state agencies like the Minnesota Housing Finance Agency. Its structure ensures Trellis is there for the long term and is dedicated to building community assets.

However, Trellis also stands apart from other nonprofit development organizations. Its financial structure is set up so that it does not need to solicit private donations. The organization is entirely self-sustaining thanks to its lean operational model and strategic use of recapitalization of its existing project-based Section 8 properties.

"We did a triage and a whole analysis of refinancing, restructuring, taking advantage of the Chapter 15, because we had old project-based Section 8. And so we recapitalized our projects," Flannery says. "We paid down all the deferred debt, we re-syndicated and we put together a very active pool that we can re-deploy and self-finance all our pursuit cost and pre-development stuff. Really, it was a gift of our existing portfolio and just the foresight to look at it and take advantage of the current economic situation to capitalize on that. I was [getting calls from] people wanting to capitalize on that for profit. But we capitalized on it for our organization and for our future and for our ability to continue to do the important projects that still need to get done. And so, because of that, we are able to be self-sufficient."

FOCUSING ON CORE COMPETENCIES

Trellis excels in putting pieces of the financial puzzle together, leading development and managing its housing communities, but its team understands they cannot do everything. To provide the full spectrum of what their residents need, the organization relies on a network of trusted partners.

It works with operational partners to bring its development visions to life, such as CPA and financial advisory firm Mahoney, financial



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Miles and Associates is proud to partner with Trellis Co, we are both committed to providing the best possible housing now and in the future. Thanks to Trellis and the teams that make their projects stand out.

MAHONEY

For more than 25 years, Mahoney CPAs and Advisors has been fortunate to partner with Trellis Co. We are excited to offer a full range of real estate consulting services through our new division Mahoney Development Services, LLC (MDS). Mahoney and MDS value their partnership with Trellis and wish them continued success in providing affordable housing for all.

partners like Colliers Securities and architects and construction managers like Miles & Associates. But to make its housing communities truly successful, Trellis also works closely with service providers and other local organizations who offer tailored support to meet the communities' unique needs.

On top of that, Trellis gives these partners the opportunity to own their shared developments in the future, giving them the power to maintain long-term impact.

"It's a really fine skill to do affordable housing finance. There are a lot of communities out there that serve people that want to own housing, but

they cannot get the financing without a partner like us with a track record and compliance and all the technical pieces that go along with it," Flannery says. "But if they really want to be in the business and want to have a long-term ownership interest, we're very open to that...We want to make sure the housing gets built and we want to make sure it's high-quality housing and we'll be in there for the long term, if needed, but we're also willing to give an option after 15 years or whatever the compliance period is to exit and have our nonprofit partner be the owner."

One example of these types of partnerships is Trellis' Cornerstone Creek community in



Mahoney & MDS

Are proud of our lasting partnership with **Trellis**, supporting their mission to help solve the affordable housing crisis in Minnesota and build **HOPE** for future generations.



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Golden Valley, Minnesota. Jewish Housing and Programming (J-HAP) approached Trellis to develop a community that provides independent, long-term housing for developmentally disabled young adults. The two organizations joined forces to build the 45-unit community, which also holds 1,500 square feet of space for J-HAP's staff who provide light services to residents. J-HAP has the option to become the owner of the property after year 15.

As Trellis prepares its upcoming pipeline, including four new LIHTC-awarded developments, Flannery looks forward to more community awareness and potential private investment to usher forth a new

era of affordable housing and the opportunities that will come with it.

"For Trellis to be in a position where we can make stuff happen...[is great], but let's go bigger than that and let's try to engage the larger community," she says. "I'm not saying I know the best way to do that yet. But I'm interested in that, and that excites me more than anything else." 

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Colliers Mortgage **Colliers Securities**

We are proud to recognize Trellis and their passion in serving as a vehicle for organizations and communities seeking to create and sustain affordable housing.

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