



AFFORDABLE HOUSING FINANCE

Management & Operations

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Changing Roles and New Opportunities in Affordable Housing

By Alan Greenwald, Partner with Terra Search Partners

Shrinking capital resources, fewer public subsidies, and smaller affordable housing companies dissolving or absorbing into larger ones in the wake of the Great Recession loom large for both nonprofit and for-profit affordable housing developers, investors, managers, and lenders. This changing landscape has made a career in affordable housing more challenging for current practitioners as well as those looking to start out or segue into an affordable housing career.

On the other hand, new opportunities are plentiful for those looking in the right places and possessing a solid strategy. As a recruiter, I have placed many candidates in a variety of post-recession roles, from those starting their careers through C-level executives. I have observed several trends affecting the affordable housing job market and offer advice on how you can successfully navigate them.

New ideas needed

In addition to the new challenges described above, a significant leadership transition has been occurring in the affordable housing space. The baby boomer leaders in the business are retiring. Many of these leaders were the creators of their organizations or are the successors who have helped take their organizations to new heights. In either case, many of them have been long seated and have become synonymous with their organizations. Most came from the activism of the 1960s and that era drove their perspective and methods.

The leadership baton has already been passed in many organizations. Succession has already occurred at organizations like Enterprise, The Community Builders, REACH, and National Housing Conference to name a few. There are more to come. Many organizations have talented No. 2s who will step up, but many will need to bring in new talent. Much of the talent coming in will be post-boomers. This is an opportunity for a younger workforce to enter the market and make their mark.

This leadership gap creates significant opportunity for leaders who are attuned to the new realities of the affordable housing business. There are jobs out there in affordable housing at the senior level, and elsewhere in organizations, where others have been tapped to fill the senior-level opportunities.

Affordable housing companies are generally still behind the market-rate sector in the sophistication of their operating platforms—the strength of the back office, the use of technology, and the organizational infrastructure are still climbing up the curve. The emphasis on measurable results and sophistication of platforms are the result of both the maturation of our industry and a response to shrinking financial resources. The current trend is all about creating more sophisticated, impactful, and resilient organizations, and our clients will be seeking the leadership talent to accomplish this.

Many affordable housing organizations are lacking tech gurus, project financing masterminds, accounting ninjas, sales- and marketing-oriented property managers, and masters of social media. The best-suited candidates for these positions will possess skills needed to address the changed demands of the business.

For those of you who are early in your career and lack all the hard skills, education is key for your first role in affordable housing. There are many excellent higher-degree programs that can help at the early stages of your career, whether part time or full time. Degrees in real estate, planning, business, and public administration may provide a leap up as you start out, and perhaps later in your career. Continuing education programs can also be valuable.

Transitioning into affordable housing

Because of the pressure on affordable housing companies to structure increasingly more complex financing and development mixes, there is real opportunity for making the shift from market-rate development, management, investment, and finance.

If you are thinking of making such a transition, you will need to understand both the cultural differences and necessary skill sets. Both for-profit and nonprofit organizations may approach the development and financing process differently from what you are accustomed to. Many of these differences are driven by tax credit and financing programs that differ considerably from those on the market-rate side.

That said, I recently placed the head of property management for a nonprofit affordable housing developer. Her experience was largely market-rate, but she knew how to market properties and how to motivate the staff that ran the properties. I also placed a CFO whose experience was not in housing and largely in for-profit companies, but who was a whiz at organizational change and assessing revenue streams.

Their experience was transferable. Is yours?

Talented leaders: wanted

One distinguishing trait of successful leaders we constantly see is emotional intelligence—the capacity to read an organization and situation by means of a well-developed sensitivity to the needs of all players in a given circumstance. Similarly, a successful leader must be someone that can get along well with a wide variety of people in an organization.

There are unique challenges in affordable housing. Getting projects pushed through and completed—and financing these projects—can be complex and time-consuming, often more so than in market-rate companies. These capacities will help you successfully navigate delay and complexity while building and leading a strong team. Developers have a harder time getting projects financed and will need your leadership to fill the gaps created by the recession and new talent to implement new technologies and ideas.

Balancing act

Whether you're just beginning your career or want to hop from your current position, managing a career in affordable housing (like any industry) is a balancing act.

Always have a strategy for managing your career in your current company. Always excel for your company to build your resume for whatever is next. Success in your current role is the calling card both for opportunities within as well as outside. Even if you are in an unbearable company, use your remaining time with your current employer to your advantage. In the real estate business, keep doing deals, build a track record, and make more contacts and friends in the business.

Use your current perch to network. In most jobs, it is not disloyal to your employer to network among peer companies and colleagues. Do it, always. For people in jobs without an external mandate, find a way to do it anyhow. Don't allow yourself to be

isolated within your company. (For more on networking, see “Build a Habit of Networking” sidebar.)

Few people spend their whole careers in a single company. While most professionals change jobs frequently in the early years of their careers, later job hopping is a negative. But no change can be stultifying and impede professional growth. Changing every seven to 10 years is natural and healthy as long as it is for good opportunity; shorter tenures are common for those earlier in their careers.

How can you change the game internally? Particularly if you are planning to leave in any case, you have nothing to lose by taking risks with your current employer. Be vulnerable and ask your boss or mentor how you can take on additional challenges. In some circumstances, it may even be valuable to let him or her know that you are looking externally. If you aspire to a management role, seize an opportunity to manage staff and, if possible, manage a departmental budget.

Staying too long at a toxic company may prevent you from working effectively and can hurt your reputation in the industry. Work on excelling in your current job to build your resume, but make sure you have an exit plan so you don't risk being a long-termer in a bad firm.

Build a Habit of Networking

Some may associate the word "networking" with shallowness, but it is actually a positive practice that is essential to any professional in business, especially in the real estate industry. Here are some tips to employ to build your networking:

Think of networking as a lifelong part of your job, whether you are a broker who builds relationships for a living or an accountant whose work doesn't entail meeting new contacts;

Some jobs make it easier to meet new contacts, but regardless of what position you hold, make the effort to network on a regular basis. It is a win-win for you and for your employer;

If you work in a function where networking is a normal part of your job, make sure some percentage of it is devoted to your long-term personal agenda and not just your company's goals;

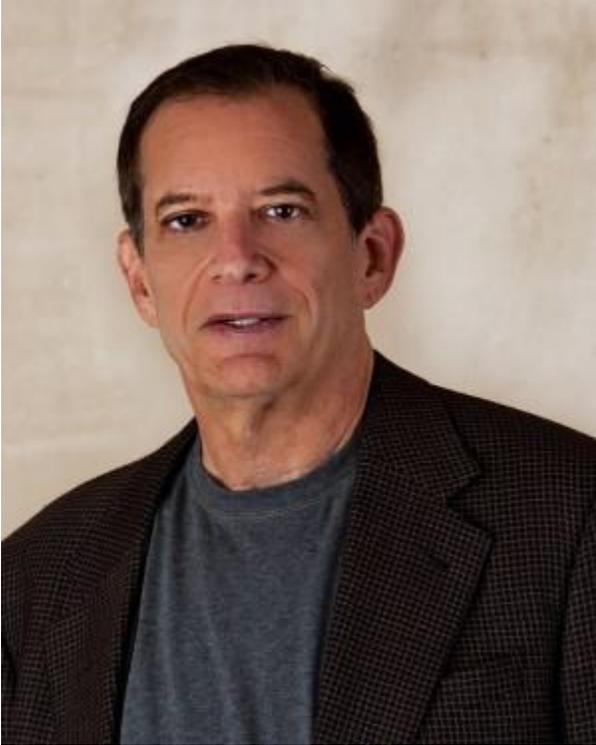
Many people think of networking and career planning as an external affair. Absolutely not. Definitely seek opportunities and build bridges externally. But it is even more important to build your network and experience (indeed, this is what building your resume is all about) internally;

Create a networking strategy based on who you want to meet and why. In addition to external relationships, you should at least equally focus on networking within your own firm to seek out mentors and build relationships. Urban Land Institute and National Multifamily Housing Council can provide good networking opportunities, as well as good industry updates. If you have highly specialized skills (accounting, property management, etc.), you may also find affinity groups within such organizations;

You have 15 chances to set up your own networking opportunities in a normal work week, as weekdays provide the perfect time to get together over breakfast, lunch, or drinks ... well, OK just 13—forget Monday breakfast and Friday drinks. Set a goal of a few such meetings a week and stick to it—throughout your entire career; and

Remember, networking is a two-way street, and real relationships are forged when you show genuine interest. As such, avoid lecturing potential contacts, telling them you are the “best candidate for x” or forgetting to look up when you are speaking. Listen and look, don't just talk. Respond to those reaching out to you as part of their networking. This is a way of “paying forward,” and you never know where such a relationship may serve you in your own career.

Alan Greenwald is a partner with Terra Search Partners, a retained executive search firm helping real estate companies build great teams. Terra Search Partners serves many of the country's foremost REITs, private equity firms, pension fund advisors, private developers and owners, family-owned businesses, and nonprofits. To see additional articles written by Greenwald and others at Terra Search, click through to www.terraresearchpartners.com.



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