

Fiscal Sponsorships & Incubating CLTs

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via Zoom

www.cacltnetwork.org

Speakers

Asn Ndiaye, NCLT

Christina Oatfield, Attorney

California
community
land trust
network



Intro: Interpreters

- Lluvia Cardenas and
- Melody Gonzalez, Guani Tenoli Interpreting & Translation

Today's agenda

- Intro's in the chat
- Polling participants
- Intro Speakers
- Intro to Fiscal Sponsorships
- Fiscal sponsor & CLT incubation
Case studies
- Q&A



Announcements

- Fri Feb 7: SJV Program: Stockton case studies & tour
- Tue Feb 25: Quarterly Finance workshops kickoff
 - “Telling Your Financial Story” in partnership with Nonprofit Finance Fund
- Tue March 18: Lobby Day
- Fri March 28: Annual Members Meeting



Lobby Day 2024

Polls

Poll 1: Who's in attendance?

- CLT Staff
- CLT Board
- CLT Resident
- Non-CLT org staff or board
- Other

Poll 2:

- Are you joining b/c you're in an established CLT considering incubating new CLTs?
- Are you interested in being fiscally sponsored or incubated?
- Has your org been fiscally sponsored or incubated in the past?

Introducing Our Speakers



Asn Ndiaye
Executive Director
Northern Ca Land Trust (NCLT)



Christina Oatfield
Attorney

Why fiscal sponsorship?

A work-around to the long process of establishing a new 501(c)(3) nonprofit.

Setting up a 501(c)(3) requires:

- Compiling documents (articles, bylaws, etc.)
- Filling out forms
- Writing about all organization activities (including future planned)
- Waiting 6+ months for the IRS

Most Common Types of Fiscal Sponsorship

Model A: project is a part of the fiscal sponsor organization

Model C: project is its own legal entity that has a contracting relationship with a 501(c)(3) fiscal sponsor

More about Model A Fiscal Sponsorship

- Employees are employees of the fiscal sponsor
- All contracts are entered into in the name of fiscal sponsor
- Board of Directors of fiscal sponsor is ultimately in charge
- Fiscal sponsor's leaders are responsible for things like insurance, running payroll, tax filings, and other admin.
- Typically used for incubating a new organization

More about Model C Fiscal Sponsorship

- Fiscal sponsor receives grants and donations
- Fiscal sponsor contracts out to project entity for fulfilling specific scopes of work
- Project is operated in its own legal entity (maybe a nonprofit awaiting 501(c)(3) status or another type of entity)
- Project leaders are responsible for insurance, payroll, tax filings, other admin.
- Good choice for a nonprofit corporation awaiting 501(c)(3) status

Some pitfalls to avoid

- Remember that transferring real property from one organization to another incurs costs (transfer taxes, escrow fees)
- Remember that if there is debt against the property, the lender will likely need to consent to a transfer or be repaid before a transfer.
- Prospective fiscal sponsors or incubators should think carefully about the amount of staff time and expenses it will take to sponsor a “Model A” project (hint: it’s often more work than it may seem!)
- Legal counsel should be involved in crafting the fiscal sponsorship agreement.



Northern California Land Trust Incubation

NCLT: Core Competencies

- ❑ Four Core NCLT Areas of Focus



Advocate

NCLT advocates for change to critical policy impacting permanently affordable housing



Provide Housing

NCLT develops, acquires, rehabilitates, and manages permanently affordable housing



Consult & Train

NCLT assists and train housing groups to strengthen and increase permanently affordable housing



Incubate

NCLT helps incubate new Community Land Trusts supporting permanently affordable housing

NCLT: Regional Impact

- ❑ Incubated or provided technical assistance to project in all 9 counties of the Bay Area
- ❑ Leaders in regional and statewide networks
 - Founders of Bay Area CLT network and CACLTN
- ❑ Regional advocacy for affordable housing and community ownership options

NCLT currently stewards permanently 122 affordable units across 21 projects in the San Francisco Bay Area

NCLT: Consult & Train

- ❑ **NCLT provides technical assistance services to housing organizations and administers resident training programs.**
- ❑ Technical Assistance.
 - NCLT has assisted potential new and existing housing organizations such as tenant-initiated co-ops, emerging CLTs, and other groups wanting to create or expand permanently affordable housing & community facilities.
 - Over the past decade, NCLT provided over \$1.5 million in technical assistance services to potential and existing community-led housing organizations.
- ❑ Resident Stewardship.
 - NCLT has trained and supported homeowners, residents, and community members as a part of its stewardship program. This includes training, tools, and resources to help groups that want to move their rental to resident-controlled models, as well as supporting residents through difficult macroeconomic and personal events.

NCLT: Incubation History

- ❑ NCLT provides incubation services to housing organizations and resident training programs.

Incubated



PAHALI

Preserving Affordable Housing Assets Longterm, Inc. is an East Palo Alto CLT that seeks to preserve affordable housing and prevent economic displacement.



SHCLA

The Supportive Housing Community Land Alliance (SHCLA) creates environmentally & socially sustainable housing in high opportunity neighborhoods for people with serious mental health challenges in Alameda County.



POCSHN

The POC Sustainable Housing Network is committed to creating an entire ecosystem of POC-centered co-housing, cooperative housing, and intentional communities that are ecologically, emotionally, spiritually and culturally regenerative spaces.

Under Incubation



AST

The Artist Space Trust builds upon the community land trust movement to secure permanently affordable spaces for artists to work and live, ensuring the health and vitality of our communities for generations to come.




Vallejo CLT

The Vallejo CLT initiative empowers Vallejo's community to establish and oversee permanently affordable housing through a Community Land Trust (CLT).

Potential Incubation Hub

- The NCLT Incubation Hub (tentatively named “NCLT Land Lab”) would be a completely entrant in the community ownership space: an accelerator to drive the growth of land trusts and community ownership projects across Northern California.
 - Inspired by tech incubators and successful housing innovation projects like the Turner Center’s Builders Lab, the NCLT Land Lab would serve as a catalyst for piloting, developing and proving new solutions to housing affordability and displacement
 - The program would have a distinct identity leveraging NCLT’s expertise while creating a new institution that can serve as a spring board for other projects.





Q & A

10 mins



Resources:

- [How to Receive Grants & Donations Through a Fiscal Sponsor](#), SELC (Incl. Model A and C Chart)
- [Fiscal Sponsorships for Nonprofits](#), National Council on Nonprofits
- Deeper dive: [Fiscal Sponsorship: Six Ways to Do It Right](#), by Gregory Colvin -Silk, Adler & Colvin
- Other resources listed on Page 3 of the SELC resource (above)

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