

ADDRESSING THE AFFORDABLE HOUSING CRISIS NATIONALLY & CHRONIC HOMELESSNESS IN HOUSTON

AWARD ENTRY EXECUTIVE SUMMARY: The AIC CEI-Boulos Opportunity Fund, an impact investment fund in partnership with CEI Boulos Capital Management and Allivate Impact Capital® (AIC) (seeded with \$26 million by Woodforest National Bank®),¹ invested over \$1.5 million to rehabilitate the Knowles-Rowland House in Houston, Texas. Construction is underway on this 21,000 sq. ft. building on Crawford Street in Midtown Houston. An adaptive reuse of the Knowles-Rowland Center for Youth, the investment will transform the aging and worn facility into 31 new units of permanent support housing for people who have experienced chronic homelessness. Sixteen units will be designed to accommodate those with mobility or sensory impairments. The project sponsor and service provider is *Bread of Life*, a well-respected local nonprofit affiliated with St. John's Downtown Church. The nonprofit focuses on the issues of homelessness, health, and hunger relief.

THE NEED: As the national affordable housing crisis deepens, the *National Low Income Housing Coalition* (NLIHC) reports no U.S. state has enough affordable housing for its lowest-income renters. In fact, sadly, Texas is tied for third as "the lowest number of affordable homes for extremely low-income households." The [report](#), released in March 2024, also states Houston has the "second-most severe shortage of rental homes that are affordable to extremely low-income households." Plus, according to its analysis, the Houston-The Woodlands-Sugar Land metro area has just 15 affordable and available rental homes per 100 low-income renter households (85% deficit in affordable housing options). In Houston, there are just over 33,000 affordable and available places to rent for the more than 217,000 extremely low-income renters in the area. About 83% of extremely low-income households are severely cost burdened by paying 50% or more of their monthly income for basic housing.

According to a [study](#) published in February 2025 by the *Greater Houston Community Foundation*, "the cost of housing in Houston's three-county region has soared in recent years—especially for renters. In fact, between 2010 and 2023, median monthly housing costs increased by 20–28% for renters. More than half (52%) of renter households spend 30% or more of their income on housing (an increase of five percentage points since 2010) and more than one out of four renters (27%) spend at least half of their income on housing costs."

WOODFOREST'S FOCUS AND IMPACT ON AFFORDABLE HOUSING: Woodforest, while not a mortgage originator, expands access to affordable, quality housing by creating strong community partnerships with organizations who promote homeownership as a wealth-building opportunity in the communities we serve. Over the last five years, we have executed affordable housing loans and investments totaling nearly \$500 million by partnering with industry-leading nonprofit partners – including Community Development Financial Institutions (CDFIs), Community Development Centers (CDCs), Minority Deposit Institutions (MDIs), impact funds, and even government agencies such as the Texas Department of Housing and Community Affairs.

Woodforest's social impact investment fund subsidiary, Allivate Impact Capital (AIC), has played no small part in these efforts. Selected by the national nonprofit *ImpactAssets* as one of the *ImpactAssets 50™* top social impact funds in 2024 and 2025,² Allivate capitalizes impactful low- and moderate-income (LMI) area revitalization projects often include affordable housing elements. In addition to the Knowland-Rowles House/Bread of Life project is the subject of this application, Allivate recently funded LMI revitalization projects such as the Lake Cliff Affordable and Workforce Housing Project in Dallas, Texas. In 2023, the Fund made a \$3.4 million investment in the project (The Woodforest CEI-Boulos Opportunity Fund, also made a \$3 million investment. Together, the two funds have a 24.5% ownership interest) which will provide 263 units of long-term affordable housing through three separate developments within the Lake Cliff neighborhood in Southwest Dallas. All the units will be affordable at or below 60% to 100% AMI, including formally

¹ In 2022, Woodforest Financial Group (Woodforest National Bank's parent company) launched Allivate Impact Capital. Allivate is an impact investing firm that leverages the strength of Woodforest's 40+ years in financial services and the skills of its award-winning Community Development Team to deploy innovative capital solutions that elevate communities, alleviate poverty, and activate entrepreneurial ecosystems. For more details about the firm, please see the Appendix of this application, or visit <https://www.allivate.com>.

² ImpactAssets is an impact investing leader with a 15-year track record of mobilizing capital for good. Its annual [ImpactAssets 50™ \(IA 50\)](#) publication is considered the definitive guide for impact investment fund managers globally.



income-restricted units and naturally occurring affordable housing units. The income-restricted units are through a tax exemption agreement with the City of Dallas for a period of 75 years. The three separate developments are The Bowie, The Parker and Swope and Mangold. The Bowie and The Parker are new construction developments, while the Swope and Mangold development represents the renovation of an existing apartment building. All three developments represent one collective equity investment under one Opportunity Zone Business umbrella. The sponsor of the project is Savoy Equity Partners. The project is currently under construction. The projected impact at completion, as of 12/31/2024, will create 263 units of affordable and workforce housing. The sponsor will directly employ 15 professionals in the neighborhood and the project will create 730 construction jobs for local workers. Additionally, the project committed \$29.2 million to local vendors, and planted 200 new trees to the areas surrounding all three developments, in collaboration with the Texas Tree Foundation. The City of Dallas strongly supports the Lake Cliff Affordable and Workforce Housing project as reflected by awarding The Bowie and The Parker a 100% property and sales tax exemption in exchange for the properties' affordability requirements. The agreement represents Savoy and the City of Dallas's mutual commitment to developing and preserving mixed-income, affordable and workforce housing projects.

Other outstanding partnerships evidencing Woodforest's commitment to affordable housing include:

- **HPF FlexCap:** We recently earned our second Community Bankers Association *Joe Belew Award* for HPF FlexCap – an affordable housing bridge/acquisition capital loan product we created with Housing Partnership Fund (the CDFI financing arm of the national nonprofit, Housing Partnership Network). The product provides patient, flexible, and immediate bridge acquisition capital for developers to compete in the NOAH (Naturally Occurring Affordable Housing) market while giving them time post-acquisition to execute property improvements and restructure a longer-term, sustainable financial model for the properties. NOAH represents the most common form of affordable housing in the world. This innovative partnership allows preservation of more NOAH for LMI households.
- **Participating with Industry Leaders in Low Income Housing Tax Credit (LIHTC) Developments:** Because Woodforest is an employee-owned S Corporation, it is not eligible to receive tax advantages other financial institutions receive when they invest in federal LIHTCs. However, by frequently participating in affordable housing syndication lending with the ten affordable housing LIHTC platforms in the country Woodforest has made an outsized impact in bringing much-needed capital to LIHTC developments. The Bank has participated approximately \$300 million in LIHTC-supported projects over the past three years which have resulted in thousands of affordable units for LMI residents across the nation.
- **Lending our Voice:** Woodforest Executive Vice President, CRA Executive Director, Doug Schaeffer, serves as Charman of the Board for the National Association of Affordable Housing Lenders (NAAHL). NAAHL is made up of the leading voices, lenders, and investors in U.S. affordable housing. It is the place where experienced practitioners with diverse perspectives find common ground and convene to shape future investments, practices, and policies. NAAHL serves as the "honest broker" in public policy debates and is a one-stop resource for best practices, public policy developments, and the latest research.

ENTRY: THE KNOWLES-ROLAND HOUSE / BREAD OF LIFE PROJECT

Woodforest has deep roots in Texas, especially in the Montgomery and Harris County region where the bank began in the 1980s. We have always collaborated closely with our community partners to combat poverty, create affordable housing, alleviate homelessness, and provide social services to our neighbors in need. The Knowles-Roland Bread of Life investment is yet another innovative way we have leveraged capital for good while providing both financial and impact returns to AIC investors.

Originally constructed in 1999 as a gymnasium and youth center, the building is named after Destiny's Child members and longtime Bread of Life supporters, Beyoncé Knowles and Kelly Rowland. The center was damaged by Hurricane Harvey in 2017 and then by a fire in 2021. It has since been used primarily to store household and hygiene products for bi-monthly food and supply distribution to low-income and homeless residents. Beyoncé and her mother, Tina Knowles, attended the September 2024 event announcing the building's conversion into a new permanent supportive housing facility.

All rents within the project will be 100% subsidized by HUD's Project-Based Voucher program administered by the Houston Housing Authority. Permanent supportive housing has been a key component of Houston's successful and



nationally renowned approach for addressing homelessness. Residents will be able to remain housed as long as needed and will typically leave only when they are able to reach a point of self-sufficiency. Virtually no one leaves permanent supportive housing and returns to homelessness.

The building is located near the Houston METRO light rail system, giving residents easy access to all major employment and education hubs throughout the city. It will also be environmentally sustainable and energy efficient by meeting the U.S. Department of Environmental Protection's Energy Star Certification and by striving to meet the National Green Building Standard Certification. Additionally, the rehabilitated facility will result in approximately seven new permanent jobs in property management and social services – each of which carry salary ranges and benefits exceeding the living wage standard for a single person in Houston.

Residents will have access to a range of social services, including case management, mental health counseling, substance abuse treatment, life skills training, and nutrition assistance through a partnership with Temenos Community Development Corporation (Bread of Life's sister organization). The project features community meeting rooms, dining areas, supportive service offices, training rooms, and controlled access to the property.

PROJECT TESTIMONIALS

"Woodforest proudly supports Texas-based community organizations, like Bread of Life, to foster affordable housing and community development initiatives transforming our community." ~ **Jay Dreibelbis, President and CEO, Woodforest National Bank**

"The story of Knowles Rowland is one of lasting impact and unwavering service. What began as an evening shelter for those without housing grew to include youth enrichment, senior support, and a thriving sense of community, safety, and joy. Now, as it evolves into permanent supportive housing, we are committed to cultivating a place where people can call home. Creating truly inclusive and affordable housing takes a collective effort, and we're excited to build an enduring partnership with those who share this vision." ~ **Dr. Monique Williams, Chief Operating Officer, Bread of Life, Inc.**

"The permanent supportive housing model is an effective approach to supporting individuals who have experienced chronic homelessness. Our team is proud to collaborate with Bread of Life, CEI-Boulos Capital Management, and Temenos CDC to elevate communities through projects such as this one which is in our organization's (Woodforest's) home market of Houston." ~ **Noelle St.Clair Lentz, CEO and Managing Director, Allivate Impact Capital**



About Bread of Life: Founded in 1992 by Pastors Rudy and Juanita Rasmus, Bread of Life, Inc. began by serving hot meals to Houston's homeless, quickly expanding to offer a broad range of services and support. Nearly three decades later, Bread of Life continues to aid underserved communities in Houston through programs on homelessness, health, hunger relief, and their community radio station KMAZ The Amazing 102.5 FM. www.breadoflifeinc.org

Artistic rendering of the Knowles-Rowland House under construction in Houston, TX



KNOWLES-ROWLAND HOUSE UNDER CONSTRUCTION IN HOUSTON, TX



APPENDIX

More About Allivate Impact Capital and the Woodforest CEI-Boulos Opportunity Fund

The creation of Allivate Impact Capital demonstrates Woodforest's culture of entrepreneurship and searching for and incubating innovative opportunities to increase its return on impact given its limited capital. Our employees are always striving to create greater impact leverage from our available resources, including those of our great community partners. With the creation of Allivate Impact Capital we are intentionally scaling our Community Reinvestment Act goals beyond what we can do with Woodforest's balance sheet capital alone by mobilizing additional capital from like-minded investors to create lasting changes for low-income individuals and communities.

AIC's team is comprised of leaders in the Community Development (CD) industry who have experience with the Community Reinvestment Act (CRA) through our joint roles at WNB and AIC. Deemed a leader in CD by banking regulators for having created innovative and highly responsive CD financing activity, our team brings seasoned industry experience. We see tremendous opportunity to use this experience to seed our innovative award-winning fund concepts and scale them through raising capital from like-minded investors. Our funds are catalytic and transform the narrative of low-income communities.

In less than a year, a dedicated and small group of Woodforest employees developed, created, and launched its own impact investing firm in addition to their regular full-time, leadership banking positions. The team also launched two successful funds making a positive social impact, brought together several community partners, like-minded investors dedicated to supporting these efforts, and the results continue to be positive.

We are intentional about engaging communities to understand their long-term vision. We seek opportunities to combine tools from private, public, and nonprofit partners to yield results that would not be possible without such intentional collaboration. As a female led firm with a diverse management team, we believe diversity of perspectives leads to improved performance.

We see the growing demand for impact investing, and the market opportunity. We do not view CRA requirements as a "check the box" obligation but a strategic business line meeting the needs of communities around the country. Woodforest invests time, human resources, and significant financial capital to this line of work.

Woodforest National Bank made a \$26 million seed investment in the AIC CEI-Boulos Opportunity Fund powered by an innovative collaboration between Allivate Impact Capital and CEI-Boulos Capital Management. This team also launched the Woodforest CEI-Boulos Opportunity Fund (\$50.1 million fund) which invests in high impact commercial real estate projects in qualified Opportunity Zones. Targeted projects include creating good jobs, affordable and workforce housing, environmentally sustainable focused real estate developments, Main Street revitalization or historic preservation developments, or developments serving nonprofit organizations.

The AIC CEI-Boulos Opportunity Fund (and its predecessor Woodforest CEI-Boulos Opportunity Fund) demonstrates industry leadership and intentionality around operationalizing impact goals. While there has been some negative backlash regarding the lack of impact "guardrails" in the Opportunity Zone program, our funds provide a counter-narrative of how OZ investing can be done in a way that maximizes benefits for low-income communities. We adopted the Opportunity Zone Impact Reporting framework developed by the Federal Reserve Bank of New York, Beeck Center at Georgetown University, and US Impact Investing Alliance. We also appointed an expert Social Impact Advisory Board to oversee our work and ensure investments align with stated impact goals of the funds.