One Truth for Making Change Successful

We took a look at a recent article in *Entrepreneur* magazine that gave readers 10 truths about making change successful. It was written by a former CFO and nonprofit board member, now the CEO of a privately held start-up.

We picked out our favorite truth.

**Listen.**

“You need to listen to the people who are making the change, and listen to the people affected by the change. That doesn’t mean you value all feedback equally, or give the people who are complaining more time. But look hard for the useful nuggets in what people tell you, and plow them back into your plans.”

Too often, leaders do a lot of talking, implement a change and then expect the team to follow along — never checking to see if the team even understands the reason for the change or their ultimate role in adopting it.

Active listening is a skill that the best leaders engage to really hear what is being said (or not said). The next time your organization or business is planning a small or large change, think about who will be affected, and make sure to “hear” what they think. Also, give them some time for feedback. You will likely hear some brilliant insight for making changes that are justified, improved and lasting.

Let us know which truths you liked from the article, and how you are implementing it in your life or business.
A three-year pilot program is underway that is designed to help California affordable housing developers receive higher equity pricing for state credits and raise more money for their projects. The program allows certification of state Low Income Housing Tax Credits (LIHTCs) in California. Developers can sell the credits separately from federal LIHTCs and receive at least 80 cents per dollar of credit — a 23 percent increase in equity from the previous averages of 65 to 75 cents per dollar of credit.

Another round of reservations will occur this year, and it’s likely the success in selling the first round to investors will influence whether other developers will consider certification of credits for their future projects. The uncertainty around tax reform is another question mark with regard to whether investors will view LIHTCs (state or federal) as a less attractive investment — and therefore offer lower prices for allocated LIHTCs while avoiding the certificated credits program.

Granted, these certificated state tax credits are treated like personal property by the IRS rather than redeemable for cash. Unlike investment in “allocated” credits, which result in a limited partnership stake and a reduction of state tax deduction on the federal tax return, the certificated credits do not result in an ownership interest and also allow investors to deduct their full amount of state taxes in determining their federal tax liability.

The new state law allows initial investors to resell the credits one additional time.

Certificated credits may be an attractive option for developers that want to raise equity without selling multiple ownership interests in certain projects.

There are currently limits on the number of certificated credits available and also restrictions on who can invest in them. California has an annual state credit ceiling of about $94 million. For 2017, five developers received reservations for certificated state credits for their projects, totaling about $30 million. Developers must elect to certificate upfront when applying for credits for their project, and the choice is irrevocable. Under the program, only investors who have previously purchased LIHTCs (federal or state) are eligible to purchase certificated LIHTCs.

If your organization is interested in how certificated state LIHTC credits could reduce funding gaps for your planned projects — and which projects make sense to reserve certificated state tax credits — talk to the affordable housing tax group at LvHJ. We also work with affordable housing development limited partners on tax planning regarding their LIHTC investments.

Sources: CHPC, Affordable Housing Finance
You’ve probably heard it before: People don’t give to causes — they give to those asking on behalf of a cause. That’s why a personal appeal continues to be such a powerful not-for-profit fundraising tool. In fact, requests from friends or family members typically drive most charitable donations. By appealing to their networks, board members can be particularly effective fundraisers.

4 strategies

Here are some time-tested strategies for improving the effectiveness of your board’s outreach:

1. Humanize the appeal. Say that your charity raises money for cancer treatment. If board members have been impacted by the disease, they might want to relate their personal experiences as a means of illustrating why they support the organization’s work.

2. Emphasize benefits. Even when appealing to potential donors’ philanthropic instincts, it’s important to mention other possible benefits. For example, if your organization is trying to encourage local business owners to attend a charity event, board members should promote the event’s networking opportunities and public recognition (if applicable).

3. Meet face-to-face. Letters and email can help save time, but face-to-face appeals are more effective. This is especially true if your nonprofit offers donors something in exchange for their attention. For instance, they’re more likely to be swayed at a coffee hour or cocktail gathering hosted by a board member.

4. Present a wish list. Your organization should provide board members with a wish list of specific items or services needed. They can offer supporters the opportunity to donate a purchased item or make an in-kind donation.

Never-ending challenge

Fundraising is a never-ending challenge for most nonprofits. Contact us for more information on effective fundraising strategies.
LvHJ Blog

We recently launched a blog on the LvHJ website. You can expect bi-weekly blog posts – often with not-for-profit subject matters. Add us to your bookmarks to stay up-to-date! Have a topic you’d like to see covered? Let us know! Fill out this form and we’ll try to include your idea in future blog posts.

LvHJ Wins “Firm of the Year” Award

We were honored to accept this award in June at the BKR International Americas Regional Meeting. The award is based on overall results from the annual Americas Region survey. Pictured: Scott Bates from Cornwell Jackson; LvHJ Partners Charlotte Tay and Cathy Hwang.

Social Media

We are active on Facebook and LinkedIn. You will find a behind-the-scenes look at firm life, anecdotal insights and more. Be sure to like our Facebook page and follow us and LinkedIn.