

# The Manna Capstone Fund

*Giving Dreams a Place to Call Home*

To increase affordable housing production, Manna seeks investment loans and gifts to its Capstone Fund. The fund has more than \$2.6 million in working capital used by Manna to help acquire properties and provide interim financing for the development of affordable housing. Upon sale of a property to a low or moderate-income purchaser, Capstone money revolves back into the fund for continued use.

Investments made in Manna's Capstone Fund are below market rate loans or gifts, so Manna does not have to borrow funds from conventional lending institutions at higher interest rates. Investors are asked to invest a minimum of \$1,000 for one year and to select an interest rate between 0-3%, simple interest, computed and paid quarterly.

Typically, Capstone funds are used for acquisition and pre-development financing. The terms governing when and how long Capstone monies are invested in these projects are dependent on a variety of factors. In general, the time from acquisition of a property to settlement is about one year for a single-family house and two to four years for a multi-unit building.



Gwendolyn Mathis, Manna homeowner at Madeline Gardens, signs settlement papers in September 2008.

Approximately 5-15% of a project is financed with Capstone monies, though at times the Capstone Fund will finance up to 100% of a project until institutional financing is secured. There are nearly 60 individuals, religious groups and foundations that have money invested in Manna's Capstone Fund.



## Some specific organizational benefits include:

- Saving money by reducing interest costs.
- Ready availability—enhancing efficiency and flexibility in the production of housing, enabling Manna to quickly acquire sites while they are available.
- Facilitating Manna's ability to leverage a greater amount of institutional financing.

All of these benefits enhance Manna's ability to produce a large quantity of low-cost, high-quality housing for DC's hard-working, low and moderate-income residents. Manna invests the Capstone Fund in its own projects and in projects where it partners with other organizations.

*"This is an opportunity for doing well while doing good since CD rates are so low elsewhere."*

**Tom and Julie Cooke, Manna Volunteers and Capstone Lenders since 2001.**





## “Doing Well by Doing Good.”

### Capstone Fund Guidelines

Investments made in Manna’s Capstone Fund are below market rate loans or gifts so that Manna does not have to borrow funds from conventional lending institutions at higher interest rates. Investors are asked to invest a minimum of \$1,000 for one year and to choose an interest rate from 0-3%, simple interest computed quarterly. Interest payments are made in the first week of each new quarter (January, April, July and October) for the previous quarter.

*The Capstone Fund is important in helping Manna carry out its mission of developing affordable housing.*

### About Manna, Inc.

Manna is a nonprofit developer of quality, affordable housing in the District of Columbia. In its twenty-eight year history, Manna has been involved in a wide range of housing projects, producing over 1,000 homes. Our organization has developed townhouses, condominiums, cooperatives, and the occasional single family home. We currently develop more affordable condominiums than any other nonprofit developer in the District. Our mission is not one of simply building and selling houses. We focus on revitalizing entire neighborhoods through homeownership. Manna’s strategy also includes educating first time homebuyers for the process of home purchase and for continued success as homeowners. We also train homeowners and their neighbors throughout the city to become community leaders. Over the past twenty-eight years, production capacity has grown from one unit a year to 35-70 units per year. Average sales prices for most Manna homes currently range from \$109,000- \$265,000.

*“It’s to Manna’s credit that they not only make Capstone Funds available to home buyers but its been extremely reliable for the investors—even though it has not always been good times.”*

**Phyllis Lieberman, Bethesda, MD**  
 Member, Adas Israel Congregation

## Team Up with Manna

The Capstone Fund, Manna’s revolving loan fund, provides working capital for Manna projects and is a critical tool in enabling Manna to produce high quality affordable housing.

### Key Fund Information:

#### Fund Assets:

\$2.6 million (as of 8/2010)

#### Range of Loans in Fund:

\$1,000- \$500,000

#### Examples of Capstone Lenders:

- The Calvert Foundation
- Mr. & Mrs. Thomas Cooke
- The Episcopal Diocese of Iowa
- The Seton Enablement Fund

**To participate in the Capstone Fund or for more information about Manna, please contact:**

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