

Beyond the Grant

Diversifying Revenue to Grow Mission and Margin

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What is your organization's
single biggest revenue source
right now?

CDBG / HOME grants

Developer fees

Fees for service

Private philanthropy

Tax credit equity

Other earned revenue

Drop your answer in the chat!

The Ground Has Shifted

What the 2025-26 federal landscape means for Texas CDCs

\$3.3B

Proposed CDBG
funding cuts

\$1.3B

Proposed HOME
funding cuts

~1 in 3

Nonprofits facing
program cuts or closure

\$49B+

Federal grant
terminations since 2025

The Real Obstacle Isn't Ideas

It's Culture

Most organizations don't lack ideas for new revenue. They lack permission.

"But is this really our mission?"

"We're putting up a barrier to access."

"We can't make money on this -- that's not who we are."

Weaponizing the mission: using purpose to block thinking about sustainability.

Let's Be Honest

**Without the money,
there is no mission.**

- Chasing 100% grant dependency is its own risk.
- Earned revenue is not selling out -- it is building in.
- The mission survives when the organization survives.

**DIVERSIFIED REVENUE
=
MISSION RESILIENCE**

Mission, Vision, and Values as Your Filter

Every revenue opportunity should pass three questions:

1

Does this align with or extend
what we stand for?

2

Does this leverage something
we uniquely have?

3

Can we do it
with integrity?

If an opportunity cannot pass all three, it is a distraction -- not a strategy.

The Revenue Model

A resilient CDC has multiple streams feeding multiple buckets

EARNED	ENDOWMENT	GOVERNMENT	PHILANTHROPY
Developer fees	Restricted reserves	CDBG / HOME grants	Foundation grants
Construction oversight	Quasi-endowment	LIHTC equity	Individual donors
Property management	Investment income	Federal programs	Corporate sponsors
Homebuyer education	CDFI capitalization	State housing funds	CRA-motivated gifts
Credit counseling	Loan fund returns	City/county contracts	Capacity-build grants
Financial coaching	Program-related invest.	HUD programs	Challenge grants

The question is not which bucket -- it is how to grow them all, deliberately and on your terms.

Four Revenue Strategies

Built on what CDCs already have

1 Scale What You Already Do

2 Turn Assets Into Income

3 Export Your Expertise

4 Fee-for-Service Programs

STRATEGY 1

Scale What You Already Do

If you do it for free, could you charge for it? If you charge, could you serve more?

Homebuyer Education

LOW LIFT

Already HUD-certified. Add fee tiers for private-pay clients above income threshold. Partner with lenders who will pay per-referral.

Property Management

MEDIUM

Staff already managing your own units. Add 3rd-party management contracts for small landlords or faith communities at a fee. Incremental margin on existing expertise.

Construction Oversight

MEDIUM

Your rehab managers have skills that small contractors, community land trusts, and faith-based developers will pay for. Owner's rep or construction management for hire.

STRATEGY 2

Turn Assets Into Income

What do you own or control that has untapped earning potential?

Real estate you own
or control

Parking, storage,
or land leases

Community space
or meeting rooms

Staff time and
skilled labor

In Practice

Anchorage Community Land Trust — Mountain View, AK

Acquired nine commercial properties in one of Anchorage's lowest-income neighborhoods using private capital. Tenants include Credit Union 1 -- the first financial institution in the neighborhood in over 20 years -- plus nonprofits, artist studios, and an urban farm. Long-term ground leases keep properties community-controlled while generating steady lease income that funds ongoing operations

.The model: Own the land. Lease to mission-aligned tenants. Generate income that doesn't depend on a grant cycle.

*The asset was always there.
The question was whether to
activate it.*

STRATEGY 3

Export Your Expertise

Your knowledge has value beyond your service area -- and others will pay for it.

Affordable Housing Developer -- Texas

Developed a replicable single-family infill model over 12 years. Now licenses the playbook -- pre-development templates, contractor vetting process, city interface protocols -- to CDCs in three other Texas metros.

\$120K in licensing + consulting fees last year.

Housing Counseling Agency -- Southeast

Built an in-house training curriculum for HUD housing counselors. Now offers it as a credentialed course to other agencies at \$350/participant, running 6 cohorts per year.

\$180K in training revenue; negligible marginal cost.

STRATEGY 4

Fee-for-Service Programs

Deliver services people pay for -- and that advance your mission in doing so.

Credit Counseling

Certified counselors, sliding scale fees, employer partnerships for pre-purchase or financial wellness.

Small Business Development

Microenterprise support, business plan development, SBDC partnerships -- fee-for-service plus contract revenue.

Financial Literacy

Workplace programs sold to employers and banks fulfilling CRA commitments. \$150-\$400/session.

Workforce & Job Readiness

Resume, digital skills, benefits navigation -- employer-paid or training vouchers from WIA/WIOA partners.

Making It Real:

Pricing, Policy, and Culture

Price for full cost.

Calculate what a service actually costs -- staff time, overhead, management -- and charge enough to cover it. Below-cost pricing is a hidden subsidy that undermines sustainability.

Write the policy before you get the client.

What is your sliding scale? Your scholarship policy? Your criteria for pro bono work? Decisions made ad hoc under pressure lead to inequitable outcomes and mission drift.

Get your board and staff aligned.

Earned revenue will fail if leaders undermine it every time a client pushes back. Build shared language: charging is not extracting -- it is sustaining the mission for everyone.

Readiness Self-Assessment

Six questions to ask before launching a new revenue stream

1

Do we have clear board support for earning revenue -- in writing?

2

Have we done full-cost analysis for the proposed service?

3

Do we have or can we develop the capacity to deliver consistently?

4

Have we tested willingness to pay with even 3-5 potential clients?

5

Do we have a pricing policy and a scholarship/sliding-scale policy?

6

Can we track this revenue stream separately from grant funds?

If you cannot answer yes to at least four of these, build those capabilities first.

What a Resilient Revenue Base Looks Like

Four characteristics of financially durable CDCs

DIVERSIFIED	No single source exceeds 40% of revenue Because when any one source contracts -- and it will -- the organization does not contract with it.
EARNED	At least 20-30% of revenue from direct service fees Because earned revenue is unrestricted, flexible, and not contingent on a funder's priorities.
MISSION-ANCHORED	Every revenue stream passes the three-filter test Because growth that drifts from mission eventually hollows the organization out.
TRACKED & MANAGED	Each stream has a budget, a target, and a responsible person Because what gets measured gets managed -- and revenue goals need owners, not just intentions.

Five Things to Take Home

- 1 The funding ground has shifted. Waiting for it to shift back is not a strategy.
- 2 The real obstacle is cultural. Get your board and leadership aligned on earned revenue first.
- 3 Use your mission as a filter, not a veto. If it passes the three questions, pursue it.
- 4 Start with what you already have: your programs, your assets, your expertise.
- 5 Full-cost pricing is not a compromise -- it is respect for your mission's future.

HOW WE PAID FOR IT

Public/Private Partnership

CONSTRUCTION SOURCES

State Office of Community Development (CDBG)		\$3,851,721
New Orleans Redevelopment Authority		\$1,000,000
State New Markets Tax Credit Equity		\$1,225,000
Federal New Markets Tax Credit Equity		\$495,721
Federal Historic Tax Credit Equity		\$888,867
State Historic Tax Credit Equity		\$1,531,607
Deferred Developer Fee		\$604,486
Investor Equity (Friends & Family)		\$813,936
TOTAL		\$10,411,338

EXHIBIT FUNDING

Tulane University Special
Collections

DONATIONS

National Trust for Historic
Preservation

GRANT

New Orleans Tourism and
Cultural Fund

GRANT

Questions?

Patrick Larkin

patrick@expertiseinresults.com

Strategic planning, financial sustainability,
and organizational effectiveness
for nonprofits, businesses, and government agencies.



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To get us started...

What revenue strategy resonates most with where your organization is right now?

Where have you run into the culture barrier -- and how did you navigate it?

What is one thing you will bring back to your team from today?