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## Fundraising and Fund Structures: How Habitat for Humanity Considers Venture Capital Tools to Pursue its Charitable Mission

In early 2020—shortly before he had any reason to believe the global COVID-19 pandemic would affect so many areas of life, including nonprofit fundraising—Patrick Kelley, global vice president of the Terwilliger Center for Innovation in Shelter, was leading a team of program professionals at Habitat for Humanity (Habitat) in considering how to make social impact dollars go the furthest. In particular, he set out to learn how the team could scale its in-house donation-based impact fund, the Shelter Venture Fund (SVF), and draw investors beyond philanthropists to help effectuate Habitat’s social mission and prove the fund’s financial viability. In short, should he scale SVF by going back to donative capital or by raising private money in a fund?

### Background

The concept of “partnership housing” that later became the Habitat organization sprouted in a community farm outside Americus, Georgia, through the efforts of farmer and biblical scholar Clarence Jordan. Partnership housing focused on those in need of adequate shelter working side by side with volunteers to build decent, affordable houses, at no profit. House payments made by new homeowners were combined with zero-interest loans provided by supporters and money earned by fundraising to create “The Fund for Humanity,” which was then used to help pay for the construction of more homes. In 1976, this concept was solidified when Habitat for Humanity International was formed.<sup>1</sup> The organization grew to become well-known worldwide.

Habitat launched the Terwilliger Center for Innovation in Shelter in 2016 in order to facilitate markets to work better to serve the housing needs of low-income people. As a division of Habitat, the Terwilliger Center operated globally with a staff of over 70 people who worked across Latin America, Asia, Europe, the Middle East, Africa, and the United States.<sup>2</sup> J. Ronald Terwilliger was chairman of the advisory board that oversaw the center’s work. He and other donors, including foundations, funded the center.

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