

NMHC Industry Framework for Racial Equity and Economic Inclusion

NMHC's Diversity, Equity and Inclusion (DEI) Initiative is a long-term commitment to promote diversity, equity and inclusion as a business imperative key to innovation and success. NMHC highlights best practices, provides resources and leverages strategic alliances to help our members create diverse, equitable and inclusive organizations where talent and the communities they build will thrive.

The NMHC Racial Equity Taskforce, which convened in July 2020, has produced an Industry Framework to advance economic inclusion for commercial real estate professionals of color, both within NMHC member organizations and across the multifamily sector. The Industry Framework recommends that firms adopt a DEI Business Plan and presents specific recommendations in the areas of supplier diversity in discretionary spending, access to capital and credit, and practices for hiring, developing, retaining and promoting people of color, from early career professionals to the C-Suite and Boards. The Taskforce emphasizes that firms incorporate measurement, goals and accountability in their DEI Business Plan to encourage meaningful progress over time.

We recognize the essential role of partnership in accomplishing DEI goals. A shared commitment and collaborative action are key to progress. In addition to recommending specific actions for industry firms, this Framework includes NMHC's commitment to action in the near and long terms. NMHC is offering a two-year complimentary Advisory Committee level membership to self-identified gender diverse and minority-owned apartment firms and industry suppliers and, in the case of certain 501(c)(3) nonprofits, those which represent or prioritize the interests of such underrepresented groups. For those firms that are currently Advisory Committee level members, NMHC will offer a Board of Directors level membership discounted by the price of an Advisory Committee level membership.

Questions about NMHC's DEI Initiative and the Industry Framework for Racial Equity and Economic Inclusion may be directed to [Betsy Feigin Befus](#), NMHC's General Counsel and Senior Vice President for Strategic Initiatives.

Supplier Diversity and Discretionary Spending

Goal: Expand economic inclusion by hiring and partnering with minority-owned companies and those with racially diverse leadership.

Stakeholders/Targets: Multifamily firms; suppliers/vendors; brokers; professional service providers; associations and other organizations that represent and promote diverse CRE professionals and/or minority-owned firms; databases and platform hosts that highlight minority-owned firms.

Recommended Industry Actions:

- Measure your firm's current level of spend, procurement, investment and partnership with minority-owned and minority-led firms. Set goals, track metrics and strengthen data transparency.
- Identify opportunities to hire and invest in minority-owned firms and firms with diverse leadership.

- Leverage existing platforms, organizations, and governmental entities to efficiently connect with diverse firms.
- Support and partner with organizations and professional associations that promote the interests of diverse commercial real estate professionals. Examples include the Real Estate Executive Council (REEC), the Real Estate Association for Latinx Professionals (REAL), and the Real Estate Associate Program (REAP).
- Support and promote minority-owned businesses by encouraging multifamily purchasers to provide access to capital and credit, mentoring, assistance with insurance providers, credentialing requirements, bonding, etc. Facilitate increased industry access for minority-owned firms through education about the value of participating with industry groups.
- Pilot an economic empowerment program for contractors and residents who work in construction, landscaping, or other service area who wish to expand their businesses, or apprentice/start their own business, under a diverse supplier support program.

NMHC Commitments and Actions:

- Broaden the industry marketplace and facilitate greater access to NMHC for minority-owned firms by making NMHC's membership and participation policies more accessible and inclusive.
- Strengthen and expand partnerships with organizations and professional associations that promote the interests of diverse commercial real estate professionals, including efforts specific to supplier diversity.
- Collaborate with CRE associations that champion DEI across industry sectors.

Access to Capital and Credit

Goal: Expand access to capital and credit for firms owned by CRE professionals of color.

Stakeholders/Targets: Minority-owned investment managers and developers, banks, pension funds and fund consultants, Fannie Mae, Freddie Mac, majority-owned larger firms and REITS; governmental bodies; companies with commitments to DEI.

Recommended Industry Actions:

- Codify racial equity in investment policies, including capital allocations to investments with racial equity goals and investments with minority-owned and/or minority-led entities.
- Mentor and partner with smaller and emerging minority-owned firms. Extend credit to minority-owned firms including loans, working capital lines, etc. Mentor minority-owned lending platforms through partnerships with larger lending firms. Facilitate partnerships to form GP guarantee fund.
- Create a pilot incubator program to encourage entrepreneurship and provide necessary best practices and infrastructure to emerging firms, including capital, a balance sheet, back office functions, property management services, talent management, credentialing, etc. to build a track record and industry network.

NMHC Commitments and Actions:

- Convene a targeted forum for minority-owned firms and potential partners/investors to facilitate connections.

- Highlight lenders and investors that partner with diverse firms and demonstrate an openness to diverse strategies and teams.
- Present information to the industry on racial equity investing.
- Work with institutions including lenders, foundations, endowments, corporate and public pension funds and other CRE stakeholders to provide balance sheet support to minority owners, operators, developers and fund managers in favor of debt originators for acquisition, construction, and permanent financing.
- Produce a Housing Equity Toolkit covering best practices to support racial and housing equity in development, construction and property operations, and providing guidance to improve economic inclusion in communities across the country.

Talent Ecosystem

Goal: Increase the number of CRE professionals of color in senior leadership positions and throughout organizations.

Stakeholders/Targets: apartment firm leadership; apartment firm middle management; human resources and hiring managers; diverse talent at all career stages, including pre-career (high school/college); associations and other organizations that represent and promote diverse CRE professionals; academic institutions; D&I consultants; recruiters.

Recommended Industry Actions:

- Establish or review your existing enterprise strategy to ensure talent-related DEI priorities are integrated at all levels of the organization.
- Establish or strengthen your organizational measurement model and goals to ensure accountability through transparency and encourage progress.
- Conduct an organizational self-audit to benchmark diversity and set specific goals for positions throughout the organization. For example, assess diversity at the site level, entry corporate/regional level, midlevel management, senior leaders, c-suite and boards.
- Implement inclusive recruitment, retention and development/succession planning efforts for mid- to senior-level positions.
- Provide mentoring and sponsorship to diverse talent through all career stages.
- Develop pathways that provide diverse talent opportunities to transition from property level to the corporate side and/or move between corporate functions.
- Leverage efficiencies in reaching high school and college students, and early career professionals of color, to educate them about the industry and its career opportunities. Participate in and/or support pipeline programs such as Future Housing Leaders, REEX Summer Program, REAP, and Management Leadership for Tomorrow.
- Review college recruiting programs to broaden your network and more effectively identify and strengthen connections with diverse students and alumni.
- Connect hiring managers with sources of diverse talent. Review and strengthen expectations for expanding your firm's recruiting network through relationships with organizations and professional associations that promote the interests of diverse commercial real estate professionals at all career levels.

NMHC Commitments and Actions:

- Provide a toolkit with best practices and actional resources for implementing/expanding/integrating diversity, equity and inclusion into all facets of a company's culture and operations.

- Facilitate greater access to NMHC for minority-owned firms by making NMHC's membership and participation policies more inclusive.
- Present diverse speakers during NMHC events. Establish specific goals to work toward: Panels – minimum 50 percent people of color and gender diverse speakers; paid presenters – minimum 50 percent people of color and gender diverse speakers; overall events – minimum 50 percent people of color and gender diverse speakers.
- Measure member demographics.
- Promote NMHC leadership pathways including volunteer leadership opportunities such as committee participation.
- Conduct an industry survey to measure the prevalence of various organizational DEI best practices.
- Support engagement opportunities for diverse high school and college students, and early career professionals of color to educate them about the industry and its career opportunities. Support pipeline programs such as Future Housing Leaders, REEX Summer Program, REAP, and Management Leadership for Tomorrow.
- Support and expand partnerships with organizations and professional associations that promote the interests of diverse commercial real estate professionals.
- Collaborate with CRE associations that champion DEI across industry sectors.

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