



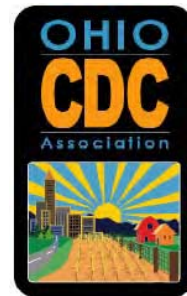
# Strategic Planning for Housing Production

December 16 & 17, 2008  
Columbus, Ohio

Presented by Capital Access, Inc.



## Brought to You by the Ohio CDC Association



### Sponsored by:



Department of  
Development



**Charter One**  
Not your typical bank.®

Office of Housing and Community Partnerships  
CDC Grant Program of the Ohio Housing Trust Fund



# Agenda Day 1

9:00 am	Introductions
9:30 am	Planning Tools For Housing Organizations
9:45 am	Overview of the Strategic Planning Process
10:00 am	Mission, Vision & Guiding Principles
10:45 am	Break
11:00 am	Developing Your Guiding Principles
11:30 am	<i>What You Do Best: Internal &amp; External Assessment</i>
Noon	Lunch
1:00 am	Developing Your Strategic Direction
2:30 pm	<i>What You Do Best: Core Products &amp; Services</i>
3:15 pm	Break
3:30 pm	Case Study: Loyola Development Corporation
4:15 pm	Homework: Strategic Direction, Core Products & Services
4:30 pm	Adjourn



# Agenda Day 2

9:00 am	Welcome Back
9:15 am	Presentation of Homework
10:15 am	Housing Production Goals
10:45 am	Break
11:00 am	<i>Paying for it All: Budgeting for Operations &amp; Projects</i>
Noon	Lunch
1:00 pm	Case Study: Loyola Development Corporation
2:00 pm	<i>Paying for it All: Funding &amp; Financing</i>
2:30 pm	Break
2:45 pm	<i>Roles: Who Does What?</i>
3:30 pm	Organizational Development Priorities
4:00 pm	Guide to Electronic Documents on CDs
4:15 pm	Evaluations & Adjourn



# Elements of a Strategic Plan

<i>Our Aim:</i>	Mission, Vision, Guiding Principles & Strategic Direction
<i>Whom We Seek to Serve:</i>	Target Geographies & Markets
<i>What We Do:</i>	Housing Programs, Products & Services
<i>What We'll Accomplish:</i>	Housing Production Goals for the Next 3-5 Years
<i>Paying for it All:</i>	Funding & Financing for Operations & Projects
<i>Who Does What:</i>	Role of the Board & Staff in Making it Happen



# Elements of a Strategic Plan

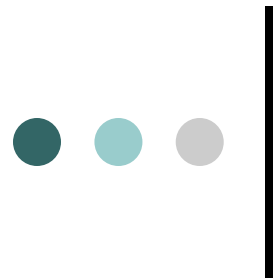
1. Mission & Vision
2. Guiding Principles
3. Strategic Direction
4. Target Markets
5. Range of Products & Services
6. Production Goals
7. Funding & Financing
8. Roles: Who Does What?
9. Organizational Development Priorities



# Case Study



- Overall Mission: **To help people discover and develop their capacities, gain access to resources and engage in civic activity that advance the well-being of the entire community.**
- CGN equips residents with training & resources needed to improve their neighborhoods. CGN helps residents create a vision, develop a plan, and work together to implement it.
- The results of this work may include:
  - New/renovated housing
  - Parks & greenspace
  - Crime prevention
  - Improved public schools
  - Youth initiatives
  - Public art
  - Social and cultural events
  - Revitalized business districts
  - Coordinated services



## 1a) Mission

- Defines the overall purpose of your org.
- Should clearly distinguish your org. from others
- Should include
  - beneficiaries (for whom)
  - geography (where)
  - services (what)
- Should be short & memorable: does it pass the “cocktail party” test?

EXAMPLE:  
CGN

## CGN Housing Mission

CGN works to build great neighborhoods and increase the long-term viability of Covington's real estate market through high quality housing development, making Covington a place where residents are proud to live.



## 1b) Vision

- Describes goals motivating the organization
- Describes where the organization is headed
- Should be a compelling, vivid description of the organization's future success
- Can have both an internal & an external goal.
  - External Vision: Defines how the environment where and/or with whom you work will be improved as a result of your efforts.
  - Internal Vision: Describes what your org. will look like and will have accomplished after implementing the Strategic Plan.
- ***In five years because of your work...***



## 2) Guiding Principles

- **Broad, brief statements of belief** that shape the criteria by which the Board, staff and volunteers can judge whether or not the stated visions, plans, actions and outcomes are right for the organization.
- The Building Blocks of why people work for and support the organization.

EXAMPLE:  
CGN

## CGN's Guiding Principles

- Covington's vitality requires a balance between strong economic activity, progressive & responsive government, and improving residential quality of life—making our neighborhoods places people choose to live in rather than end up living in.
- Residents need to be actively involved in shaping the future of their neighborhood and city. The role of residents is as PARTNER in this process, not simply a recipient of services.
- Residents must have a vision, understand what they bring to the table, be willing to work for what they want, and invest their own resources (time, energy, money).
- CGN is committed to the active involvement of residents in setting goals, implementing projects and evaluating success.

EXAMPLE:  
CGN

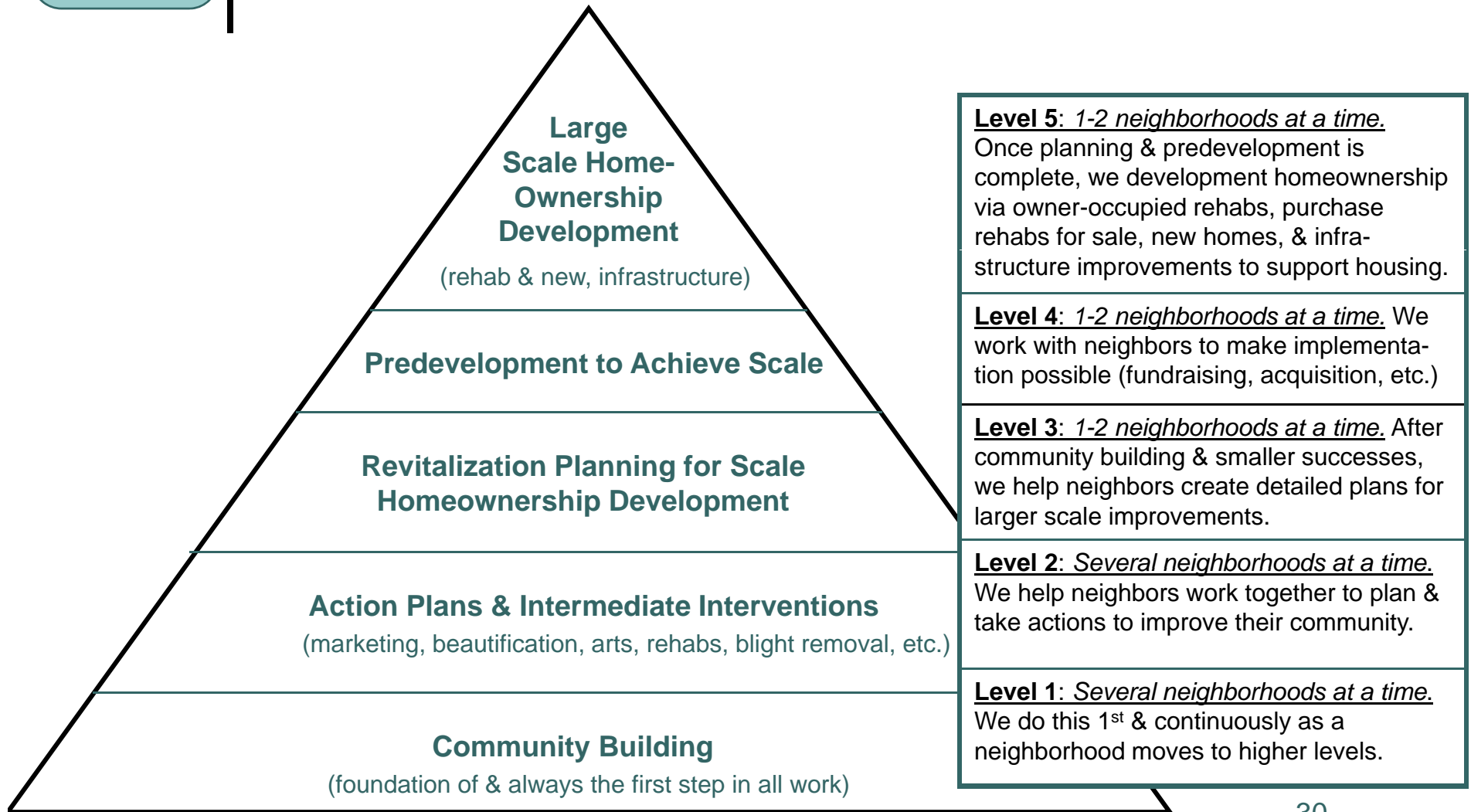
# CGN Development Principles

## Our Housing Projects Will:

- Further neighborhood revitalization.
- Be located in neighborhoods where we are actively involved with residents.
- Be aligned with residents' vision and neighborhood revitalization plans.
- Serve our target markets.
- Utilize subsidy as needed to serve a range of incomes but not to the disservice of housing markets.
- Focus on homeownership. Rental projects will be considered when it serves revitalization and is supported by neighbors.

EXAMPLE:  
CGN

# CGN's Approach to Neighborhoods





## 3) Strategic Direction

- Assessment process, review of Mission, Vision, & Guiding Principles should lead org. to its Strategic Direction
- Reflects new policies & provides foundation for new products and/or programs. These are a few statements illuminating how the Vision will be realized.
- Should focus more on process improvements rather than radical new products & services.

EXAMPLE:  
CGN

## CGN Statements of Strategic Direction

1. Our housing efforts will be targeted at fostering neighborhood revitalization in neighborhoods where we are actively involved with residents.
2. We will be the developer of record for homeownership production in Austinburg and in neighborhoods that have revitalization plans.
3. We will facilitate and support neighborhood improvement projects—housing, commercial, infrastructure, parks—in target neighborhoods with revitalization plans.

EXAMPLE:  
CGN

## CGN Statements of Strategic Direction (*con't*)

4. We will be the initiator of neighborhood revitalization planning processes in other Covington neighborhoods - leading to new housing production and neighborhood improvement projects.
5. We will develop staff capacity to be the premier home ownership production developer in Covington with the ability to manage multiple projects.
6. We will capitalize a *Homeownership Investment Fund* to develop projects of scale.



## 4) Whom do You Seek to Serve?

- Target Geography
- Target Population(s)
- Target Market Segments
- Unmet Need/Demand
- What housing products will best serve your target markets?

EXAMPLE:  
CGN

# CGN Target Markets

- 1. Seniors with modest/low incomes who are “aging in place,” cannot or do not wish to maintain a single family home, and want to stay in Covington and/or in their neighborhood.**

<u>Housing Type to be Developed:</u>	Affordable Rental Housing
<u>Target Income Ranges:</u>	0% - 60% Area Median Income (AMI) Or \$0 to \$27,400 Household Income
<u>Price Points:</u>	Assisted Rent to \$500/month

- 2. First-time homebuyer families with modest/middle incomes who might consider living in Covington if they could get a great home at a great price.**

<u>Housing Type to be Developed:</u>	New & Rehabbed Homes 3 BR 2.5 BA, some yard Off-street parking
<u>Target Income Ranges:</u>	60% - 110% AMI; \$35K - \$71K Household Income
<u>Price Points:</u>	\$700 - \$1400 in total mortgage costs \$110,000 - \$200,000 in home sales prices

EXAMPLE:  
CGN

## CGN Target Markets

### 3. Professionals in their late 20s & in 30s looking to own but desiring moderately price homes.

Housing Type to be Developed:

“Funky” or Design-Friendly New Homes  
Rehabbed older SF homes w/ Historic Features  
Condominiums & Townhomes  
2-3 BR 1.5-2 BA  
Home office. Off-street parking

Target Income Ranges:

70% - 150% AMI; \$32K - \$69K Household Income

Price Points:

\$750 to \$1600 in monthly mortgage costs  
\$120,000 to \$240,000 in home sales price

### 4. Lower-Income Members of the “Creative Class” in their late 20s & in 30s who are artists, self-employed, etc., and in need of affordable housing.

Housing Type to be Developed:

Stripped-Down but Functional Loft Apartments  
Live & Work Space  
Focus on Price & Design  
0-1 BR, 1 BA

Target Income Ranges:

30% - 70% AMI; \$14K - \$30K Household Income

Price Points:

\$350 to \$650 in monthly rent

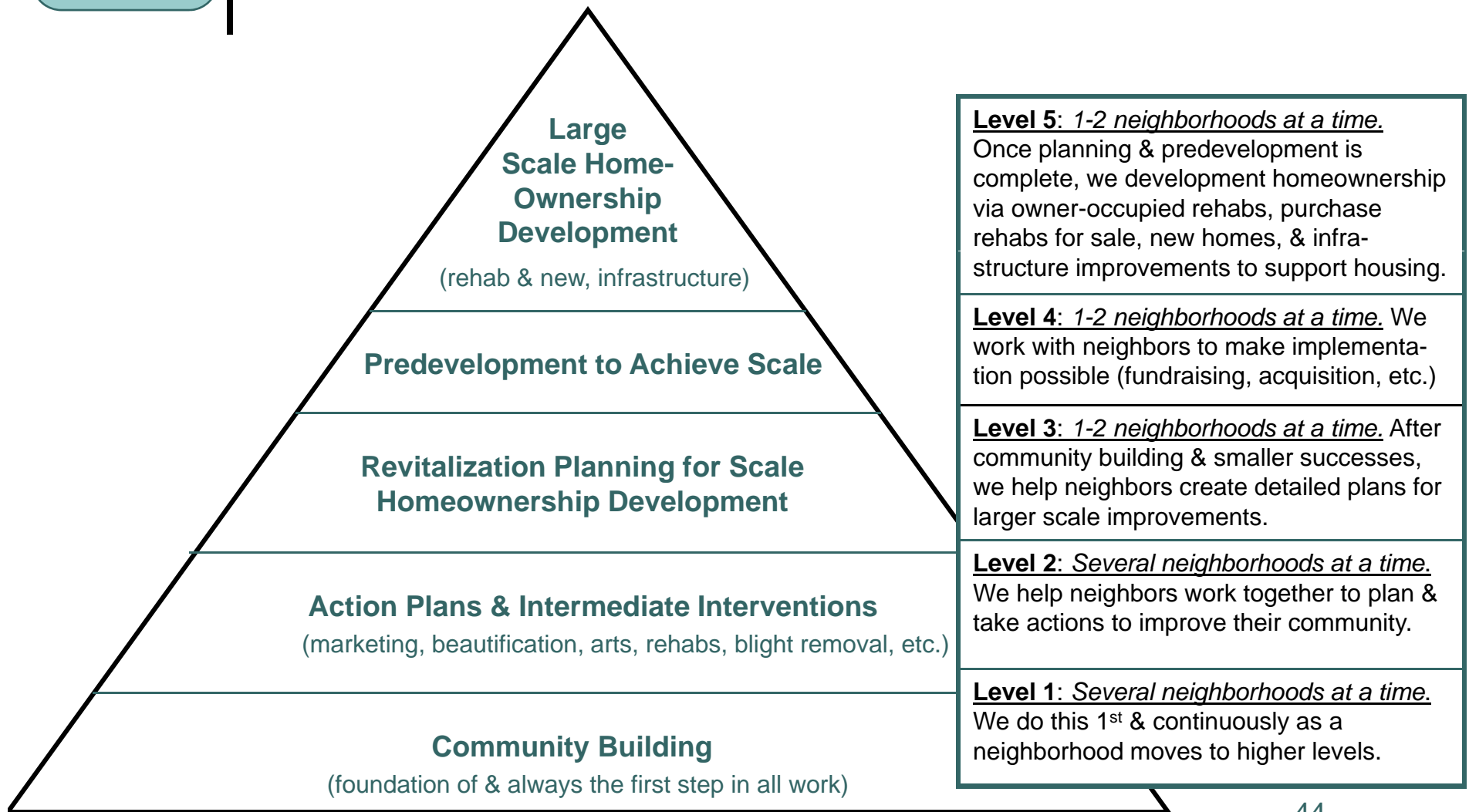


## 5) What is Your Range of Products & Services?

- Multifamily Rental Development
- Special Needs Housing & Services
- Property Acquisition, Demolition & Site Preparation
- Homeownership New Construction & Purchase Rehabilitation
- Owner-Occupied Rehabilitation
- Homebuyer Education & Payment Assistance
- Commercial Development to Support Housing

EXAMPLE:  
CGN

# CGN's Approach to Neighborhoods



EXAMPLE:  
CGN

## CGN's Housing Products

1. Neighborhood Revitalization Planning (1,2,3)
2. Predevelopment to Achieve Scale (4)
3. Homeownership Development (2,5)
4. Owner-Occupied Repair (2,5)
5. Blight Removal (2,4)
6. Tax Credit Projects (2,5)
7. Planning & Advocacy with Residents (all)

EXAMPLE:  
CGN

# CGN Housing Products - Detail

## 1. Neighborhood Revitalization Planning

- Community Building & Visioning
- Action Plans for Intermediate Interventions
- Detailed Implementation Plans for Larger-Scale Projects

## 2. Predevelopment to Achieve Scale

- Fundraising for Acquisition
- Determining Unit Mix, Type, Pricing
- Site Planning & Home Designs
- Pro Forma Development, Financial Packaging
- Advocacy with Residents on behalf of key projects/programs

## CGN Housing Products - Detail

### 3. Homeownership Development

- Rehabs for Homeowner Purchase
- New Construction Homes
- Marketing for Pre-Sales & Sales

### 4. Owner-Occupied Rehab

- To further stabilization & revitalization
- Façade Improvements for Homeowners
- Connecting owners to additional resources.

### 5. Blight Removal

- To further stabilization & revitalization
- Demolition of Blighted Properties in Partnership with City of Covington

# CGN Housing Products - Detail

## 6. Tax Credit Projects

- Must further neighborhood revitalization.
- Must be supported by neighbors.
- Must serve CGN's target markets
- Must have a strong property management.
- Focus on utilization of existing buildings, esp. those with historic significance .

## 7. Planning & Advocacy with Residents

- When needed, CGN will work with residents to advocate on behalf of specific projects. May include fundraising, campaigning to engage partners, etc.



## 6) Production Goals

### **Should Be:**

- Based on Core Products and Services
- Based on staff capacity, funding and other resources
- Annual & multi-year (3-5 years)
- Quantifiable

EXAMPLE:  
CGN

## CGN Production Goals

### 1. Neighborhood Revitalization Planning

2005	<p><b>Austinburg Levels 1-4:</b></p> <ul style="list-style-type: none"> <li>• Detailed Implementation Planning</li> <li>• Fundraising &amp; Financing</li> <li>• Acquisition, Demolition, Relocation</li> <li>• Smaller Scale Housing Development (new &amp; rehab)</li> <li>• Infrastructure Improvements</li> <li>• Amenities to Support Housing: Parks, Trails, Etc.</li> </ul>
2006	<p><b>Austinburg Levels 1-4:</b></p> <ul style="list-style-type: none"> <li>• Detailed Implementation Planning</li> <li>• Fundraising &amp; Financing</li> <li>• Acquisition, Demolition, Relocation</li> <li>• Smaller Scale Housing Development (new &amp; rehab)</li> <li>• Infrastructure Improvements</li> <li>• Amenities to Support Housing: Parks, Trails, Etc.</li> </ul> <p><b>Westside Levels 1-3:</b></p> <ul style="list-style-type: none"> <li>• Emphasis on planning</li> <li>• Limited housing development</li> </ul>
2007	<p><b>Austinburg Levels 1-5:</b></p> <ul style="list-style-type: none"> <li>• Larger Scale Housing Development Begins</li> </ul> <p><b>Westside Levels 1-3:</b></p> <ul style="list-style-type: none"> <li>• Small Scale Development Activity</li> <li>• Larger Scale Revitalization Planning Begins</li> </ul>
2008	<p><b>Austinburg Levels 1-5:</b></p> <ul style="list-style-type: none"> <li>• Larger Scale Housing Development Continues</li> </ul> <p><b>Westside Levels 1-4:</b></p> <ul style="list-style-type: none"> <li>• Small Scale Development Activity</li> </ul>

EXAMPLE:  
CGN

## CGN Production Goals

### 2. Predevelopment to Achieve Scale

2005	<ul style="list-style-type: none"><li>• Capitalize the <i>Homeownership Investment Fund</i></li><li>• Review 5-10 properties for purchase</li><li>• Acquire 5 properties</li><li>• Acquire 510 Thomas Street</li><li>• Preliminary negotiations with FOP</li><li>• Work with City to acquire 606-608 Thomas Street</li></ul>
2006	<ul style="list-style-type: none"><li>• Capitalize the <i>Homeownership Investment Fund</i></li><li>• Review 10-15 properties for purchase</li><li>• Acquire FOP &amp; 606-608 Thomas</li><li>• Acquire 7 properties (5 Austinburg, 2 Westside)</li><li>• Negotiations for large scale acquisition in Austinburg (engage City, target trailer park, SURP, etc.)</li></ul>
2007	<ul style="list-style-type: none"><li>• Capitalize the <i>Homeownership Investment Fund</i></li><li>• Review 10-15 properties for purchase</li><li>• Acquire properties for large scale development</li><li>• Acquire 10 properties for rehab (5 Austinburg, 5 Westside)</li></ul>
2008	<ul style="list-style-type: none"><li>• Continue to build the <i>Homeownership Investment Fund</i></li><li>• Review 10-15 properties for purchase</li><li>• Acquire 10 properties for rehab (5 Austinburg, 5 Westside)</li><li>• Acquire sufficient properties for 20 new homes</li></ul>

EXAMPLE:  
CGN

## CGN Production Goals

### 3. Homeownership Development

<b>2005</b>	4 rehab units ( <i>1933 Garrard; 618, 620, 704 E. 17th</i> ) 2 new construction units ( <i>Thomas St.</i> )
<b>2006</b>	5 rehab units ( <i>between Thomas St. &amp; E. 17th</i> ) 5 new construction units ( <i>Thomas St.</i> )
<b>2007</b>	7 rehab units ( <i>5 Austinburg, 2 Westside/Arts District</i> ) 5 new construction units ( <i>Thomas St.: FOP, 606-608</i> )
<b>2008</b>	10 rehab units ( <i>5 Austinburg, 5 Westside/Arts District</i> ) 20 new construction units ( <i>Austinburg</i> )
<b>2009</b>	10 rehab units ( <i>5 Austinburg, 5 Westside/Arts District</i> ) 20 new construction units ( <i>Austinburg</i> )

EXAMPLE:  
CGN

# CGN Production Goals

## CGN Quantified Production Goals FY 2005 – 2009

<b>HOMEOWNERSHIP DEVELOPMENT</b>		<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>Total</b>
		Units	Units	Units	Units	Units	Units
Austin- burg	Rehabs for Homeowner Purchase	4	5	5	5	5	24
	New Infill Construcion Homes for Purchase	3	5	5	20	20	53
Westside/ Arts District	Rehabs for Homeowner Purchase			2	5	5	12
	New Infill Construcion Homes for Purchase						0
<b><i>Total Homeownership Development:</i></b>		<b>7</b>	<b>10</b>	<b>12</b>	<b>30</b>	<b>30</b>	<b>89</b>
<b>OWNER-OCCUPIED REHAB</b>				5	5	5	15
<b>BLIGHT REMOVAL</b>		2	4	15	10	5	36
<b>TAX CREDIT RENTAL DEVELOPMENT</b>				20			20



## **7) Funding & Financing for Operations & Projects**

- Capital Requirements for Housing Production
- Sources and Uses of Operating Funds
- 3-Year Budget for Housing Production

EXAMPLE:  
CGN

# CGN General Application of Funds

	Predevel- opment	Acquisition Demo, & Site Prep	New & Rehabbed Homes	Owner- Occupied Rehab
<b>FINANCING SOURCES (LOANS)</b>				
Homeownership Investment Fund	X	X	X	
Bank (Based on Home Sales Proceeds)			X	
LISC Financing		X	X	
<b>SUBSIDY/EQUITY SOURCES (GRANTS)</b>				
CGN Fee Income Reinvested in Future Projects	X	X		
ABC Collaborative (staff, planning, etc.)	X			
LISC Recoverable Grant	X	X		
City of Covington CDBG		X		X
City of Covington HOME Funds				X
Kentucky Housing Corporation			X	
Federal Home Loan Bank			X	
Private Foundations	X	X		X
Bank Donations			X	X
Private Individuals & Residents	X	X		
Other:				61

EXAMPLE:  
CGN

# CGN Budget

	FY 2005					FY 2006				
	# Units	Total Costs	Sales Proceeds	Subsidy Needed (or Income)	CGN Fee Income	# Units	Total Costs	Sales Proceeds	Subsidy Needed (or Income)	CGN Fee Income
<b>1. NEIGHBORHOOD REVITALIZATION PLANNING</b>		\$10,000	\$0	\$10,000	\$0		\$10,000	\$0	\$10,000	\$0
<b>2. PREDEVELOPMENT TO ACHIEVE SCALE</b>		\$15,000	\$0	\$15,000	\$0		\$25,000	\$0	\$25,000	\$0
<b>3. HOMEOWNERSHIP DEVELOPMENT</b> New Construction Rehabs	3	\$510,000	\$510,000	\$0	\$48,000	5	\$850,000	\$850,000	\$0	\$80,000
	4	\$480,000	\$500,000	-\$20,000	\$40,000	5	\$600,000	\$625,000	-\$25,000	\$50,000
<b>4. OWNER-OCCUPIED REHAB</b>	0	\$0	\$0	\$0	\$0	0	\$0	\$0	\$0	\$0
<b>5. BLIGHT REMOVAL</b>	2	\$20,000	\$0	\$20,000	\$0	4	\$40,000	\$0	\$40,000	\$0
<b>6. TAX CREDIT RENTAL DEVELOPMENT</b>	0	<i>Funding to be Managed by Partner Developer</i>			\$0	0	<i>Funding to be Managed by Partner Developer</i>			\$0
<b>7. PLANNING &amp; ADVOCACY W/ RESIDENTS</b>		\$10,000	\$0	\$10,000	\$0		\$10,000	\$0	\$10,000	\$0
<b>TOTALS</b>	9	\$1,045,000	\$1,010,000	\$35,000	\$88,000	14	\$1,535,000	\$1,475,000	\$60,000	\$130,000



# Project Funding & Financing

- Subsidy Needs & Prospective Sources
- Financing Needs & Prospective Sources
- Project Development Financing Scenarios



# Finance & Resource Development

- Resource Development Strategy -- Diversify The Funding Base
  - Equity Income
  - Fees for Services
  - Grants
  - Interest Income
  - Membership Dues
  - Special Events
- Projected Operating Expenses
- Operating Budgets for Next 3 to 5 Years



## 8) Roles: Who Does What

**Describe in Org Chart & Narrative all Roles of Key Players:**

- Board of Directors
- Staff
  - Executive Director
  - Professional Staff
  - Support Staff
- Contracted Professional Services
  - For Housing Production
  - For Organizational Operations
- Management Information Systems



## Role of the Board

- Having staff doesn't decrease the board's work, it only changes the work!
- Board members:
  - Recognizing What You Do Best
  - Sticking to Strategic Plan: Saying No
  - Ambassador for Organization
  - Assistance with Fundraising
  - Oversight for Transactions

## ● ● ● | 9) Organizational Development Priorities

- Board of Directors
- Staffing structure & Capacity Building Needs
- Systems for Management & Compliance
- Political advocacy

73

# ● ● ● | Thank You

**Wendy K. Smith**  
**Senior Consultant**  
**wks@capitalaccessinc.com**  
**270-402-1478**

