

Strategic Plan 2004-2009

Neighborhood Housing Services of New Haven, Inc.

August, 2004

Strategic Plan –2004

Neighborhood Housing Services of New Haven

1. Introduction

The board of directors and staff met on July 22 and August 12, 2004 to make a number of choices about the future direction of the organization. Those choices, which form the heart of this strategic plan, were based heavily on the results of interviews with 11 members of the board, 9 staff and 9 external stakeholders, as well as three focus groups involving 19 community residents.

Included in the strategic plan are:

- Brief summaries of where the organization has come from and where it is headed.
- Highlights of the major strengths and areas needing improvement.
- Forces in the external environment that are having, or will likely have an impact on NHS.
- A revised mission and statement of values.
- The strategic intent of the organization over the next five years, including the strategic choices that have made and the goals the organization will be pursuing.

2. Where We've Come From

There have been significant changes in Neighborhood Housing Services of New Haven since the last strategic plan was developed in October 1997. The organization has grown considerably, beginning with the March 2001 opening of the New Haven HomeOwnership Center.

Homebuyer education has become a growing part of our mission, as we have moved from an organization that primarily focused on housing rehabilitation and development to one that includes extensive homebuyer education for our prospective homeowners. The HomeOwnership Center has made it possible for us to serve as a “one stop shop” for first-time homebuyers and existing homeowners who may be seeking housing rehabilitation assistance.

The complexity and breadth of our homebuyer education programs has also been expanded dramatically since October 1997. We now teach a wide array of classes, ranging from straightforward homebuyer education to financial fitness training, to home maintenance and financial management for new homeowners. In addition, we conduct extensive one-on-one counseling with our clients to help them to become pre-qualified for mortgages, and we provide delinquency and pre-foreclosure counseling to those who find themselves with serious financial problems after having purchased a home.

At the same time as our homebuyer education programs have proliferated, we have modestly expanded the number of houses we have been able to rehabilitate and sell to our first-time homebuyers, and we currently project a record number of houses will be completed in 2004 and 2005.

To accomplish all this, we have increased our staff size by adding the following positions:

- One housing counselor, with a second about to be hired.
- One project manager (who is also our IDA Program Administrator).
- Two administrative assistants, one of who specializes in financial management.
- Two assistant rehab specialists.

In 1997 there was no one on staff at NHS who spoke Spanish. We currently have two full-time, bilingual staff members, and are considering the hiring of a third, as a new Latino homeownership initiative is about to get underway.

Our annual operating budget has increased dramatically from \$325,000 in 1997 to a current projection of \$830,000 in 2004. At the same time, our total net assets, as indicated in our annual Audited Financial Statement, have increased from \$1,583,912 on December 31, 1997 to \$3,374,900 on December 31, 2003.

3. Where We're Headed

It is the strategic intent of NHS to expand both the reach and impact of its programs over the next five years. NHS is committed to increasing the level of production of affordable housing units, the number and range of homebuyer education programs, the level of engagement of neighborhood residents, and the extent and quality of communication with its customers. In addition, the organization will venture into the arena of economic development, concentrating on the Whalley Avenue corridor and playing largely the role of catalyst for change in this target area. NHS will also experiment with housing development efforts outside of the City of New Haven, but on a very limited basis.

To make this future direction a reality, it is agreed that the organization will need to expand the capacity of both the board of directors and the staff, modify the organizational structure and develop succession plans for board and staff. The specifics of these strategic choices and the goals that the organization will pursue are found in Section 8, below.

4. Strengths and Areas Needing Improvement

The interview and focus group data captured the very considerable strengths that make NHS a respected player in the community and allow it to pursue a more expansive agenda. It also flagged a number of areas that need improvement if the organization is to continue to remain viable. In summary, those strengths and weaknesses are as follows:

Strengths

- A reputation for quality work in rehabbing homes
 - “NHS offers beautiful homes at affordable prices”
 - “NHS is practically a custom builder”
- Knowledge of the industry
- Ability to identify and purchase homes at affordable prices
- A comprehensive and responsive approach to educating prospective homeowners
 - “They empower buyers”
 - “They really motivated me - they were friendly and straightforward and were quite willing to help”
 - “Just one class and I learned things I never thought about”
- Financially sound and creative in securing funding
- Honesty and financial integrity
 - “Wrote a check with our bank’s money on a promise from NHS...would never do that with any other non-profit in New Haven”
- Visionary leadership
- Capable and committed staff
 - “The passion for their work...cannot be fabricated”
- A strong, cohesive board

Weakness

- An over reliance on Jim Paley
- No succession plan
- Production capability
 - Not producing enough housing in relation to the demand
 - The increasing difficulty in obtaining blighted housing and the potential adverse impact on NHS’s housing production
- Its image in the community
 - NHS is not as visible in the community as it could be
 - Needs to do more in the way community outreach/community relations
- Uneven customer service
 - Wait times
 - Problems with the work
 - Attitude of some staff (e.g., agency is beyond criticism, homeowner is exaggerating the problem)

- Politics/relationship with the City (the need to develop stronger ties, despite the politics)
- Need for more post-purchase services

5. Forces in the External Environment

Interview data pointed up a number of forces in the external environment that work in favor of NHS and others that work against it.

Forces Working in Favor of NHS

- New Haven is in a good place right now; people are rediscovering the city
- Lots of support from the City for affordable housing
- A void to be filled – there is not a community development group with enough equity to carry out a significant project
- Economic conditions – still a great demand for services
- NHS’ track record of success
- Strong relationships between NHS and its lenders, funders and partners

Forces Working Against NHS

- Economic forces
 - Hot market/increased competition from investors
 - Sharply climbing real estate prices
 - Interest rates going up
 - Potential that low- and moderate-income families could be squeezed out as neighborhoods become too expensive for homeownership or rentals
- Difficulty in obtaining both housing stock and building sites (could result in a serious shortage)
- Political Environment
 - Challenge of working with the City
 - Inability of non-profits to lobby as a team
 - Aldermen may be an obstacle

6. Our Mission

The mission of Neighborhood Housing Services of New Haven, Inc. is to create stable and revitalized neighborhoods through the development of high quality, affordable housing for low- and moderate-income first-time homebuyers, utilizing a partnership of residents, business leaders, and municipal representatives. Through its subsidiary, the New Haven HomeOwnership Center, NHS offers a full range of homebuyer education programs, lender referrals, and financial assistance, thereby sustaining homeownership and helping residents build their personal wealth.

7. Our Values

NHS has historically embraced the following values in its role as a nonprofit housing developer and provider of homebuyer education to current or future residents of the City of New Haven:

- Provide homeowners and prospective homebuyers with the best possible product at the lowest possible price.
- Provide our clients with the most comprehensive and comprehensible educational program so that they will be knowledgeable consumers in the housing marketplace.
- Demonstrate honesty and integrity at all times, while showing respect in all our interactions with our clients and with the general public.
- Provide our clients with as much information as possible with regard to their rehabilitation projects or home purchase process.
- As a community-based organization we must be responsive and attentive to the needs and concerns of the neighborhood residents we serve.

8. Our Future Direction

■ Improving Our Organizational Effectiveness

Customer Service

We recognize that our clients' satisfaction is our main priority and if they are not happy they will not use our services and spread the word to others. We also realize that without satisfied clients we would not be in business, so we need to make customer service a top priority.

We envision a future in which client concerns will be handled in a timely manner. Clients will feel that they are being listened to and that their concerns are taken seriously; their complaints will decrease. Clients will stay involved with NHS after they have purchased their homes through a variety of post-purchase services. Better and more efficient follow-up will be implemented to ensure that we are addressing client problems and suggestions.

Goals

In order to improve our responsiveness to the concerns of clients, and to provide a forum for discussions among homeowners, NHS will:

- **Develop and implement by January 1, 2005 a process for receiving on-going feedback from homeowners and providing quick follow-up action. Initial work will begin on the design of this survey instrument in the fourth quarter of 2004.**
- **Establish a homeowners' association to solicit additional feedback from customers.**

Resident Engagement and Involvement

Part of the revitalizing neighborhoods is to empower residents to be advocates for their own needs and to become engaged in the process of meeting those needs. Active resident involvement is an indication that NHS is serving the best interests of the neighborhoods.

Goal

To actively engage community residents in neighborhood revitalization activities over the next two years through such vehicles as a new Neighborhood Association, the existing Whalley Avenue Special Services District, and the HOC (the sharing of their practical knowledge about homeownership).

Organizational Capacity

In order to keep board and staff members interested, motivated, and committed to NHS and its mission, we must give them the tools needed to accomplish their goals. At the policy level this will mean establishing a board that accurately reflects the community we are trying to serve; establishing strong committees; stressing the importance of board attendance at special events. On a staff level it will mean hiring more staff to prevent burnout and keep the motivation and creativity level high, and cross training to provide backup to all positions. It is also important that the board and staff work together for the benefit of our clients and the community.

Goals (Organizational Capacity)

To create a stronger and more diversified board of directors, NHS will have by 2009:

- 60% of its board members from the neighborhoods served by NHS.
- An effective committee structure allowing committees to have more impact on organizational issues.
- All board members attending at least 75% of the board meetings.
- All board members involved in the planning and implementation of at least one NHS event each year.

To create a balance between current and future work demands and staff capacity. Indicators of success:

- Expanded technical know-how and cross training.
- Increased number of staff.
- A clear, workable organizational structure.

To create a succession plan for both the board and staff by expanding cross-training opportunities and grooming staff for new positions within the organization, as appropriate.

To ensure a more open and comprehensive exchange of information and insights between the board and staff, NHS will commit to a dialogue between the board and one or more staff members at each monthly board meeting.

Actions and Time Frames

- In the next 6 months, have staff start attending monthly board meetings to explain projects, status, ideas, etc. and tighten up board meeting attendance.
- In next 1-2 years, have each department do a needs assessment to determine staffing levels and whether staff are being used in proper and maximum capacity; recruit new board members, and have community outreach staff member regularly attending management team meetings, becoming increasingly involved in the community.

■ Overall Growth

NHS is committed to expanding its output over the next 5 years in both its principal lines of business - real estate development and homeowner education. The organization has also decided to venture into the arena of economic development, concentrating primarily on the Whalley Avenue corridor.

It is our strategic intent, that over the life of this plan, the relative amount of time, energy and dollars committed to our three lines of business will be 45% for both Real Estate Development and the HomeOwnership Center and 10% for

our new efforts in Economic Development. It is also our intent that the organization will conduct roughly 90% of the work on its own and 10% through joint ventures with other organizations.

■ **Ramping up Real Estate Development**

It is agreed that the production of both rehab and newly constructed housing should be increased significantly over the next 5 years. It is also agreed that NHS should not be in the rental business, although it may own occasional short-term rental units. The geographical market will cover the entire City of New Haven as well as some limited efforts outside of the city limits.

Goals

In order to meet the increasing demand for affordable housing, NHS will develop 200 homeownership properties by 2009. This will include a mix of rehab and newly constructed properties.

As a way to address the demand for housing in other communities and increase the supply of affordable housing stock, NHS will expand its development activities outside of New Haven, to account for up to 10% of its total development projects by 2009.

■ **Expanding The Reach of the HomeOwnership Center**

Given the proliferation of homebuyer education programs and the demand for more, NHS is committed to expanding both the volume and the breadth of services offered by the HOC.

Goals

In order to assure that more families are ready to become homeowners and are able to sustain their ownership over time, NHS will increase the number of families served (number who actually close on their homes) by the HOC from 80 to 90 per year starting in 2005, with the aim of helping no fewer than 400 families purchase their homes by 2009.

To meet the unique needs of both first-time homebuyers and existing homeowners, the HOC will design and successfully implement by 2009 innovative programs in the areas of pre-purchase counseling, financial fitness training, credit counseling, post-purchase education and landlord training. These programs will be based on established curricula that are specifically tailored to the needs of our clients. Courses will be conducted on a regular month bases.

The following HOC services need to be further developed and implemented:

- Post-purchase counseling
- Expanded pre-purchase homebuyer education
- Home maintenance training (including a rehab clinic)
- Financial/credit counseling
- Teen credit counseling workshops (including a formal teen and parent credit counseling program)
- Bi-lingual homebuyer education counseling
- Community outreach (Latino homeownership campaign; reaching out to other emerging markets - e.g., African, Asian)

■ **Venturing into Economic Development**

In order to revitalize one of the busiest and most recognizable areas in the City, the Whalley Avenue corridor has to become more unified in both appearance and community consensus. Because we have so many mixed-use properties in the area, there is the potential to form strong partnerships between the residential and business communities and have a real impact on the viability of our entire community. We recognize that to create stable and revitalized neighborhoods, we must also have stable and revitalized businesses. NHS, with its substantial expertise in housing development and in-depth knowledge of this community, will serve as a catalyst for the change and will facilitate the building of a powerful partnership with local groups to initiate and sustain the development effort.

Goal

To beautify and revitalize targeted sections of the Whalley Avenue corridor through a partnership between NHS and the business and residential communities. The indicators of success for this venture will be:

- **The formation of a Whalley Avenue association with businesses, the management team, and the special services district by 2007**
- **The creation of a distinct, unified appearance throughout the targeted area by 2008**
- **The operation of five new and diversified businesses in the area by 2009**