

Hartford Habitat For Humanity Strategic Planning Packet

Jan 23-24th, 2018

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PROGRESS REPORT ON OUR STRATEGIC PLAN

BUILD COMMUNITY IMPACT

During 2016, and in line with our strategic plan, Hartford Area Habitat for Humanity constructed 11 new houses, completed 2 full house renovations, and finished more than 40 repair projects. Our ReStore celebrated its 2nd anniversary successfully supporting our mission throughout greater Hartford. Since 1989, Hartford Area Habitat for Humanity has provided affordable homeownership for 231 families.

BUILD SECTOR IMPACT

2016 witnessed the launch of our Financial Freedom Center, a community resource available throughout the Greater Hartford region. The Center offers families valuable workshops on personal financial management and budgeting practices. We expanded our volunteer recruitment model to engage more volunteers enabling us to broaden and sustain our impact by serving other nonprofits that also focus on providing affordable housing and basic shelter. These nonprofits include Mosaic, Hands on Hartford, the Community Renewal Team, among others. Good collaborations build strong, sustainable communities.

BUILD SOCIETAL IMPACT

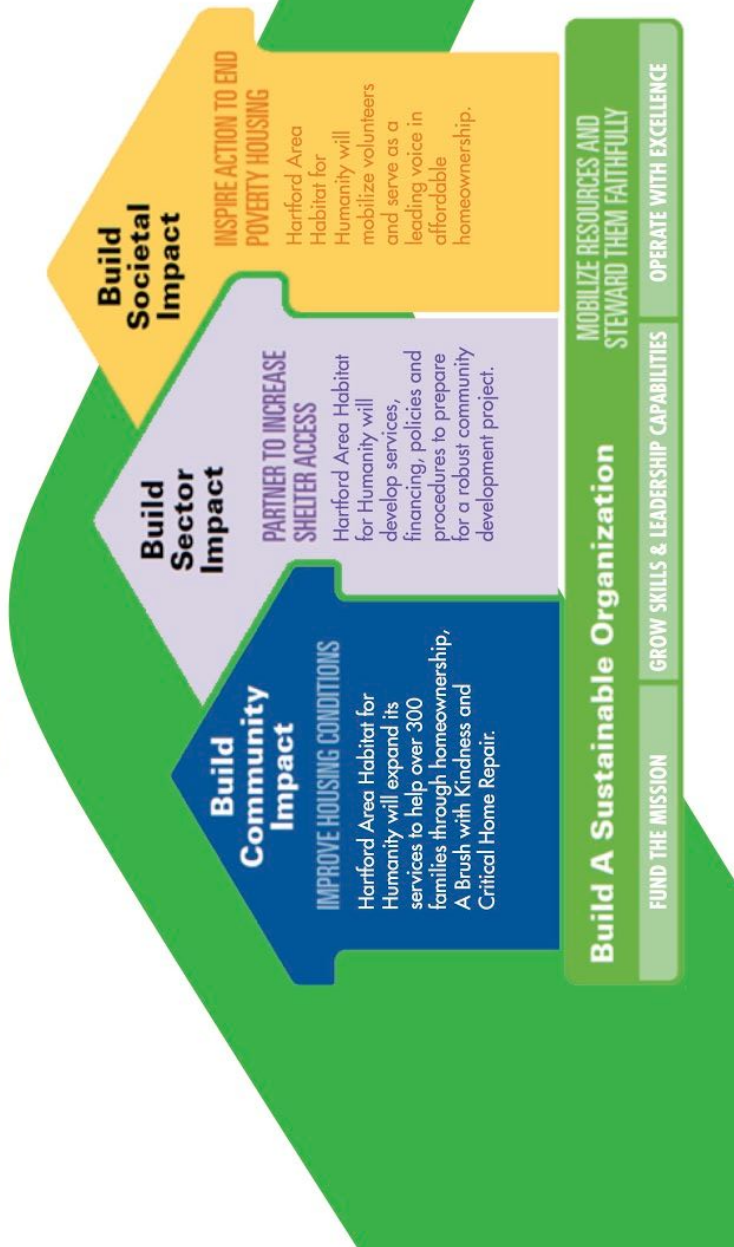
Societal impact is a core element of our strategic plan. During the next two years, we will work to increase our impact by creating an advocacy and outreach initiative. Building broad awareness of the critical need for equal access to decent affordable shelter and housing is vital. Habitat for Humanity is well positioned to lead this initiative with its extensive network of volunteers and stakeholders who can be enlisted to serve as vocal ambassadors of the Habitat mission, which is wholly centered on bringing people together to build homes, community and hope.

BUILD A SUSTAINABLE ORGANIZATION

"Teamwork is the ability to work together toward a common vision. The ability to direct individual accomplishments toward organizational objectives. It is the fuel that allows common people to attain uncommon results." -Andrew Carnegie

Over the past three years, we have invested significantly in our staff, and volunteers by developing strong, mission-focused teams. With our staff we have held quarterly training sessions, as well as periodic

teambuilding outings, all of which are focused on advancing professional development and strengthening camaraderie. Through continuous improvement of our programs and procedures we have received Charity Navigator's coveted Four-Star rating, its highest, for three consecutive years, and we have been named a Best Place to Work by the Hartford Business Journal for two consecutive years.



CURRENT MISSION MODEL

CURRENT MISSION MODEL	
Scope	Includes
Geographical Service Area	Hartford County
Customers Served	Low to mid income households for housing, repairs, restore Most vulnerable-elderly, veterans, limited mobility
Programs / Services Offered	New construction Rehabs-blight Repairs Homeownership program Thrift-ReStore HUB to support education around finances, education, civic
Funding Sources	Current sources of funding: Public Corporate Individuals, Foundations and Civic

Needs Assessment- Data and Impact Models

What is the nature of the problem your organization seeks to solve?

The 2014-2018 plan allowed us to stabilize as an affiliate. We also expanded our capacity to serve more families. During the 2018-2021 plan, I seek to build our metric, best practices and impact model. This will be critical to remain relevant to our funders, stakeholders and our community partners.

What is the scope, scale and specific characteristics of this problem?

Each department has generated a baseline approach to measuring effectiveness and impact---structured around the vision and mission of Habitat.

- ReStore-families/CBOs served through hardship program, waste reduction,
- Family Services/NR-homeowner milestones, engagement and success. Quality of life measurements (reduced crime in target neighborhood, longevity of neighborhoods 5, 10, 15 years)
- Construction- green standards, building efficiency, volunteer engagement

Neighborhood Revitalization Program Effectiveness

Program/Service Name: Hartford Habitat-Neighborhood Revitalization

Name of person filling out this assessment: Karraine Moody

Description:

Description of program service (what is service or activity)

Neighborhood Revitalization allows us to become an engaged community partner with the neighborhoods or towns that we build in consistently. When I presented NR to the Board working group in 2014, I explained that the benefits of NR allow us to make an impact on an entire neighborhood rather than just “cherry picking” a lot and then leaving. NR changes the affiliate’s role as just a housing developer into a community partner. Our current project includes:

A Brush with Kindness

Critical Repair

Financial Freedom Center

All of these programs/initiatives within NR still remain focused in our niche of affordable homeownership because they are centered around the core of housing. Both ABWK and critical repair are anchored on serving the most vulnerable population, elderly, limited mobility and veterans. The FFC aims to support our homeowners and the immediate neighborhood of our 780 Windsor facility and referrals from our nonprofit partners.

What is the need in the community that this program exists to meet?

Affordable homeownership, Housing, Community development

Scale

Quantity: Units of service, number of clients served, campaigns waged, etc.

On average 10-14 families per year for housing, 10-12 for A Brush with Kindness and 10-15 families for Financial Freedom Workshops (not including our Habitat homeowners)

Scale of Operations: Total Program Expenses: 140K max per year

Annual Program Revenue: at this point-NA but looking to develop opportunities for sponsorship.

Effectiveness

Outcomes: What impact does this program currently have, or intend to have, on addressing the need articulated above? NR changes the affiliate’s role as just a housing developer into a community partner. Our current project includes:

- A Brush with Kindness
- Critical Repair
- Financial Freedom Center

All of these programs/initiatives within NR still remain focused in our niche of affordable homeownership because they are centered around the core of housing. Both ABWK and critical repair are anchored on serving the most vulnerable population, elderly, limited mobility and veterans. The FFC aims to support our homeowners and the immediate neighborhood of our 780 Windsor facility and referrals from our nonprofit partners.

Current measures of success: What evidence do we have to show this program is having the impact we want it to have – how do we know we are being successful?

Overall the program is successful but an updated homeowner survey is needed to demonstrate/measure impact.

How should we measure success? Are there other indicators of success we should use in measuring success? How should we measure results/impact/outcomes of this program in improving the quality of constituents' lives/making a difference in the world?

- Milestones achieved by families
- Feedback from community partners
- Quality of life indicators at 2, 5 and 10 years
- Volunteer impact

Potential for Growth

Are there additional dimensions of need that this program could address if resources were available? Not ready to explore...program is still very new.

Overall Assessment

What are the greatest STRENGTHS of this program? Overall structure of the program/complements our mission/ gives affiliate a well-rounded approach to affordable homeownership.

Possible to increase revenue to the affiliate because we are seeking funding outside of construction. Reality is that there are no grants to subsidize construction; however, there are vast number of foundations that will fund education, community development and quality of life solutions.

What are the greatest WEAKNESSES of this program? If not done well, it can become a liability to the affiliate.

What are the most important trends in the external environment that are or will be impacting this program in the future (trends either potentially moving the program forward (OPPORTUNITIES) or holding it back (THREATS)).

NR allows us to engage more volunteers. NR gives a second level of interaction with our homeowners that is beyond the mortgage payment. Reality is that Habitat International changed the model more than 5 years ago...as an affiliate we have to make the transition to remain relevant.

Family Services Program Effectiveness

Program/Service Name: Hartford Habitat-Family Services

Name of person filling out this assessment: Tracy Thomas

Description:

Description of program service (what is service or activity)

Recruit, Select and Support families.
Manage mortgage portfolio and delinquency
Financial Freedom Center

What is the need in the community that this program exists to meet?

Affordable homeownership, Housing, Community development

Scale

Quantity: Units of service, number of clients served, campaigns waged, etc.

On average 10-14 families per year for housing, 10-12 for A Brush with Kindness and 10 families for Financial Freedom Workshops.

Scale of Operations: Total Program Expenses: 140K max per year

Annual Program Revenue: at this point-NA but looking to develop opportunities for sponsorship.

Effectiveness

Outcomes: What impact does this program currently have, or intend to have, on addressing the need articulated above? Delivers qualified prepared homeowners.

Current measures of success: What evidence do we have to show this program is having the impact we want it to have – how do we know we are being successful?

Overall the program is successful but an updated homeowner survey is needed to demonstrate/measure impact.

How should we measure success? Are there other indicators of success we should use in measuring success? How should we measure results/impact/outcomes of this program in improving the quality of constituents' lives/making a difference in the world?

- Milestones achieved by families
- Feedback from community partners
- Quality of life indicators at 2, 5 and 10 years
- Volunteer impact

Overall Assessment

What are the greatest STRENGTHS of this program? Overall structure of the program.

What are the greatest WEAKNESSES of this program? We need to diversify our homeowner selection so we can have families with more stable income. As we adopt a multi-tier approach to development then family selection has to reflect that as well.

What are the most important trends in the external environment that are or will be impacting this program in the future (trends either potentially moving the program forward (OPPORTUNITIES) or holding it back (THREATS)).

Taxes and insurance continues to increase---beyond the capacity of our base household income.

Restore

Program Effectiveness

Program/Service Name: ReStore

Name of person filling out this assessment: Matt Boyne

Description:

Description of program service (what is service or activity)

ReStore: Shop. Donate. Volunteer

What is the need in the community that this program exists to meet?

Affordable quality items at a discounted price

Ability to donate used items to benefit a family and solid mission

Reduce waste in our community.

Scale

Quantity: Units of service, number of clients served, campaigns waged, etc.

Turn the retail floor 3-4 times per month, 40 times per year

gross over 800K in 3 years of operating.

Annual Program Revenue: net about 70K per year but expenses cut into the net.

Effectiveness

Outcomes: What impact does this program currently have, or intend to have, on addressing the need articulated above?

Another vehicle that introduces community to Habitat

Allows others to participate in the mission in various capacities

Current measures of success: What evidence do we have to show this program is having the impact we want it to have – how do we know we are being successful?

Feedback from customers, vendors and community

Ability to outfit two homes that were rehabs via the affiliate

How should we measure success? Are there other indicators of success we should use in measuring success? How should we measure results/impact/outcomes of this program in improving the quality of constituents' lives/making a difference in the world?

We can't just look at dollars. There are impact statistics to be generate to paint a broader picture.

Construction Department Program Effectiveness

Program/Service Name: Construction Department

Name of person filling out this assessment: Kristopher McKelvie

Description:

Description of program service (what is service or activity)

Planning, management, & supervision of staff, subcontractors, and volunteers in the construction, rehab, and repair of single family homes in Hartford County. The result of which leads to safe, energy efficient, and affordable home ownership for communities served.

What is the need in the community that this program exists to meet?

Need for safe and affordable housing opportunities for “gap” families. Need for inexpensive or reduced repair and maintenance programs to help existing homeowners, especially the elderly and those with limited mobility.

Scale

Quantity: Units of service, number of clients served, campaigns waged, etc.

10+ units annually, 30+ clients served dependent on family size
Campaigns: Women’s Build, Build-a-Thon, Collegiate Challenge, ...

Scale of Operations: Total Program Expenses: ~\$1.5 - 2 million

Annual Program Revenue:

Effectiveness

Outcomes: What impact does this program currently have, or intend to have, on addressing the need articulated above?

Create safe housing and home repairs for 10 or more families a year. Increasing community participation in neighborhood improvement, providing secure affordable housing for first time homebuyers.

Current measures of success: What evidence do we have to show this program is having the impact we want it to have – how do we know we are being successful?

Low foreclosure rate, increase in education, financial success of homeowners and their children compared to their peers who rent.

How should we measure success? Are there other indicators of success we should use in measuring success? How should we measure results/impact/outcomes of this program in improving the quality of constituents’ lives/making a difference in the world?

Tracking number of families services, not units build. The size of families and their progress over the years. Impacts on neighborhoods in cluster builds, tracking crime rates, and visual improvements in communities.

Potential for Growth

Are there additional dimensions of need that this program could address if resources were available?

I think continued focus on financial education at the freedom center is critical. A lot of folks don’t have the knowledge of how to manage their debt or know of the resources out there.

I believe whenever possible focusing on specific neighborhoods vs individual houses scattered around is the best choice. It not only saves the affiliate money and makes planning easier, it makes a great impact on the community and allows our families a better chance of succeeding as they are all in it together.

If we were to reinvent this program, what changes would we make to achieve greater impact?

Focused effort on cluster builds where possible. Combine ABWK, Critical Repair, and New/Rehab builds in same area to increase impact. Hire a team to lead ABWK/Critical Repair program and grow this part of our affiliate.

Overall Assessment

What are the greatest STRENGTHS of this program?

Talented and skilled staff leading volunteers, regular volunteers, strong volunteer base, corporate support

What are the greatest WEAKNESSES of this program?

Understaffed during big build season (limited funds for added help), vehicles in disrepair, no one to repair and maintain tools and equipment.

What are the most important trends in the external environment that are or will be impacting this program in the future (trends either potentially moving the program forward (OPPORTUNITIES) or holding it back (THREATS)).

Decrease in funding will continue to limit resources, building opportunities

Changes in energy codes and potentially fire codes, increased lumber costs causing building expenses to continue to rise

There is a strong interest and support for more neighborhood repair programs that will provide us growth opportunities

Construction Trends

Rehab costs vs New Home Construction costs analysis:

New construction \$150K-200K per unit

Rehabs \$5K-100K+ varies depending on extend of repairs, full gut, or remediation

Cost Analysis:

New homes: Cost analysis (up, down or stable) **UP**

Rehabs: Cost analysis (up, down or stable) **UP**

Critical Home Repairs: Cost analysis (up, down or stable) **UP**

Need Analysis:

New homes: Need analysis (up, down or stable) **UP**

Rehabs: Need analysis (up, down or stable) **UP**

Critical Home Repairs: Need analysis (up, down or stable) **UP**

A Brush with Kindness: Need analysis (up, down or stable) **UP**

PARTNER ANALYSIS

Resource	Partner A	Partner B	Partner C	Partner D
Organization Name:	Hartford Lumber	Hartford City Planning & Zoning Department	Carrier (UTC)	Various Subcontractors
Partnership Defined:	Lumberyard that sells materials at cost, stores materials until we are ready, and donates whenever possible.	Meet monthly to review house plans and building sites to get guidance on their expectations before we build.	Donates boilers to new homes.	Provide labor/services for tasks we cannot complete with volunteers
Partnership Evaluation: What is the partnership effectiveness? High, Medium, Low	High	Medium	High	Low
Partnership Shifts: What future shifts in this partnership would create the conditions for mutual success?	Increased recognition of this relationship, promotion on social media and on sites.	Better communication/ follow up. Involvement of architects/ surveyors in some meetings.	Boilers are difficult for homeowners to maintain. Need simpler, but efficient model.	It would be helpful to find subs that can donate their services or offer better rates.

FAMILIES SERVED

	New Home Construction Total/ (Focus Neighborhood)	% in Focus Neighborhood	Rehabs Total(Focus Neighborhood)	Critical Home Repairs	ABWK	Total Families Served
FY 2018 Est	Total 10 (0 in focus neighborhood)	0%	Total 3 (3 in focus neighborhood)	0	10	23
FY 2017	Total 5 (3 in focus neighborhood)	60%	Total 2 (1 in focus neighborhood)	2	9	18
FY 2016	Total 11 (5 in focus neighborhood)	45%	0	1	0	12
FY 2015	Total 12 (0 in focus neighborhood)	0 %	0	0	12	24
Average s	Avg 9.5 new homes per year			Avg .75	Avg 7.75	Avg 19.25

FUNDING SOURCES

Source of Revenue (Income)	Percent of total budget, last fiscal year	Percent of total budget, current fiscal year	Comments (if applicable) such as regarding changes in funding from prior to current year	Comments regarding next fiscal year such as changes in current funding anticipated, funding at risk
Foundation grants	0%	0%		
Corporate grants	23%	24%		Somewhat at Risk
Government funding	26%	15%		Definitely At Risk
Unrestricted funding	6%	8%		Somewhat at Risk
Earned income	42%	51%	Home Sales	No Change Expected
Other	3%	3%	Restore Net Income	No Change Expected
Total revenue	3913800	3632257		
Total expenses	1587300 Dept 1756000 COHS	1590534 1873990	Excluded Prior Year Land Cost	

Revenue and Expense Summary 2012-2018

	2012	2013	2014	2015	2016	2017	2018
Revenue							
Government	\$1,439,008	\$1,081,718	\$1,349,607	\$1,229,642	\$1,349,379	\$1,196,896	\$530,000
Foundations							
Mortgages	\$646,793	\$1,000,000	\$1,572,223	\$1,796,767	\$1,516,530	\$1,422,138	\$1,870,000
Businesses & FDTN. & S.E.	\$1,234,853	\$714,264	\$634,202	\$717,117	\$780,416	\$807,537	\$810,000
Individuals	\$213,711	\$202,398	\$277,070	\$186,839	\$400,681	\$198,333	\$300,000
Churches & SCHOOLS	\$56,547	\$55,145	\$97,488	\$24,588	\$36,941	\$16,526	\$15,000
GIK	\$88,266	\$65,463	\$72,830	\$87,146	\$103,625	\$117,702	\$100,000
ReStore Excess Revenue & Stanley Store	-\$28,909	-\$14,825	-\$16,438	-\$122,519	\$119,207	\$33,024	\$107,000
TOTAL REVENUE	\$3,650,269	\$3,104,163	\$3,986,982	\$3,919,580	\$4,306,779	\$3,792,156	\$3,732,000
Expenses							
Personnel	\$729,343	\$777,403	\$766,743	\$830,438	\$858,890	\$881,949	\$905,300
Operations	\$556,410	\$685,271	\$683,506	\$623,400	\$643,008	\$745,368	\$685,234
Construction (Cost of homes sold)	\$839,444	\$1,524,272	\$2,313,343	\$1,845,778	\$1,873,096	\$1,630,836	\$1,965,990
TOTAL EXPENSES	\$2,125,197	\$2,986,946	\$3,763,592	\$3,299,616	\$3,374,994	\$3,258,153	\$3,556,524

Mergers and Possible Acquisition of Service Area in CT

Habitat affiliates in CT

Coastal Fairfield*

Housatonic*(small)

Hartford Area Habitat for Humanity*

Middlesex* (small)

Windham (small)

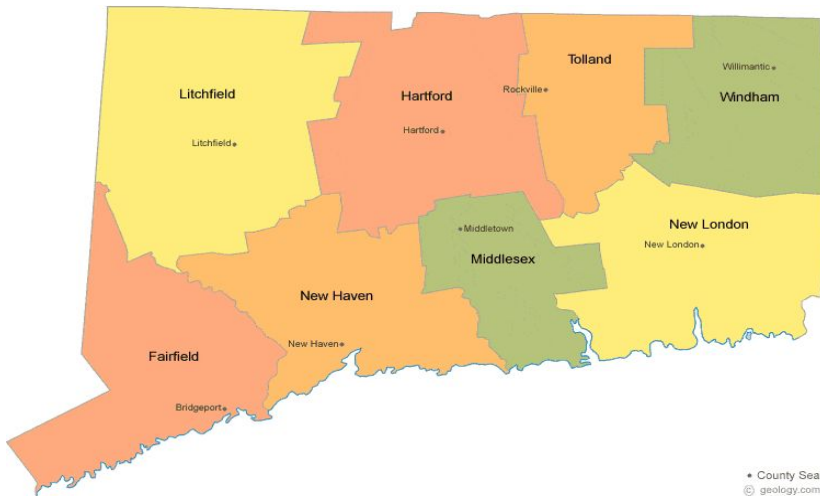
Tolland-serviced by Habitat International

New Haven*

Waterbury (small)

Northwest Connecticut (small)

Eastern Connecticut**



Our affiliates are organized/chartered by county. There are seven ReStores in CT. Habitat affiliates are mandated to serve a certain number of families per year to remain in good standing with Habitat International. If an affiliate is unable to meet that threshold, then they are encouraged to seek the support of a neighboring affiliate.

In 2015, I attended the habitat conference and it was discussed in plain language that affiliates need to consolidate because of the changing fundraising landscape. In 2017, I met with all of the executive directors (we meet 2-3 times per year) and we continued our candid conversation that some of our affiliates will not be able to meet that threshold within 2-3 years. Some affiliates actually want to get acquired because it has become a burden.

Framework for Discussion:

- This is not being decided during this strategic plan. Moreover planting a seed for the future
- Pros and cons of acquisition
- The request for support will come in 2-3 years from one of the smaller affiliates

FUTURE TREND ANALYSIS

Type of trends	Direction of trend
Social needs or demands for your programs or services	Need for safe and affordable housing options and home repair assistance continues to rise.
Available funding for your programs or services	Funding sources on the decline as government resources are cut and tax benefits for donations are eliminated. There is some strong funding for home repair projects from HFHI and remediation from government programs.
Other trends impacting your organization	<p>Construction costs continue to rise as material prices increase and codes for more energy efficient houses and fire resistance products require use of more expensive products.</p> <p>Hauling costs for removal of contaminated soils and debris from building lots that contain material from previous structures common on most city lots.</p>