



DHIC, Inc. Strategic Plan

2015 - 2017

About DHIC, Inc.

Established in 1974, DHIC, Inc. is the Research Triangle area's market leader in affordable housing development, maintaining an emphasis on innovation, quality, attractive design, resident services and green features at our properties, nearly all of which target residents earning 80% or less of AMI. We secure our market position with sound acquisition, planning, and project management decision-making; project standardization and replication that does not compromise quality and value-added to communities; and expansive relationships that open doors to opportunity and increased scale. In addition to the numerous design, community service, and management recognitions we have received, DHIC is consistently rated as an “Exemplary” member of the NeighborWorks® America national network of non-profit community developers. DHIC is also a member of the Housing Partnership Network.

DHIC engages in a set of four focused activities, or *lines of business*, to achieve its mission:

- **Real Estate Development**, including planning, acquisition, financing and development activities related to affordable rental and homeownership projects.
- **Asset Management**, executing sound, financially viable techniques that preserve the condition, value and future affordability of DHIC’s properties.
- **Homeownership Center**, including homebuyer education classes, one-on-one homeownership and credit counseling, and access to downpayment assistance and mortgage programs.
- **Resident Services**, including educational programs for children, youth and adults, leadership development activities, and partnership-building and advocacy efforts.

While its core market is the Wake County and the Research Triangle region, DHIC has created 2,200 affordable rental homes and 350 single family homes across eight North Carolina counties. Together, these projects have leveraged more than \$202 million in direct investment from both the private and public sectors, including \$9.3 million from NeighborWorks® America. In the past ten years, DHIC’s Homeownership Center has graduated 2,700 future homeowners from its workshops, assisting 1,150 graduates to purchase their first home.

Business Drivers for Next Three Years

The 2008 housing crisis and elongated recession that followed has created lasting, systemic challenges in DHIC’s marketplace and for the modest-income residents it serves. Each year DHIC’s business lines undertake an analysis of strengths, weaknesses, opportunities and threats, monitoring and identifying patterns that are driving strategies, tactics, and business decisions. Three such drivers transcend business lines and are the center of DHIC’s 2015-2017 strategic plan:

- **Continuing need to diversify DHIC’s income.** Crowded competition for federal Low Income Housing Tax Credits (LIHTC) and the elimination of the state’s own housing tax credit has led DHIC to examine its long-term pipeline development strategy and geographic footprint. Additionally, opportunities to earn income through vertical integration and/or development

consulting services are increasingly appealing. The plan emphasizes strategies to explore partnerships, fully examine fee-for-service opportunities, and broaden DHIC's exposure and appeal as a "Partner of Choice" for peers and public sector entities across the state.

- **DHIC's ten-year commitment to redevelop Washington Terrace.** The 25-acre, 245-unit Washington Terrace community in southeast Raleigh represents the single largest development opportunity in DHIC's history, affecting funding, staff allocations, development risk, and its profile in the community. It is a rare opportunity for DHIC to return to its roots, in Raleigh's rapidly-gentrifying urban core. To be truly transformational, the final plan must respond to neighborhood-based needs and goals; complement nearby redevelopment efforts; and incorporate attractive and innovative design. DHIC's plans call for an "all hands on deck" approach, with all lines of business actively involved in community engagement, master planning, pre-development or development activities over the next three years.
- **Opportunity to leverage DHIC's 40th Anniversary and rebranding efforts.** DHIC's 2014 40th anniversary celebration and symposium was a tremendous success, drawing more than 300 participants and attracting over \$150,000 in corporate and personal donations. It served as a launching point for DHIC's refreshed logo and brand, as well as its commitment to exploring the connections between affordable housing and healthy communities over the coming years. The event also raised the bar for DHIC, challenging the organization to leverage its new and renewed relationships into larger opportunities for exposure, impact and income. This plan outlines strategies to continue to strengthen DHIC's visibility in the community, to build constituent, peer and donor connections.

Board Governance

DHIC considers its board to be among its greatest assets, and as the breadth, complexity and value of the housing portfolio grows, so does the organization's need to ensure the board is committed, educated, engaged and equipped to serve as advocates for DHIC and the issues related to affordable housing. Every board member is expected to serve on at least one standing or ad hoc committee, and to contribute 'time, talent and treasure' to DHIC in other ways. Board governance activities are overseen by the President in partnership with the Director of Community Partnerships and Development.

Ongoing Board Governance Activities

- Convening regular meetings with meaningful agendas
- Ensuring functional standing and ad hoc committee structure and engagement
- Supporting annual Board member recruitment, nomination and election process
- New board member orientation and stewardship
- Strategic planning

- Gathering and tracking annual “give-get” pledges, and assisting board members to fulfill these pledges
- Board education and training, including board member participation in NeighborWorks Training Institutes

2015-2017 Board Governance Priorities

- Build the Board’s capacity as an informed advocate by increasing opportunities for members to engage with DHIC communities and stakeholders. Activating the Washington Terrace Advisory Committee and encouraging members to participate in community meetings and resident services events at DHIC’s residential communities will be among the strategies we will employ.
- Continue the tradition of Board evaluation every three years, utilizing an adapted BoardSource evaluation tool. DHIC will develop an annual board recruitment, stewardship and training strategy based on the responses to this evaluation.
- Update DHIC’s Executive Succession Plan, and implement pre-succession activities (such as cross-training management staff, developing a next-generation job description, or hiring a COO). DHIC’s current succession plan was developed with the assistance of TransitionGuides and NeighborWorks America, but with a high probability of executive transition in the next five years, it is time to refresh it.
- Strengthen governance protocols for Real Estate Development and Asset Management by a careful review of the NeighborWorks RED risk management tool and adoption of appropriate features. Focusing one of four Finance Committee meetings annually on asset management topics.
- Improve committee participation and functioning by preparing and approving committee charters that clarify members’ roles and responsibilities.

Organizational Management

DHIC’s chief organizational management concern will continue to be developing and managing staff and infrastructure capacity relative to business volume and resources, particularly given acquisition and redevelopment of Washington Terrace and fluctuating resources at DHIC’s Homeownership Center. Organizational management functions are overseen by DHIC’s President in collaboration with the CFO.

Ongoing Organizational Management Activities

- Conducting regular staff meetings to ensure access to information, strong interdepartmental communications, and collegiality
- Ensuring up-to-date technology, supplies, office space and other resources to enable staff to perform their jobs well
- Reviewing and updating compensation and benefits to be in line with the marketplace
- Providing evaluation and professional development opportunities for all staff
- Ensuring excellence in executive, financial and HR management
- Conducting annual business planning, including staff retreats

2015-2017 Organizational Management Priorities

- Adjust staff and/or consulting capacity to effectively manage Washington Terrace master planning and redevelopment, adding at minimum a junior project management position.
- Reconfigure management and support for Resident Services line of business, hiring a qualified full-time resident services manager and augmenting with VISTA and intern support.
- Develop and implement staff cross-training and interdepartmental education that responds to the succession plan and staff growth.
- Continue to monitor and support Asset Management capacity and seek opportunities to augment as new units are placed in service.
- Update DHIC's personnel manual to reflect current capacities and changes in the human resources landscape, if any.

Resource Development

DHIC's resource development efforts are led by the Director of Community Partnerships and Development and include fundraising, marketing, and communications. Fee-for-service opportunities, which are an important part of a diverse funding base, are included in relevant line of business sections.

Ongoing Resource Development Activities

- Creating annual communications workplans and marketing budgets.
- Event planning, including project ribbon-cuttings and NeighborWorks Week celebrations.
- Prospect research and proposal development.
- Funder stewardship.
- Leveraging Board financial support and corporate and community connections.
- Coordinating marketing and communications functions with the assistance of consultants, as needed from time to time.

2015-2017 Resource Development Priorities

- Manage and support all aspects of Washington Terrace communications and outreach strategies in partnership with Civic Engagement consultant.
- Diversify DHIC's philanthropic resources by pursuing new funding opportunities within DHIC's growing stakeholder relationships, such as the health care industry, HBCUs, families of senior residents, and area businesses.
- Fully implement DHIC's rebranding, marketing and communications plan, working closely with the Homeownership Center and property managers to improve outreach, education, and brand recognition.
- Further integrate role of marketing and communications across all lines of business, creating guidelines and protocol for special events planning, media coverage, internet exposure and social media presence.

Real Estate Development (RED)

DHIC continues to be the Triangle's market leader in affordable rental development, maintaining an emphasis on innovation, quality, attractive design, and green features at our properties. We recognize that our market position is dependent on sound acquisition, planning, and project management decision-making; project standardization and replication that does not compromise quality and value-added to communities; and more expansive relationships within and outside our core Wake County market that open doors to opportunity and increased scale.

Ongoing RED Activities

- Project identification, analysis, funding applications, and planning.
- Oversight of project development and general contractors.
- Maintaining highest standards for due diligence and project monitoring.
- Engaging the Board's Development and Executive Committees in the oversight of the development process.
- Integrating green features and sustainable design within budgetary means.
- Stewardship/reporting to project funders and investors.
- Ensuring adequate staff, consultant and other resources necessary to manage a full pipeline effectively.
- Working closely with and assisting Asset Management team on Y15 exit planning, refinance, and rehabilitation.

2015-2017 RED Priorities

- Undertake Washington Terrace master planning and prepare site for first three phases.
- Maintain a full development pipeline by submitting at least three LIHTC applications annually and obtaining a minimum of four projects averaging 60 units.
- Successfully execute DHIC's first fee-for-service development consulting contract by bringing Lakeside Reserve, a 16-unit supportive housing community in Wilmington, NC, to fruition by the end of 2016.
- Revisit opportunities, costs and benefits of vertical integration through an in-house construction management, with a priority on rehabilitation of DHIC properties.
- Position DHIC as the area's "partner of choice" for transit-oriented development, master planning and redevelopment, fee-for-service, and unusual public-private partnership opportunities, leveraging Greenfield Place and Lakeside Reserve as prime examples.
- Build on relationships with third party contractors and consultants to market DHIC real estate development capacity to local government and assist in project identification.

Homeownership Center (HOC)

DHIC's Homeownership Center (HOC) is a unique and comprehensive resource, providing group homebuyer education classes, one-on-one pre-purchase and post-purchase counseling, and access to downpayment assistance programs, all of which help low- to moderate-income buyers to become credit ready, navigate the mortgage application process, and purchase their first home. In doing so, DHIC helps area residents build assets and wealth for themselves and their future generations.

Ongoing HOC Activities

- Offering regular *Bringing Home the Dream* homebuyer education classes at the Carlton Place Community Classroom or off-site locations.
- Providing one-on-one homebuyer and credit counseling to first-time homebuyers or homeowners facing difficulty paying for or retaining their home.
- Educating homeowners and homebuyers about energy savings and green features.
- Conducting marketing and outreach in collaboration with DHIC's Resource Development team.
- Serving as the City of Raleigh's preferred provider of homebuyer counseling.
- Developing and maintaining partnerships with community-based and faith-based organizations to deliver homebuyer outreach and education.
- Pursuing fee-for-service counseling opportunities with banks, employers and other stakeholders.
- Connecting qualified homebuyers with downpayment assistance and/or special mortgage lending programs through the City of Raleigh, NCHFA, and area banks.
- Managing remaining DHIC downpayment assistance loan portfolio.
- Maintaining pristine files, records and reporting standards.
- Maintaining all HUD-required counseling certifications.

2015-2017 HOC Priorities

- Graduate 900 clients from our *Bringing Home the Dream* workshop and assist 315 clients to purchase a home for the first time.
- Support Washington Terrace redevelopment plans by designing and implementing a homebuyer education and/or financial capability program targeted to residents of the Washington Terrace-East College Park neighborhood.
- Increase and diversify use of eHome America on-line education solution through improved marketing and adoption of additional modules.
- Generate more diverse and prepared pipeline for homeownership by designing and implementing a financial capability education program.
- Successfully secure and carry out a renewed two-year homebuyer counseling contract with the City of Raleigh.

Resident Services

DHIC's Resident Services line of business provides value-added services to residents of DHIC's communities and maintains its presence in civic and policy arenas that are relevant to low-income tenants. Resident Services staff ensures that DHIC's tax credit developments meet the community services requirements of investors and funders, and engages and utilizes service partners to ensure a high quality of life for residents.

Ongoing Resident Services Activities

- Acting as ombudsman between property management and residents, including managing the grievance process.
- Managing all property-specific supportive service plans to ensure accountability to investors and positive outcomes for residents.
- Managing service contracts with supportive service partners, including Resources for Seniors and Wake County Human Services.
- Ensuring a high quality of life at DHIC properties by encouraging and cultivating community partnerships for the delivery of services and resources to properties.
- Encouraging self-sufficiency, upward mobility, and civic engagement by supporting the dissemination of information about opportunities such as DHIC's Homeownership Center, the NeighborWorks® America Community Leadership Initiative, the City of Raleigh's leadership development programs, and voter registration.
- Accessing and participating in NeighborWorks America initiatives, such as completing the second Community Impact Measurement Success project, and ensuring accurate and timely quarterly and annual reporting.
- Working with DHIC's fiscal department to conduct annual property census.
- Supporting cross-marketing of DHIC services, such as the homebuyer education and financial counseling of the HOC, and recycling and other green programs.
- Supporting Asset Management functions, including resident satisfaction surveys.

2015-2017 Resident Services Priorities

- Reorganize Resident Services staff, strategies, and budget for more efficient and higher-impact supportive services, especially for family and senior properties.
- Develop and manage a new resident services evaluation protocol, including reasonable, trackable outcomes, measurement tools, and partnership agreements/training with property managers and service partners.
- Oversee the Civic Engagement component of the Washington Terrace-East College Park master planning process, including supervision and management of the consulting team.

- Based on outcomes of that process, including the neighborhood asset mapping exercise, ensure a positive, responsive DHIC presence and reputation among past, present and incoming Washington Terrace residents, neighborhood-based organizations, and surrounding stakeholders.
- Fully develop and track outcomes for DHIC's pilot health and housing programming, including its partnership with Wake Health Services and the implementation of smoke-free policies and supportive education plan at select senior site locations.

Asset Management

DHIC's Asset Management line of business is focused on executing sound, financially viable techniques that preserve the appearance, condition, quality, value and future affordability of DHIC's properties. It also ensures DHIC's accountability to funders, residents, community stakeholders, and the bottom line. Continuous improvement of portfolio and property financial positions and maximum resident satisfaction with DHIC's property management firms are of the highest importance.

Ongoing Asset Management Activities

- Maintaining and executing detailed property-by-property asset management plan, including a watch list.
- Meeting or exceeding standards and expectations for investor reporting and stewardship.
- Collaborating with the RED team on refinance/debt restructuring, capital planning and rehabilitation of properties within the portfolio.
- Supporting/collaborating with the RED team in assessment, planning and executing new development opportunities, including acquisition-rehab.
- Selecting, supervising and evaluating property management contractors, and providing training and guidance as needed to ensure high standards and low staff turnover.
- Serving as liaison from Resident Services to property managers.
- Reviewing annual customer service feedback and work with Resident Services and property managers to address concerns.
- Implementing green improvements and management strategies within the portfolio as budgets allow.

2015-2017 Priorities

- Advance DHIC's Y15 portfolio strategy, with a total of 587 units in planning, exit or refinance/rehab stages between 2015 - 2017.
- Continue to emphasize highest possible expectations for physical plant/property management across the portfolio to achieve investor and community goals, as well as resident satisfaction at DHIC properties.

- Continue to be aggressive with portfolio management, aiming for continuous improvement in efficiencies, fee structures, rental income and cash flow.

Management of the Strategic Plan

Each year, DHIC's staff prepares one-year business plans for each line of business that respond to the priorities outlined in the strategic plan, new opportunities, and changing market conditions. As part of this process, staff will collect and record data related to the success measures included on the attached tracking tool. Progress toward three-year goals will influence business plans, or signal the need to modify the strategic plan. In the latter case, staff will seek approval for major changes in priorities, directions, or measures. A summary of progress will be presented to the Board at each annual meeting, usually held in December.

Attachments:

- Success Measures Worksheet