Neighborhood Housing Services of Chicago: Rooted in Neighborhoods and Investing in Its People
A Progressive Vision for Community Engagement, Real Estate Development & Homeownership

FY2017–FY2020 Strategic Plan

Neighborhood Housing Services of Chicago, Inc.
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**NHS Strategic Planning Process**
In April 2015, NHS of Chicago, one of the nation’s leading mortgage lending CDFI’s, engaged in a strategic planning process informed by more than one hundred staff, board, bankers, residents, local and federal government officials, and national policy and housing experts. These engaged voices helped to formulate NHS’ future and the key strategies needed to make real community change.

At the center of the strategic plan: a neighborhood-based strategy that leverages regional and citywide programs to create a significant impact in NHS target communities. This strategy demonstrates NHS’ competitive advantage to knit together lessons learned from its neighborhood-based work with its real estate development and homeownership products and services.

This is the foundation of NHS’ innovative spirit rooted in the community voice and the power of resident engagement.

**Vision Statement**
*NHS envisions dynamic, safe, and sustainable neighborhoods where people lead change and improve their future through investing in their homes and community.*
Theory of Change
NHS’ Theory of Change links its vision to specific programmatic activities. NHS’ work supplies critical components in bringing about change because of the disproportionate impact housing can have on a struggling neighborhood.

NHS focuses on homeownership in communities dominated by 1-4 unit buildings. Investing in homeownership is more than simply helping someone buy their first home or fix up a vacant building. It is about making sure residents have the support and resources to maintain their homes and keep their neighborhood healthy.

Investing in homeownership—a primary and proven wealth-building tool for low and moderate income families—also means ensuring equitable access to capital to those who have done the necessary preparation to purchase a home. Investing in housing does good things for both the community and the people who live in it.

Home is where it all starts.

Housing is visual; it makes up the physical structure of the neighborhood. When it is in good shape, or bad shape, it speaks volumes about the state of the neighborhood.
Homeowners is about self-determination, freedom of choice, and giving people a sense of pride.

NHS empowers residents to accomplish a long-held dream; and through their choices, sacrifices, and discipline, the neighborhood experiences similar benefits.

Crime, safety, education, transportation, and access to resources all influence the trajectory of a community. But, neighborhood impact is ultimately achieved through the collective action of many people to invest time and energy into their homes and their neighbors. In its target communities, NHS knits together the individual decisions of clients into real community impact.

NHS is about more than just the number of clients that it serves. It is about how client interactions transform into a sense of momentum inside a neighborhood.

Improvements to housing make a more significant impact when they are done in partnership with other groups addressing a variety of neighborhood challenges. Additionally, this work is best implemented in targeted neighborhoods where NHS can create a sense of momentum. Once neighborhoods that have experienced disinvestment feel stable and healthy, adjacent communities with more serious problems benefit from their proximity to the stronger anchor community. In this way, neighborhood change spreads throughout the region.
NHS Four-Year Strategic Plan

*NHS is a preeminent mortgage lending CDFI that transforms neighborhoods through community building, real estate development, lending, education, and policy.*
Goal 1
Reimagine community building strategies

Neighborhood strategy and investment transforms neighborhoods, reimagines community boundaries, increases resident engagement, strengthens partnerships, and achieves impact.

Rationale: NHS’ work in a neighborhood is informed by the needs of the community and is tangible and observed by residents so that they are motivated to invest in their communities and be agents of change.

Strategies to achieve this goal:

1. Ensure the voice of the community is strong and that residents are able leaders of neighborhood change.
2. Strengthen local partnerships to better serve the community and affect neighborhood change.
3. Evaluate and select neighborhoods which are the best match for NHS’ vision and products.
4. Make NHS neighborhood offices incubators for community impact.
5. Refine regional and suburban models for NHS offices to ensure efficient and appropriate delivery of services.
6. Collaborate across NHS’ business lines—including targeted lending programs, counseling services, homeownership classes, construction services, and redevelopment—to leverage homeownership opportunities in target communities.

Metrics of Success:

1. FRESH LEADERSHIP: NHS neighborhood work attracts 100 new, engaged resident leaders that are actively working to improve their community.
2. PILOT PROJECTS: Informed by the community voice, NHS pilots 4 new neighborhood-based strategies in its targeted geographies.
3. MEASURE SUCCESS: NHS’ target areas experience a sense of optimism about the future and forward momentum, as measured by community sentiment and relevant market data.
Goal 2

Innovate: Deliver innovative and adaptable lending, education, and real estate development services

Lending, education, and real estate development products and services are agile and adaptable to changing demographic and housing markets.

Rationale: Neighborhood and client needs change quickly. If NHS wants to facilitate change in communities, it must understand what people need in order to provide cutting edge tools and resources.

Strategies to achieve this goal:

1. Continue to meet credit needs in the home mortgage market in a flexible, responsive, and sound manner by becoming the largest single-family CDFI lender in the country.
2. Expand and diversify sources of available capital.
3. Prioritize data gathering, analysis and sharing to enable products and services to change quickly based on real time information.
4. Build resilient homeowners through educational services.
5. Enhance homebuyer classes to include components on neighborhood leadership training and civic participation, creating empowered homebuyers and residents.
6. Grow the capacity of the Redevelopment Corporation as a catalytic real estate developer in low- and moderate-income areas.
7. Explore new partnerships and avenues for delivering NHS’ products.

Metrics of Success:

1. DIVERSITY: NHS attracts a bigger and broader group of clients based on age and income for both lending and counseling programs.
2. SCALE: In four years, NHS has served 25,000 households and deployed $100 million in loans and grants.
3. NEW PRODUCTS & SERVICES: NHS launches one new product or service each year aimed at attracting a new type of client and meeting an unmet credit need.
Goal 3
Influence policy

NHS shapes policy to inform and improve the community development and home mortgage lending fields at a local, regional and national level.

Rationale: NHS leverages its experience to shape the laws that regulate lending to NHS core clients, and to improve perceptions of weak markets. This ensures that housing investment happens equitably across neighborhoods, and homeownership remains an attainable opportunity for low- to moderate-income families.

Strategies to achieve this goal:

1. Develop a policy agenda and communications plan that articulates the value of homeownership in the Chicagoland region, especially in neighborhoods built with 1-4 unit properties.
2. Elevate the voice of neighborhood residents in NHS communications, both in public policy and in work with partners so that NHS sidewalk level knowledge is authenticated, and the needs of NHS communities are more effectively heard and addressed.
3. Lead the policy conversation about the role of homeownership in a post-foreclosure crisis environment in helping low- to moderate-income individuals regain, build, and retain wealth.
4. Focus marketing on attracting new types of buyers, including young people looking to make a long term investment in the neighborhood. Consider the specific needs of seniors and develop a policy agenda for them.
5. Evaluate programs to inform the work of partners and policy makers and improve program caliber.

Metrics of Success:

1. AT THE TABLE: NHS is present and influential at meetings about housing policy for the City, County and region and successfully advocates for additional resources invested in weak markets and transitional neighborhoods.
2. KEY ADVISOR: NHS is regularly sought out for its input and advice on national issues by policy makers, nonprofits and private market representatives. NHS’ perspective is reflected in how the issues are framed publicly.
Goal 4
Strengthen organizational position

Organizationally strong and efficient, NHS leverages resources and technology to manage risk and maximize impact.

Rationale: An organization that runs well and utilizes all available resources can effectively and innovatively serve its communities. A happy, skilled, and efficient workforce will maximize NHS’ ability to achieve its goals.

Strategies to achieve this goal:

1. Operate lending, counseling, and redevelopment business lines as social enterprises with designated self-sufficiency goals.
2. Optimize technology, including the customer call center, so that NHS is effectively serving a greater number of people.
3. Increase fundraising for neighborhoods in light of new neighborhood models. Consider launching a capital campaign to fund an endowment for NHS’ neighborhood work.
4. Implement a client engagement tool in order to improve the customer experience.
5. Invest in NHS employees through training and technology.
6. Ensure the renewal of the loan pool in 2017 by continuing the focus on investor relations and information.
7. Divest the remaining properties owned by the Redevelopment Corporation.

Metrics of Success:

1. RESERVES: NHS has financial reserves to support six months of operating expenses.
2. SOCIAL ENTERPRISES: NLS, redevelopment, and counseling business lines operate as social enterprises and—beginning in FY2018—generate positive net income through earned revenue, contracts, and grants.
3. CUTTING EDGE TECHNOLOGY: NHS technology and systems are more efficient, improving the customer experience and making employees more equipped and efficient as measured by an employee climate survey and by increased productivity.