



NRHA Strategic Planning Overview

Sweeping changes - such as new community needs, restrictions on eminent domain powers and the transition to property-based asset and budget management practices - have made this a time for NRHA to reflect on the future. Given these realities, NRHA must chart a new course.

NRHA leadership formed a 20-employee Strategic Plan Direction Setting Team (DST) and engaged Springsted, Inc., a management and financial consulting firm, to work with the Team to craft a comprehensive five-year strategic plan. Both the team and Springsted were charged with getting answers to three questions: *Where is NRHA now? Where does NRHA need to go? How will NRHA get to where it needs to be?*

A comprehensive and careful effort was taken to answer the questions. Springsted conducted an extensive assessment of both the external environment in which NRHA currently operates as well as internal operations. One-on-one meetings with key community stakeholders and NRHA staff (totaling over 100 participants) led to the identification of NRHA's strengths and weaknesses as well as opportunities and threats. The DST revised NRHA's mission, values, and vision and identified four organization-wide goals. The DST then created detailed objectives and recommended initiatives that would support the achievement of the four goals. Performance measures were also created to assess ongoing strategic plan progress.

The NRHA Board of Commissioners provided guidance to the effort and was briefed on the draft plan throughout the summer and fall of 2007. The Norfolk City Council received a presentation on October 30, 2007. Focus groups that included business and civic leaders reviewed and gave input on the draft vision, mission and goals. Focus group participants applauded the mission statement for its brevity, transparency, and forward-looking determination. The vision statement was well received for the aggressive standard NRHA envisioned for itself and for the city as a whole.

NRHA is in the process of fine-tuning the goals, objectives, initiatives and performance measures. These were reviewed with the Board

of Commissioners on March 23. Full plan implementation would begin with the new budget year, July 1, 2008.

With a strategic plan in place, NRHA can set a course for action to help achieve long-range goals. The following is an overview of the process, the steps involved and the results.

The Planning Process

To lay the foundation of the new strategic plan, Springsted and the DST conducted an environmental scan and industry analysis, as well as an organizational analysis. From these actions, data was obtained to create the mission statement, vision statement, and overall goals.

Environmental Scan and Industry Analysis

Springsted conducted an in-depth review of the critical external factors - such as demographics, economics, customer base, and competition - that influence an organization's ability to achieve its mission. Research was gathered on regulatory, legislative, socioeconomic, and other factors that affect NRHA operations. Business opportunities and threats were also identified through this research.

Springsted identified the following as **opportunities** for NRHA:

- NRHA is still viewed as a leader and relevant player in housing and revitalization in Norfolk.
- The demand for quality housing for households at all income levels is evident, and NRHA has products that can help households obtain or improve residences.
- The market is effective but slow in filling housing gaps for different income levels. NRHA can temporarily fill gaps until the market catches up and can "prime the pump" for private sector investment.
- There is a demand for mixed-income housing communities in Norfolk. NRHA can apply its expertise in obtaining grants and tapping other funding sources to build and serve these communities.

- The Hampton Roads Transit Light Rail Project offers a dual opportunity: acquisition of land for the Light Rail track and stations, and as a partner in neighborhood development in areas surrounding the track and stations.
- NRHA is positioned to develop NRHA-owned properties and obtain revenue.
- NRHA is positioned to shift its resident service focus to training residents on more self-sufficiency, income-generation and workforce development skills.
- NRHA is still capable of doing conventional redevelopment for properties that meet the standard of proof for blight or in cases where owners are willing to sell properties to NRHA.
- Although new eminent domain restrictions limit the ability to obtain properties, NRHA can address demand for property renovation and rehabilitation with current and new services.
- Adherence to asset management principles, as required by HUD, may lead to more efficient management of assisted-rental communities.
- There are markets for NRHA's products and services outside of conventional assisted-rental housing and redevelopment. Some markets that have already been identified and pursued include: land assembly services for the Light Rail Project, cabinetry products for other housing authorities and community revitalization financial products for Norfolk and other communities.

Springsted identified the following as **threats**:

- Reduced federal, municipal and other funding is expected in the near term.
- No immediate modification of the 2007 General Assembly eminent domain law change is expected.
- There is no comprehensive local housing policy and updated land use plan.
- NRHA has an undefined role with other entities providing housing and revitalization services.
- In several areas, NRHA lacks adequate financial reporting data and performance measures.
- There is a perceived lack of public trust and stakeholder relationships that need improvement.

Organizational Analysis An organizational analysis is a review of the internal assets, structure, and capacities of the organization. Three aspects of NRHA's operations and its strengths and weaknesses were analyzed: (1) financial and physical assets, (2) staffing capacities, and (3) internal business processes.

The organizational analysis conducted by Springsted and the DST identified internal strengths such as leadership, human resources, business processes, financial management and physical assets. Weaknesses were identified in these same areas as well as key business areas in which NRHA must plan and implement strategic initiatives. Springsted also recommended that NRHA do a more in-depth physical needs analysis of assisted-rental communities to include a benchmarking study. This allows for better understanding of the physical asset needs, how NRHA compares to other housing authorities in this regard, and evaluation of options available to address property needs. This type of information is advantageous when seeking capital funding.

The external and internal analyses led to three conclusions:

1. Norfolk is a mature city, which only has redevelopment as an option for future growth and renewal.
2. HUD funding has decreased and its asset management initiative demands that housing authorities restructure fees and costs.
3. Virginia's restrictive eminent domain rules will reduce conventional large-scale redevelopment projects that NRHA carried out in the past.

These conclusions have, and will continue to have, significant impact on the setting of NRHA's operating strategies.

Clarifying NRHA's Mission, Vision, and Core Values

NRHA staff teams identified key customers and partners and products and services that could be offered. New mission, vision, and core value statements were created based on this information.

Key Customers are defined as “any person, group or organization receiving NRHA products/services.” NRHA identified its key customers as *households of all incomes seeking housing*.

Partners are defined as “any person, group or organization you collaborate with in the delivery of your product/services.” A key aspect of the strategic plan would be determining how best to engage these partners and make partnerships a reality.

NRHA’s key partners include:

- The City of Norfolk municipal government
- Other government entities
- Financial institutions
- Developers
- Realtors
- Property owners
- Community revitalization entities

Products and services are “deliverables that the customer receives.” For NRHA, these include two general categories: *housing* and *community revitalization*.

A **vision statement** is a “word picture of the future that the organization hopes to achieve.” The DST decided that while the primary focus of the organization should be the development of quality housing, community revitalization and the development of mixed-income communities was also central to Norfolk’s growth as a city.

Taking account of all of these views, the DST determined that the vision for NRHA should be:

Quality housing choices in neighborhoods were you want to live

Values are “the principles that govern organizational behavior and the way in which we do business.” While NRHA already had a set of six values with definitions for each, an employee-led team decided that some values should remain, while others should be added or redefined.

The new list of values is:

- Accountability
- Customer Service
- Excellence

- Innovation
- Teamwork

This forms the acronym **ACE IT**. This describes colloquially what the organization desires to accomplish by operating under this set of values.

A **mission statement** is defined as “the statement of purpose of fundamental reason for an organization’s existence.” NRHA’s current mission statement is “to improve the physical and social environment thereby enabling the people and neighborhoods of Norfolk to reach their greatest potential.” This statement, while useful, was seen as too broad and general and more applicable to city government than NRHA.

A new and more tightly defined mission statement was drafted:

Provide quality housing opportunities that foster sustainable, mixed-income communities

Identifying Goals, Objectives, Measurements, and Initiatives

Springsted and NRHA staff teams worked together to create a set of business goals, objectives, and measurements to determine progress and achievement. Goals were identified as “broad measurable outcomes to be achieved on behalf of your customers.” To determine what goals NRHA would need to pursue to achieve its mission, an employee-led team reviewed the critical issues identified in the environmental scan and organizational analysis.

Based on the DST’s analysis of the critical issues and the decision to take more of a “business approach” to NRHA operations, the following four organizational goals were agreed upon:

- 1. Quality housing opportunities for all***
- 2. Sustainable mixed-income communities***
- 3. A Strategic Business Approach***
- 4. Community Engagement and Support***

To support the achievement of NRHA’s four goals, the DST created 19 objectives and 28 initiatives. Of the 28 current initiatives, four were given immediate priority, and are currently being pursued by NRHA. These four time-critical initiatives are:

1. Identify the number and types of housing units needed (i.e., conduct a **residential needs study**);
2. Identify, prioritize and establish **business centers** (i.e., identifiable operating groups that could be viewed as independent businesses)
3. Identify areas to measure and create, prepare, submit and publish an **organizational report card**; and
4. Develop and implement a **communications and marketing plan**, with the first phase of this plan focused on Strategic Plan roll out.

These objectives and initiatives will continue to be refined over the next several months and finalized in June 2008.

Performance measures were also created in this phase to assess progress on NRHA's new strategic plan. Performance measures are "indicators that assess progress toward the accomplishments of your goals." Intermediate performance measures, defined as "meaningful indicators that assess progress toward the accomplishment of your objectives," were also identified.

Springsted worked with the DST to create a project plan that outlines action steps to be taken, who is responsible, and dates of expected completion.

Clarification of the Business Model

A business model provides a general understanding of how the organization serves its customers and obtains revenue for its continued operation. Springsted identified changes that NRHA should consider to (1) achieve sustainable income, (2) meet changes in the regulatory environment—particularly on the matters of asset management and curtailment of eminent domain powers, and (3) position NRHA to offer services to a larger market, while establishing new partnership models to address needs of the hard-to-serve.

The Implementation Plan

The final phase of Springsted's involvement in the project was the development of an action plan to ensure the successful implementation of

the newly created strategic plan. Springsted offered three recommendations: (1) develop a structure and implementation process, (2) develop initial project plans for the four priority strategic plan initiatives, and (3) develop a communication plan to inform employees and stakeholders on plan progress.

NRHA accepted Springsted's recommendation and is in the process of carrying out this phase of the plan.



Strategic Planning Project

Norfolk Redevelopment and Housing Authority

January 29, 2008

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Mission Statement

Springsted provides high quality, independent financial and management advisory services to public and non-profit organizations, and works with them in the long-term process of building their communities on a fiscally sound and well-managed basis.



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LETTER OF TRANSMITTAL

January 29, 2008

Mr. Shurl Montgomery, Executive Director
Norfolk Redevelopment and Housing Authority
201 Granby Street
Norfolk, VA 23501

RE: Strategic Planning Project

Dear Mr. Montgomery:

Springsted Incorporated is pleased to provide the Norfolk Redevelopment and Housing Authority (NRHA) with the completed Strategic Planning Report. The Report provides an overview of the process used to create NRHA's strategic plan and the outcome of each phase of the project.

Springsted expresses its thanks to the NRHA staff who supplied us with data and answered numerous questions throughout the Project. Special thanks are extended to Ed Ware and Richard Archer, without whose help completion of this project would not have been possible.

Springsted appreciates the privilege of serving NRHA and hope that we may be of assistance to you again in the future.

Respectfully submitted on behalf of the team,

SPRINGSTED INCORPORATED

Dale Johnson-Raney, Vice President
Consultant to NRHA

1. Executive Summary

NRHA engaged Springsted, Inc. in January 2007 to facilitate creation of a comprehensive strategic plan. Springsted assembled a team of subcontractors with expertise in municipal and real estate development finance, asset management, physical needs assessment, affordable housing, and group facilitation and strategic planning to assist with the project.

The strategic planning process used was designed to answer three questions:

1. Where are we now?
2. Where do we want to go?
3. How will we get there?

To answer the question, “where are we now?”, an extensive assessment of both the external environment in which NRHA is currently operating and NRHA’s internal operations was conducted by the Springsted Team. The key issues identified were then presented to the NRHA staff on the Direction Setting Team (DST) and the DST used this information to determine the critical issues that the strategic plan needed to address. In this phase, the DST also concluded that NRHA’s primary products/services are *housing* and *community revitalization* and NRHA’s key customers are *households of all incomes seeking housing*.

To answer the question “where do we want to go?”, the DST revised the NRHA mission, values and vision and identified four goals for the organization. The revised mission statement is to:

Provide quality housing opportunities that foster sustainable, mixed-income communities

The revised values are:

- *Accountability*
- *Customer Service*
- *Excellence*
- *Innovation*
- *Teamwork*

The acronym ACE IT will be used to make the new values easy to remember.

The four organizational goals are:

- *Quality housing opportunities for all*
- *Sustainable mixed-income communities*
- *A strategic business approach*
- *Community engagement and support*

NRHA's vision, or the reality NRHA hopes to create by pursuing its revised mission, values and goals, is for the City of Norfolk to have:

Quality housing choices in neighborhoods where you want to live

To answer the question "how will we get there?", the DST created objectives and initiatives that would support the achievement of NRHA's four goals. Performance measures were also created in this phase to assess progress on NRHA's new strategic plan. Four of the initiatives identified were already being worked on by the organization. They are:

1. *Reduce vacancy turn times and establish a ready qualified applicant pool*
2. *Create a strategic property utilization plan to determine the best and highest use of the properties*
3. *Analyze existing business processes for compliance with HUD asset management and project-based requirements.*
4. *Re-engineer the budget process*

Four additional initiatives were given top priority. They are:

1. *Identify the number and types of housing units needed (Residential Needs Study)*
2. *Identify, prioritize and establish business centers*
3. *Identify areas to measure and create, prepare, submit and publish report cards*
4. *Develop and implement a Communications and Marketing Plan, with the first phase of this plan focused on the rollout of the new Strategic Plan*

For each of these priority initiatives, Springsted assisted the DST with creation of a project plan that outlines action steps to be taken, who is responsible, and dates of expected completion.

The methodology used to create NRHA's strategic plan, the outcomes of NRHA's strategic planning process, and the steps recommended by Springsted to ensure successful plan implementation are presented in detail in this report.

2. Methodology

Project Initiation. In February 2007, Springsted Team members met with NRHA's Executive Team and other NRHA employees to clarify expected project outcomes, identify employees who would serve on three separate project teams, establish consultant and staff roles and responsibilities, and identify stakeholders who would be consulted in the process. Details related to project implementation, including the strategic planning process to be used (see Appendix A), were also discussed.

Springsted agreed to deliver:

- An environmental scan and industry analysis
- An analysis of NRHA's organization and capacities
- Mission, vision, and core value statements
- Goal, objective, measurement, and initiative statements
- An outline of a business model for NRHA
- A plan to implement the strategies

The Project Teams established were:

- Direction Setting Team (DST)
- Plan Development Team (PDT)
- Measurement Team

A list of the members of the DST, PDT and Measurement Team and the stakeholders interviewed are in Appendix G.

Environmental Scan and Industry Analysis: An *environmental scan* is an in-depth review of the critical external factors that influence an organization's ability to succeed or fail in achieving its mission. General demographic, social, economic, political, and technological factors are typically analyzed, as well as industry-specific factors, such as customer base, competition, and substitute products. Business opportunities and threats are identified through this research. From February to June, Springsted analyzed information on the City of Norfolk's redevelopment, general housing, assisted-rental housing, and community development industries. They also researched regulatory, legislative, political, market, socioeconomic and technical factors affecting NRHA. Much of the information was gathered through structured interviews and facilitated group meetings led by Springsted facilitators. An overview of the findings was presented in April to the DST and in May to the Board of Commissioners.

Organizational Analysis: An *organizational analysis* is a review of the internal assets, structure, and capacities of the organization. Organizational strengths and weaknesses are identified in this effort. During the February to June period, Springsted assessed three aspects of NRHA operations: (1) financial and physical assets, (2) staffing capacities, and (3) internal business processes. The Springsted team reviewed documents provided by NRHA, held facilitated meetings with staff, and conducted interviews with NRHA's Board of Commissioners and staff. The team also examined the physical needs assessments done for NRHA's fourteen assisted-rental properties that was

performed in 2006 by NRHA staff and outside consultants. An overview of findings was presented in April to the DST and in May to the Board of Commissioners.

Clarification of the NRHA Mission, Vision, and Core Values: From May through August, Springsted facilitated meetings with staff to identify NRHA's products/services, key customers, and key partners. Teams considered information obtained in the environmental scan and organizational analysis phases of the strategic planning process. Mission, vision, and core value statements were also created, refined and finalized. The strategic planning process used is in Appendix A.

Identification of Goals, Objectives, Measurements, and Initiatives: From May through September, Springsted facilitated additional working sessions with staff teams to create business goals, supporting business objectives, measures to determine progress and achievement toward goals and objectives as well as initiatives or projects necessary to achieve the goals.

The strategic goals include achievement of (1) quality housing opportunities for all, (2) sustainable mixed-income communities, (3) a strategic business approach, and (4) community support. Twenty-eight initiatives were identified as necessary to achieving these goals.

Clarification of the Business Model: The business model is the general understanding of how the organization serves its customers and obtains revenue for its continued operation. From February to August, Springsted compiled data to identify the attributes of a new business model that would (1) achieve sustainable income, (2) meet changes in the regulatory environment – particularly on the matters of asset management and curtailment of eminent domain powers, and (3) position NRHA to offer services to a larger market, while seeking new partnerships to address the needs of the hard-to-serve. In July, Springsted identified and reported on those changes NRHA should consider. An overview of the business center concept model was presented at the July Board meeting.

Implementation Plan: In the final phase of the project, Springsted shared with NRHA its recommendations for successful implementation of the newly created Strategic Plan, including a recommended structure and implementation process. Springsted also facilitated sessions with NRHA staff to develop initial project plans for the priority strategic plan initiatives and a communication plan to inform employees and stakeholders on plan status and various initiatives.

3. Where are we now?

The strategic planning process was designed to answer three questions for NRHA:

1. Where are we now?
2. Where do we want to go?
3. How will we get there?

To answer the question “Where are we now?”, an Environmental Scan and Organizational Analysis were conducted. Facilitated sessions were also held to determine NRHA’s products/ services, key customers, and key partners.

A. Environmental Scan

As mentioned above, the Environmental Scan was designed to conduct a scan of NRHA’s business environment, identifying the components of the environment, external opportunities that NRHA could address to its advantage, and external threats that could interfere with achievement of its mission. This analysis, along with the organizational analysis (discussed in the next section), identified the key business areas in which NRHA must plan and implement strategic initiatives.

Springsted staff interviewed key stakeholders, including members of the NRHA Board of Commissioners, City Council members, City administration staff, NRHA staff, community members and residents of NRHA assisted-rental properties (See Appendix G for a list of those interviewed). An electronic survey was used to obtain confidential responses from NRHA staff and Norfolk citizens. Springsted requested and reviewed a large volume of reports and documentation related to NRHA operations. The sum total of the data was compiled and then analyzed.

Key Environmental Themes

Norfolk is a mature city: Norfolk is considered the “old town” in the Hampton Roads region. By 1950, Norfolk’s population of about 213,500 was roughly half of the total population of the metropolitan area. Though its population increased by nearly 50% in the decade 1950-1960, Norfolk’s proportion of the metropolitan area decreased to about 42%. The city’s population reached its zenith in 1970 at 307,951, though its relative position in the area continued to decline, to only 29% that year. Norfolk’s population declined at each of the 1980, 1990 and 2000 census years. It is holding steady at around 234,500, not much more than the 1950 population. *(Note that following an appeal by the City, the Census Bureau in November 2007 says Norfolk is growing after all. The bureau estimates the city’s 2006 population at 238,832 instead of its original estimate of 229,112. This change means Norfolk’s population grew by about 8,000 compared to 2005, instead of declining by about 1,700. Norfolk argued that the bureau did not take into account building permit and state tax return data which had the result of discounting new housing in East Beach, Downtown and Broad Creek as well as other neighborhoods).*

By 2000, Norfolk had only about 15% of the metropolitan area population of nearly 1.6 million. In that year, Norfolk had only 76% of the population

it had in 1970. In the 40 years from 1960 to 2000, the proportion of Norfolk's population age 65 or over doubled in proportion, from 5.7% to 10.9%, while the proportion of the population under 20 years of age dropped from 39.8% to 28.6%.

Roughly 80% of Norfolk's housing stock was built before 1970. More than 1/3 of the housing stock was built before 1950. Only 5.5% of the housing stock was built in the decade 1990-2000, with only 2,672 permits issued, of which only 881 were for multi-family units. The time since 2000 shows a higher volume of housing starts, totaling more than 4,000, with over 40% in the multi-family dwelling category.

Mature cities like Norfolk have most of their land area already developed. Properties may not be at their "highest and best use," but some form of residential, commercial, or industrial construction has occurred. Local zoning ordinances are in place, restricting certain kinds of property reuse and requiring government intervention for a variance. In a mature city, builders focus in on redevelopment, revitalization and renovation rather than new "greenfield" construction. A mature city is typically also expected to provide more public services and civic amenities.

HUD funding for both assisted-rental housing and redevelopment is expected to be less generous and spent differently: Total Department of Housing and Urban Development (HUD) grants decreased to \$55.9 million in the 2008 budget, which is a reduction of \$2.4 million or four percent from the 2007 budget. Further, HUD's asset management initiative demands that housing authorities restructure fees and costs.

Virginia's restrictive eminent domain rules will reduce conventional large-scale redevelopment projects that NRHA carried out in the past: The heightened standard of proof for asserting blight restrains Virginia redevelopment and housing authorities from wholesale property acquisitions and land clearing often used for large-scale redevelopment. The focus, unless modifications are made by future General Assembly action, should be on projects which pre-dated and are grandfathered by the new law or on smaller-scale projects where blight is proven or NRHA can deal with willing property sellers.

On issues of housing policy, financing, and service, the relationship between the City Council, City staff and NRHA is contentious: There is no commonly agreed to housing policy for the City of Norfolk. The City only recently hired a new Planning Director after a two year vacancy and City planning decisions are often slow in coming. There is some duplication of effort between City offices and NRHA. Representatives from the City indicated that they do not understand NRHA's system of calculating administrative fees. Political considerations appear to have greater influence on planning decisions than they have had in the past.

NRHA's image among stakeholders has suffered: A consistent theme among those interviewed was that NRHA no longer enjoys a strong public image relative to what it once held. Concerns regarding NRHA's future service to low-income and minority families were voiced. A perception of

insufficient public safety and resident security at assisted-rental properties was frequently mentioned.

Opportunities

Key opportunities that NRHA can address include:

- The demand for quality housing for households at all income levels is evident, and NRHA has products that can help households obtain or improve residences.
- The market is effective but slow in filling housing gaps for different income levels. NRHA can temporarily fill gaps until the market catches up; NRHA prefers not to be in businesses that the market can address effectively. NRHA can “prime the pump” for private sector investment.
- There is demand for mixed-income housing communities. NRHA has expertise it can apply in obtaining grants to build and serve these communities.
- The City is in need of a partner to revitalize key Norfolk neighborhoods. NRHA can provide that expertise and wants to partner with the City.
- The Hampton Roads Transit Light Rail Project offers a double role for NRHA: acquisition of land for the Light Rail track and stations, and as partner in neighborhood development in areas surrounding the track and stations.
- NRHA owns properties it can develop and use to obtain revenue.
- NRHA is already positioned to shift its resident service focus to training residents on more self-sufficiency, income-generation and workforce development skills.
- NRHA is still capable of doing conventional redevelopment for properties that meet the standard of proof for blight or if owners are willing to sell properties to NRHA.
- Although eminent domain legislation limits NRHA in obtaining properties, it can address demand for property renovation and rehabilitation with current and new services.
- Adherence to asset management principles as required by HUD may lead to more efficient management of assisted-rental communities.
- There are markets for NRHA’s products and services outside of conventional assisted-rental housing and redevelopment. Some markets have already been identified and pursued such as land assembly services for the Light Rail Project, cabinetry products for other housing authorities and community revitalization financial products for Norfolk and other communities.
- Although its image has suffered, NRHA is still viewed as a leader and relevant player in housing and revitalization in Norfolk.

Threats

Key threats that NRHA must act to avoid, minimize, or control include:

- No local comprehensive housing policy means City administration and NRHA are always at risk of duplicating effort, interference and

not being engaged in a complementary fashion on joint or each other's projects.

- Norfolk has not revised its comprehensive land use plan since 1992. This 15-year void indicates a lack of unified vision between the City administration and NRHA, and may interfere with development project planning.
- No common agreement on the role of the City and NRHA in the residential sector also risks duplication of efforts, interference, infringement on projects and frustration.
- City administration does not find NRHA's financial management systems or reporting credible.
- The political environment is complicated by the need to address issues from multiple constituencies with incongruent and sometimes conflicting goals.
- Reduced federal, municipal and other funding.
- No modification of 2007 General Assembly eminent domain law changes.
- Inadequate relationships and insufficient credibility with Norfolk's minority community will interfere with NRHA's capacity to propose and implement project opportunities.
- Lack of public trust will interfere with NRHA securing partners and obtaining project acceptance.

Springsted recommends that NRHA take these findings, compare them with the findings of the Organizational Analysis, and identify those strategies that will allow NRHA to build on opportunities and minimize threats.

B. Organizational Analysis

As mentioned above, Springsted also conducted an organizational analysis of NRHA, identifying the internal strengths that could be brought to bear on the business environment, and the internal weaknesses that could thwart the organization's ability to achieve its mission. This analysis, along with the environmental scan, identified the key business areas in which NRHA must plan and implement strategic initiatives.

Springsted staff interviewed key stakeholders, including members of the NRHA Board of Commissioners, City Council members, City administration staff, NRHA staff, and key clients. An electronic survey was used to obtain confidential responses from NRHA staff and members of the Norfolk community. Springsted requested and reviewed a large volume of documentation related to NRHA operations. The sum total of the data was compiled and then analyzed.

Strengths

Leadership Strengths: The analysis indicated that NRHA has an advantage in its executive leadership team in that (1) the team appears to have a good grasp of its political, social, and economic environment, (2) the team understands that some restructuring of its current operations is necessary to

meet environmental demands, and (3) the team expresses its commitment to making the changes necessary to achieve its mission. These top management qualities are essential to the successful execution of any strategic plan.

Human Resources Strengths: NRHA's staff possesses critical knowledge on assisted-rental housing and community revitalization programs that does not appear to exist in other local government or private entities. The corporate expertise in tax credit programs, grant management, assisted-rental services and accounting is particularly strong. NRHA's human resource support programs in pay, benefits, and training overall were cited as satisfactory or excellent by employees, although specific aspects of these programs were identified as weaknesses. An affirming strength of the staff was its overall vocal commitment to the organization and citizens of Norfolk.

Financial Strengths: Based on audited fiscal year (FY) 2006 financials and FY 2007 and FY 2008 budget estimates, NRHA's current financial condition is stable, and given the projected revenues and reserves the organization appears to be financially viable for the near future. NRHA's current portfolio of capital assets and property held for resale provide a strong opportunity for the Authority to leverage private investment. NRHA's senior management is aware of the organization's need to reposition itself given declining revenue from federal government sources.

NRHA has evolved a sophisticated cost management system; it has an array of cost allocation tools that permit it to assess indirect centralized costs for its asset management projects (AMPs) and discrete operating units such as individual assisted-rental communities. NRHA is prototyping a method for developing maintenance fee schedules that allows comparability with market rates for maintenance work.

Lastly, NRHA has the capacity and experience to structure real estate arrangements that generate positive cash flow, as demonstrated by the Merrimac Landing, Mission College, Park Terrace and Oakmont North properties.

Business Process Strengths: NRHA is a multi-business operation: it provides multiple products that serve multiple classes of customers. Different revenue streams and different cost structures create a distinct management challenge. That being said, many of its business processes position NRHA to be successful in its mission. Many of the processes in assisted-rental housing are asset management compliant, placing NRHA in a position to reduce its stop-loss exposure.

Expertise in neighborhood planning is available in Development Operations. High standards in building design and architecture are promoted and quality control tools are in-place (such as Builders and Designers Guild) to ensure consistent implementation.

Assisted-rental housing is moving away from providing social services that can be provided by other local entities. More efforts are focused on workforce development. It is hypothesized that greater employment will

make for more timely and stable rent paying as well as improve client wealth.

NRHA has developed and can further enhance its capacity to promote and market “brand name” products such as homeownership counseling (HomeNet), community development financial products (Hampton Roads Ventures), design and construction standards (Builders and Designers Guild) as well as mixed-use, mixed-income developments (Broad Creek). Other products and services for branding include cabinet-making services, loan origination, loan servicing, bond services as well as large-scale real property planning and development, such as land assembly services for the Light Rail Project.

While the eminent domain law changes constrain NRHA in executing large-scale real estate purchases, it still has the capacity to acquire and dispose of real estate. It can do this by conventional blight management under the tightened rules, sales to willing buyers, and assisting of other projects requiring land acquisition. It is likely to have to work with projects of smaller size than past projects, but it still has the internal expertise, relationships, and legal standing to execute multiple, smaller projects.

Physical Asset Strengths: An examination of NRHA’s property portfolio reveals that its buildings are older but are relatively well-maintained. The multifamily buildings are on average about 45 years old; the elderly mid-rise buildings are on average about 22 years old.

NRHA uses a Physical Needs Assessment (PNA) system to identify the physical asset issues of each public housing community. Each development had a Long-term Vision for each property that is reflected in the PNA. The PNA also included market needs, modernization, energy conservation and crime/ density issues. The PNA also identified major renovations and capital need at Young Terrace, Diggs Town and Tidewater Gardens.

Overall, the PNA results were in line with expectations given the age of the properties, region and staff available.

Weaknesses

Leadership Weaknesses: Despite a relatively strong leadership team, the interview findings reveal many employees feel they are not receiving clear direction from senior management, nor are they getting a clear picture from management as to where NRHA needs to be in the near future.

This finding was particularly evident in housing operations with respect to asset management changes, although similar sentiments were found in other divisions. Such feelings are not surprising given the changes in asset management, eminent domain, and public funding. However, management failure to ensure that all employees understand where the organization is going is an obstacle in executing strategy. The situation is made worse by multiple, incongruent, and inconsistent expectations from external stakeholders that management is obliged to address and by the reticence of some staff to change focus.

Other leadership weaknesses identified were (1) a need for additional or stronger top leadership in Housing Operations, and 2) a lack of uniform purpose among Board members. There appears to be conflict among Board members as to what NRHA's role in the City should be, and a sense that the Board is too involved in issues of operation and not enough in issues of policy. A sense of counterproductive racial division among Board members was a common interview finding.

Human Resources Weaknesses: Key staff has been lost within the organization due to attrition, and several of those employees were not replaced. Not only has the organization suffered a loss of some important skills, it does not have *enough* staff to complete work satisfactorily in key areas, such as property maintenance. Management is aware of this issue and appears to be taking affirmative steps to address it.

The current organizational structure of Development Operations is too inflexible and does not make the best use of staff expertise. Unlike property management, it appears somewhat overstaffed for current functions. The amount of fee income being generated by this Division appears not to cover the cost of staffing and operations. The cost of service delivery for this division needs to be analyzed and services priced accordingly.

It is evident from the findings that certain types of skills – particularly analytical skills - now required by asset management and other programs are not held by staff members who now hold significant decision-making authority.

Other human resource support weaknesses were identified. While it is true that the pay and benefits in general are viewed as satisfactory, one area - the lack of salary increases, and in particular, inconsistent cost-of-living adjustments - has negatively influenced employee morale. Insufficient succession planning and lowered employee morale from a variety of causes were also found as weaknesses. NRHA is planning to issue an RFP for a classification and compensation study in 2008.

Financial Weaknesses: While NRHA has a workable overall financial system, many of its subsystems are so constructed as to make it cumbersome to pinpoint the revenue and expense for a specific product or service. Costing functions are basic to any business, and NRHA is disadvantaged in this fundamental. It is noted that pre-asset management compliance, these kinds of costing mechanisms were unnecessary, although they would have been useful. It is also noted that progress has been made in some areas – for example the maintenance fee schedule system mentioned above – but unless more is done this incapacity will constrain NRHA's ability to properly price and/or cost its products.

In assisted-rental housing, the AMP-based revenue and expense statements do not yet accurately portray the long-term viability of AMPs. Problems in the organization's budget planning process were also identified. (A new Budget and Compliance office was recently established to address this issue.) Issues related to NRHA's revenue sources are addressed in the Environmental Scan report.

Lastly, there is not complete alignment between NRHA's financial systems and its current operating strategies. It is noted that the organization is aware of this disparity, and is acting on improving its budget system so that planned budgets align more closely with expected projects. Also, internal financial reporting and management accounting systems require improvement to provide better measures and real-time financial data.

Business Process Weaknesses: While partly an external issue, there is some overlap between NRHA's and the City's development functions. A clear distinction between the two entities could prevent duplication of effort and enable NRHA to make internal decisions to clarify its community revitalization role.

Satisfactory mechanisms to assure that Housing Operations and the Development Operations communicate and work effectively together are not in place. Inconsistently followed policies and procedures in specific programs were cited as an issue, and audit results further support this finding. Clearer guidelines are needed as to what projects are consistent with NRHA's mission and what projects are not. Technology is not effectively used in some business processes. For example, the ECS production-tracking system used by Development Operations was particularly cited as not being user-unfriendly.

Weaknesses in NRHA's focus on public/private partnerships was also identified in the interviews. Some of those interviewed indicated a willingness to partner with NRHA and expressed a lack of understanding about why they had not been approached to assist NRHA in its mission. Others indicated a lack of understanding about NRHA operations and how they could be of assistance.

The need to improve resident security in NRHA assisted-rental communities was also noted. NRHA assisted-rental communities are often perceived as unsafe and a less desirable place to live in the community. (NRHA is currently assessing the use of on-site cameras/surveillance to address this issue.)

Physical Asset Weaknesses: While NRHA's assisted-rental communities have buildings that are relatively well-maintained, they are aging and in need of renovation. Plans for some major renovations/improvements – for example at Tidewater Gardens – have been delayed in part due to external forces, such as waiting for decisions on the disposition of St. Paul's quadrant.

A more detailed analysis of physical needs than currently exists is recommended by the Springsted Team. It is recommended that NRHA conduct a detailed Physical Needs Assessment, which would include the required HUD form #52832, per development. The PNA reports should include:

- Estimation of deficiencies beyond per unit and lump sum estimates. Specific components should be identified, with specific recommendations.

- Assessment of units over a minimum sample size of each development. Typically, a PNA includes access to 15% to 25% of a development's units—plus 100% vacant and down units.
- Enough detail to initiate work orders on immediate need items and lay out a schedule for longer-term needs. The PNA should serve as a baseline to trend cost per unit and track completed items.

The Springsted Team also recommends NRHA include a benchmarking study in its physical needs assessment process. The benchmarking study would compare property conditions and need as well as organizational structure, staffing and technological capabilities with comparable organizations. The benchmarking study should include immediate peer groups, such as other local and regional public housing authorities, and asset managers and maintenance organizations.

This level of assessment and reporting will allow for better evaluation of the options available to address NRHA's physical property needs and is more attractive when seeking capital funding. A PNA, with narrative describing all systems and providing observations, comments and recommendations, may also prove easier to absorb in multifunctional settings. EMG recommends conducting this type of PNA every five years.

C. Products/Services

After review and discussion of the results of the Environmental Scan and Organizational Analysis, a facilitated session was held with the PDT, and subsequently the DST, to discuss the products/services currently being provided by NRHA and determine what products/services NRHA should offer going forward. Products/services were defined as “deliverables that the customer receives”. A large number of products/services currently being offered by NRHA were identified. There was much discussion about whether or not NRHA should continue to provide some of the products/services. The Team felt there were some products/services being offered that were not consistent with NRHA's mission. The DST also agreed there were products/services that NRHA may no longer be able to afford to offer given decreases in funding and changes in how funding could be allocated. There was agreement that this needed to be further analyzed but the way the financial systems were currently constructed made it difficult. Ultimately, the DST concluded that NRHA should offer the following two products/services:

- *Housing*
- *Community Revitalization*

There was consensus that the majority of the services provided by NRHA would fall under one of these two groups; however, further analysis would need to be done.

D. Customers

A discussion with the PDT and DST about NRHA customers was also facilitated by the Springsted Team. Customers were defined as “any person, group or organization receiving NRHA products/services”. Traditionally, NRHA has been the primary provider of housing for low income persons.

In more recent years, NRHA has focused on developing mixed-income communities and has become a provider of housing to those other than low income persons. NRHA has done this because mixed-income communities are increasingly acknowledged as a better long term strategy for housing and neighborhood development. NRHA has also done this to create fee revenue to be used to support its efforts providing low income housing. With decreases in HUD funding, this has become increasingly necessary. There was much debate about who NRHA's key customer was because the Teams had to acknowledge that a fundamental shift had occurred and now the key customers for NRHA are:

- *Households of all incomes seeking housing*

E. Partners

Through the course of the discussion about customers, it was decided, in addition to a list of customers, a list of key NRHA partners was needed. Partners were defined as “any person, group or organization you collaborate with in the delivery of your products/services”. The Team members acknowledged that increasingly NRHA was going to have to partner with others in the community to be successful. A key aspect of the strategic plan would be determining how best to engage these partners and make partnerships a reality. Developing a separate list would help the Teams and the organization to stay focused on this critical issue.

It was decided that the key partners for NRHA are:

- *City*
- *Other government entities*
- *Financial Institutions*
- *Developers*
- *Realtors*
- *Property Owners*
- *Community revitalization entities*

4. Where do we want to go?

After answering the question “Where are we now?”, the DST was positioned to answer the question “Where do we want to go?”. This phase of the project included a series of facilitated sessions to revise the organization’s mission and values and create new goals and performance measures. All of this information was then used by the DST to create a new vision statement for NRHA.

A. Mission Statement

A mission statement was defined as “the statement of purpose or fundamental reason for an organization’s existence”. The discussion about NRHA’s mission statement began with a review of the current mission statement and mission statements proposed in previous planning sessions. The current mission statement “to improve the physical and social environment thereby enabling the people and neighborhoods of Norfolk to reach their greatest potential” was seen as too broad and general and more applicable to City government than NRHA. Those developed in previous planning sessions seemed more on target with a focus on quality housing, revitalization and mixed-income communities. The Team readily agreed that NRHA’s purpose was to provide housing. The Team also quickly agreed that the housing provided had to be of high quality. Yet, many felt this was still not enough. Just to build a quality house was not sufficient. NRHA needed to building quality housing that contributed to community revitalization and neighborhood development and could be sustained for the long term. Given all this discussion, the DST ultimately agreed to the following mission statement:

Provide quality housing opportunities that foster sustainable, mixed income communities

B. Values

Values were defined as “the principles that govern organizational behavior and the way in which we do business”. NRHA already had a set of six values and definitions for each. They were:

- Honesty/Integrity
- Customer Service
- Competence
- Respect
- Teamwork
- Innovation

The PDT decided that Customer Service, Teamwork and Innovation would be critical to the achievement of NRHA’s mission and should be retained. They further decided that honesty/integrity and respect were key parts of teamwork and did not need to be listed separately. They also really liked the behaviors that the “competence” value would promote. Yet, the Team ultimately decided that what the organization really wanted was excellence, not just competence. So, excellence replaced competence as a value. Lastly, they felt that accountability needed to be added. In the new NRHA

operating environment, being accountable for one's actions would be expected and needed and critical to organizational success.

The PDT recommended and had approved by the DST the following values:

- *Accountability*
- *Customer Service*
- *Excellence*
- *Innovation*
- *Teamwork*

The narrative statements written to further explain what each value meant is in Appendix B.

The DST also decided to use *ACE IT* as an acronym for the values, based on a recommendation from the PDT. This would enable all NRHA staff to more easily remember the values while at the same time describing what the organization hopes to accomplish by operating under this set of values.

C. Goals

Goals were defined as “broad measurable outcomes to be achieved on behalf of your customers”. To determine what goals NRHA would need to pursue to achieve its mission, the PDT reviewed the critical issues identified in the Environmental Scan and Organizational Analysis.

The DST readily agreed that NRHA needed to focus on developing quality housing and sustainable, mixed-income communities. This was what they had agreed was the fundamental purpose of the organization. There continued to be discussion about to whom NRHA should provide housing. Some were still struggling with the concept that NRHA would focus on developing housing for those other than the low income. There was concern that the low income persons in the community would not be given the attention they deserved. Yet, ultimately, the Team agreed that it was necessary for NRHA to provide housing opportunities for all residents of Norfolk.

The DST also came to the conclusion NRHA would need to function more like a business and take more of a “business approach” to NRHA operations to achieve its mission and goals. It was agreed that a goal focused on how NRHA managed its finances and human resources and the business processes used to accomplish the work of NRHA was needed.

The DST also agreed that community support would be essential to accomplishing their mission and vision. In both the Environmental Scan and the Organizational Analysis, the lack of community support and the value to NRHA of improving its image in the community was mentioned repeatedly. To ensure NRHA gave this issue the required attention, the DST agreed it should be a goal.

Based on the DST's analysis of the critical issues and the discussion outlined above, the DST agreed upon four key goals for NRHA. They are:

1. *Quality housing opportunities for all*
2. *Sustainable mixed income communities*
3. *A Strategic Business Approach*
4. *Community Engagement and Support*

The narrative statements written to clarify the meaning of each of these goal statements are in Appendix C.

D. Performance Measures

Performance measures were defined as “meaningful indicators that assess progress toward the accomplishment of your goals”. The PDT engaged in a great deal of dialogue about the best ways to measure progress on the NRHA goals. NRHA had not used performance measures to any large degree in the past to measure organizational performance. Consequently, the PDT had to work hard to identify measures that would truly reflect the level of progress made on the goals and for which data was available and reliable. The performance measures agreed to by the DST for each goal are in Appendix D.

E. Vision Statement

A vision statement was defined as “a word picture of the future that the organization hopes to achieve”. By the time the DST began to consider what NRHA’s vision statement should be, there had been much discussion among DST members about what the primary focus of the organization should be. It was clear to the DST that the primary focus should be the development of quality housing. It had also become clear to the DST members that not only should the focus be quality housing but also community revitalization and the development of mixed-income communities; therefore, the housing developed by NRHA needed to be in neighborhoods that are safe and where people actually want to live. As a result, the DST decided that the vision for NRHA should be:

Quality housing choices in neighborhoods where you want to live

5. How will we get there?

To answer the question “How will we get there?”, the DST developed objectives, intermediate measures, and initiatives based on NRHA’s four identified goals.

A. Objectives

Objectives were defined as “a statement of what you must do well or barriers you must overcome to achieve a specific goal”. Three to six objectives were identified for each of NRHA’s four goals.

Goal 1 – Quality Housing Opportunities for All

Objectives:

1. *Increase the number of housing units in underserved markets*
2. *Fully utilize existing housing resources*
3. *Assure the sustainability of existing, rehabilitated and newly constructed housing*

The DST agreed to achieve “quality housing opportunities for all” NRHA will need to make the best use of existing housing resources, ensure any rehabilitated or newly constructed housing done by NRHA was sustainable for the long-term, and, in general, increase the number of housing units available, especially in underserved markets.

Goal 2 – Sustainable Mixed-Income Communities

Objectives:

1. *Promote a wider range of housing and economic opportunities throughout Norfolk*
2. *Expand partnerships to address housing needs for the hard-to-serve*
3. *Promote safer communities*
4. *Cultivate public/private amenities critical to the success of a community*
5. *Promote opportunities for NRHA customers to meet community standards and program requirements*
6. *Leverage community assets and financial products to promote housing development and community revitalization*

The DST agreed to achieve “sustainable, mixed-income communities” NRHA will need to promote more housing and economic opportunity for Norfolk residents and the development of communities that are safe and have the necessary public/private amenities. NRHA will also need to leverage existing community assets and financial products and promote strategies that enable NRHA customers to be successful in their mixed-income community, including developing partnerships as needed to address the housing needs of the hard-to-serve.

Goal 3 –A Strategic Business ApproachObjectives:

1. *Apply consistent business management principles to all NRHA products and services*
2. *Develop a qualified workforce*
3. *Analyze and adapt performance standards for compliance and delivery of key products and services*
4. *Reengineer systems/infrastructure to align with strategic plan*
5. *Optimize utilization and value of NRHA-owned assets*

The DST agreed to take “a strategic business approach” to NRHA operations will require the use of good business management principles and performance standards, a qualified workforce, the reengineering of some of NRHA’s systems and processes, and optimal utilization of NRHA assets.

Goal 4 – Community Engagement and SupportObjectives:

1. *Re-establish a brand identity that clearly defines NRHA’s role and image*
2. *Improve relationships with partners*
3. *Improve relationships with customers*
4. *Improve stakeholder perception of NRHA as force for positive residential and community change*
5. *Create positive awareness of NRHA and its achievements*

The DST agreed to develop “community support” will require NRHA to clearly define its role in the community, create positive awareness of NRHA and its achievements, and improve relationships with community partners and customers.

B. Intermediate Performance Measures

Intermediate performance measures were defined as “meaningful indicators that assess progress toward the accomplishment of your objectives”.

Intermediate measures associated with each of the above set of objectives were developed by the PDT and approved by the DST. They are listed in Appendix D. Like the development of the outcome measures, the creation of intermediate measures required a lot of work on the part of the PDT to identify measures that would reflect progress on the objectives and for which data was reliable and collectable.

C. Initiatives

Initiatives were defined as “specific programs, activities, or strategies that will help an organization achieve its identified objectives”. The DST identified twenty-eight initiatives needed for NRHA to achieve the objectives of its Strategic Plan. Four of the identified initiatives were already being worked on by the organization. They are:

5. *Reduce vacancy turn times and establish a ready qualified applicant pool*
6. *Create a strategic property management plan to determine the best and highest use of the properties*
7. *Analyze existing business processes for compliance with HUD, asset management and project-based requirements.*
8. *Re-engineer the budget process*

In addition, the DST identified four new initiatives that should be prioritized and pursued immediately. The DST prioritized the initiatives based on the expected impact and cost of the initiative. For example, those with expected high impact and low cost were given priority over those with low impact and high cost. The four prioritized initiatives are:

1. *Identify the number and types of housing units needed (Residential Needs Study)*
2. *Identify, prioritize and establish business centers*
3. *Identify areas to measure and create, prepare, submit and publish report cards*
4. *Develop and implement a Communications and Marketing Plan, with the first phase of this plan focused on the rollout of the new Strategic Plan*

The DST concluded to move forward on Goal 1 (Quality housing opportunities for all) a Residential Needs Study needed to be conducted. This will give NRHA a better understanding of the housing needs in Norfolk and what types of housing NRHA should focus on developing.

To make progress on Goal 3 (Strategic Business Approach), the DST determined the priority needed to be on establishing business centers and developing report cards for the identified performance measures. By establishing business centers, NRHA will get a better understanding of the income and expenses associated with each of the products/services provided by NRHA. The creation of report cards will help NRHA track its progress on its goals and objectives and make changes to the strategic plan as needed.

Given the high level of feedback on the need for community engagement and support (Goal 4) and the need to communicate the new Strategic plan to NRHA staff, the DST concluded that the development of a Communications and Marketing Plan should also be a priority. It was further agreed that the first phase of this should be the rollout of the new Strategic Plan to the Board of Commissioners, City Council, staff, residents and key partners.

6. Implementing the Strategic Plan

During and after the creation of the NRHA Strategic Plan, Springsted discussed with the DST the steps Springsted would recommend NRHA take to position NRHA for successful implementation of its strategic plan. The steps recommended were:

- Develop project plans for NRHA's priority initiatives
- Establish an Implementation Team responsible for implementation and monitoring of the plan
- Develop core competencies for staff that support implementation of the plan

In addition, NRHA held a series of focus groups with business and civic leaders to get their feedback on the NRHA strategic plan.

A. Project Plans

For each of the priority initiatives mentioned in Section 5 above, a project plan was developed by a subgroup of the DST with assistance from Springsted. The project plan identified the steps that need to be taken, who is responsible, and significant milestone dates. The project plans for the four priority initiatives are in Appendix E. For the Residential Needs Study, the first action step is creation of a RFP. The RFP to be used was created with assistance from the Springsted Team and is also in Appendix E.

B. Plan Implementation and Monitoring

To ensure successful implementation of the plan, Springsted recommended that NRHA establish an Implementation Team to oversee the implementation process. The Implementation Team would be led by the Executive Director and he would be identified as the Plan Owner. Other leaders in the organization would be identified as Goal Champions and would be assigned one of the four goals in NRHA's Strategic Plan. The Goal Champions would be responsible for leading any activities related to the accomplishment of their assigned goal. The Goal Champions would have Initiative Teams, comprised of NRHA staff from relevant parts of the organization, assisting them with the execution of the initiatives related to their goal.

Staff from the Communications Department would be identified to assist with the marketing and communication of the NRHA Strategic Plan. Staff from the Information Systems Department would also be involved to automate any systems needed for implementation and monitoring of the Plan. The Budget and Compliance Office would provide a format and schedule for plan reporting. All of those involved would be supported by the Plan Coordinator who would be responsible for seeing that all activities were coordinated and that all those involved had what they needed to continue implementation of the NRHA Strategic Plan.

An example of how the Implementation Team might be structured was presented to the Executive Team in July and then discussed with the DST in August. The proposed structure for the Implementation Team is in Appendix F.

C. Development of Core Competencies

Springsted also did a presentation to the NRHA Human Resources staff on how to develop core competencies for NRHA staff that will align with and support the implementation of NRHA's newly created strategic plan. Competencies were defined and the process typically used for creating them were reviewed. (See Appendix J for further details). The Springsted Team recommended that NRHA develop the competencies before the end of FY08 and plan to begin using them in FY09, concurrent with the implementation of the strategic plan.

D. Focus Group Feedback on Strategic Plan

After completion of the strategic planning project, NRHA had DIA, a marketing and public relations firm, solicit feedback on the plan from business and civic leaders. The members of the focus groups recommended very few changes and the changes recommended were generally minor in nature. Overall, the group felt the plan was well written and easy to understand and applauded the goals NRHA has set for itself.

The results of the focus group sessions are in Appendix K.

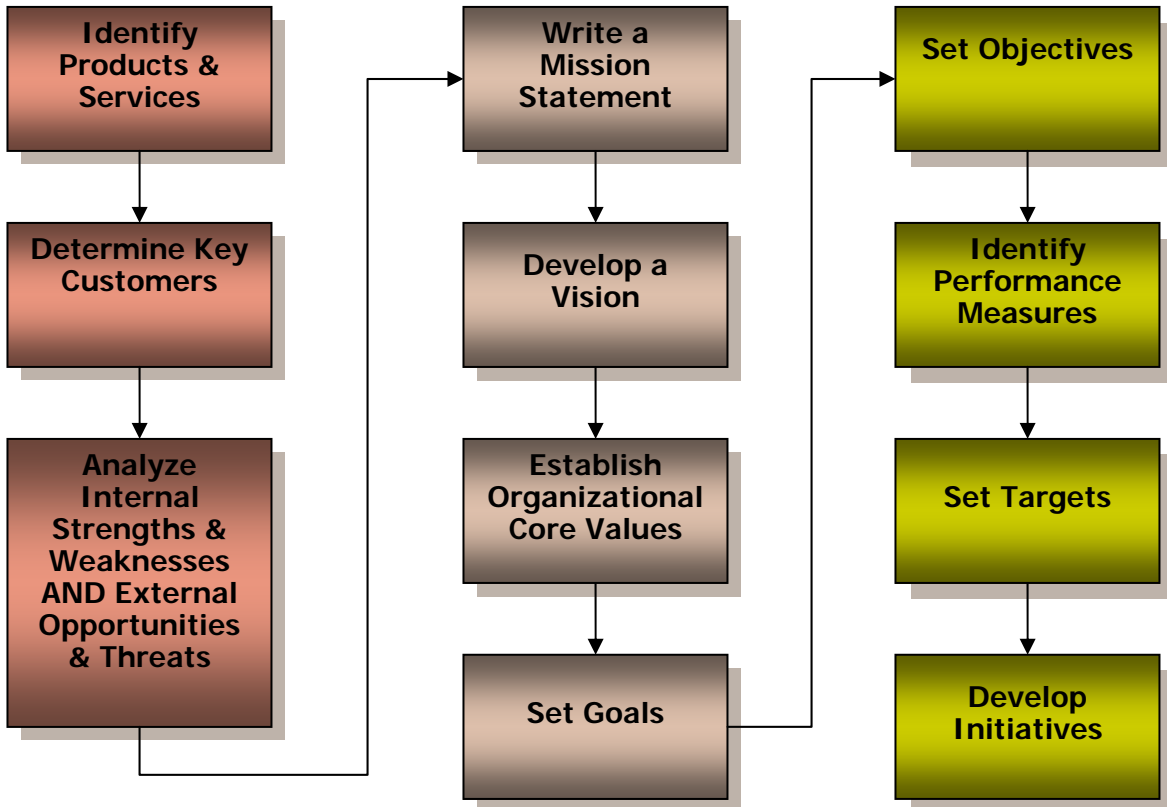
Appendix A

STRATEGIC PLANNING MODEL

WHERE YOU ARE

WHERE WANT TO GO

HOW GET THERE



Appendix B

VALUES DESCRIPTIONS

Values	Description
Accountability	We take and accept the responsibility to serve our clients and each other. We hold ourselves to high ethical standards in all our business dealings and communicate openly and honestly. We make decisions with attention to fairness and integrity. We expect to be recognized for performing our duties well, and we expect and accept consequences when we perform unsatisfactory work.
Customer Service	We provide exceptional customer service with a caring attitude and a sense of urgency. We ask for input from our customers, other stakeholders and alliance partners so that we can more effectively and efficiently achieve our mission.
Excellence	We perform our jobs at a high standard that achieves superior quality. We provide opportunities for employee education, training, and professional development so that we build capacities, broaden competence, and create opportunities for career advancement.
Innovation	We understand that innovation keeps us vital and growing. We embrace creativity and pursue new opportunities that advance our mission. We take an entrepreneurial perspective to our work, trying new ideas that advance our service to our customers. We understand that innovation also considers efficiency, and we use our assets carefully and economically.
Teamwork	We value both unity and diversity at the same time by committing ourselves to work together in a diverse workforce to achieve our shared vision. We treat each other with respect and dignity. We are actively involved in our community and consider ourselves stewards of our organization, city, and environment.

Appendix C

GOAL DESCRIPTIONS

Goal	Description
Quality housing opportunities for all	NRHA will provide a continuum of desirable housing opportunities for households of all incomes
Sustainable mixed-income communities	NRHA will act to promote a new community model that creates a healthy physical and social environment that is appealing to households in a wide range of incomes
A strategic business approach	To meet changing requirements and make best use of resources, NRHA will use a focused business model to effectively and efficiently deliver its products and services
Community engagement and support	NRHA will be a trusted partner that works collaboratively with residents, partners, and other stakeholders

Appendix D

GOALS, OBJECTIVES, MEASURES, AND INITIATIVES

GOAL 1 – QUALITY HOUSING OPPORTUNITIES FOR ALL			
Objectives	Strategic Outcome Measures	Intermediate Measures	Initiatives
<p>1.1 Increase the number of housing units in underserved markets</p> <p>1.2 Fully utilize existing assisted housing resources</p> <p>1.3 Assure the sustainability of existing, rehabilitated, and newly constructed housing</p>	<p>Total number of rental units</p> <p>Total number of homeownership units</p> <p>Combined scorecard index (a summary measure to include HCV, homeownership, property management, and development)</p> <p>Total maintenance costs per unit of NRHA properties</p> <p>Life cycle of properties</p>	<p>Occupancy rate for rental properties</p> <p>Total number of rehabilitation loans and grants</p> <p>Percent fund utilization of rehabilitation loans and grants</p> <p>Total number of people on waitlist (both rental and homeownership)</p> <p>Percent of new housing constructed (either single or multifamily) that is EarthCraft, Energy Star or LEED certified</p>	<p>1. Define and identify the number and types of housing units needed</p> <p>2. Identify a mix of tools to obtain/construct units (construction and finance)</p> <p>3. Reduce vacancy turn times and establish a ready qualified applicant pool</p> <p>4. Establish housing choice voucher /landlord partnerships</p> <p>5. Create a strategic real property plan to determine the best and highest use for the properties</p> <p>6. Establish guidelines for new construction that focus on safety, affordability, efficiency and quality</p>

GOAL 2 – SUSTAINABLE MIXED-INCOME COMMUNITIES

Objectives	Strategic Outcome Measures	Intermediate Measures	Initiatives
<p>2.1 Promote a wider range of housing and economic opportunities throughout Norfolk</p> <p>2.2 Expand partnerships to address housing needs for the hard to serve</p> <p>2.3 Promote safer communities</p> <p>2.4 Cultivate public/private amenities critical to the success of a community</p> <p>2.5 Promote opportunities for NRHA customers to meet community standards and program requirements</p> <p>2.6 Leverage community assets and financial products to promote housing development and community revitalization</p>	<p>Household Income distribution</p> <p>Property value assessment of targeted communities</p> <p>Crime statistics</p> <p>Percent of owner occupied vs. rental properties</p>	<p>Income tiers of all occupied units</p> <p>Total number of formalized partnerships</p> <ul style="list-style-type: none"> ▪ services to hard-to-serve/underserved clients ▪ public/private amenities <p>Total number of potential partnerships identified</p> <ul style="list-style-type: none"> ▪ services to hard-to-serve/underserved clients ▪ public/private amenities <p>Total growth in average household income in NRHA multifamily rental properties</p> <p>Percent utilization of development incentive grants</p> <p>Number of lease violations</p> <p>Number of residents leaving the program and why</p> <p>Percent of assisted rental and home ownership units citywide</p>	<p>7. Identify needs and partners and create memoranda of understanding</p> <p>8. Establish/coordinate Neighborhood Watch programs and increase staffing for security</p> <p>9. Lease enforcement; communicate expectations with residents/applicants</p> <p>10. Renovate/redevelop with identified amenities; promote available services; identify and facilitate partnerships</p> <p>11. Build and renovate housing to increase property values in targeted areas</p> <p>12. Market NRHA's housing and products to key occupational and income groups (e.g., police officers, teachers)</p> <p>13. Assess current populations to determine level of need; promote available services to meet the identified need</p>

GOAL 3 – A STRATEGIC BUSINESS APPROACH

Objectives	Strategic Outcome Measures	Intermediate Measures	Initiatives
3.1 Apply consistent business management principles to all NRHA products and services	Net income Current ratio Month's expended balance	Number of core skills/competencies identified with formal capacity building process in place	14. Analyze existing business processes for compliance with HUD, asset management and project-based requirements
3.2 Develop a qualified workforce	Occupancy loss Expense management distribution	Percent of information technology plan completed	15. Convert processes to comply with asset management and project-based requirements 16. Identify, prioritize, and establish business centers
3.3 Analyze and adapt performance standards for compliance and delivery of key products and services	Budgeted to actual expenditures Tenant receivables outstanding	Percent of budget dollars spent/allocated to learning Percent of performance plans aligned with strategic plan	17. Diversify funding sources 18. Conduct skills needs assessment, update skill inventory, identify skill gaps, and identify and implement plan to close gaps
3.4 Reengineer systems/ infrastructure to align with strategic plan	Cash liquidity/cash ratio Public-to-private funding leverage ratio		19. Reengineer performance assessment system; align with strategy and compensation plan 20. Conduct compensation study, adjust pay system and align with other systems
3.5 Optimize utilization and value of NRHA-owned asset	Federal/State/Local/Private funding Organizational climate survey/ quality of work life measure		21. Identify areas to measure and create, prepare, submit, and publish report cards 22. Evaluate business support systems, identify systems to reengineer, reengineer business processes and infrastructure systems, and implement changes

GOAL 4 – COMMUNITY ENGAGEMENT AND SUPPORT

Objectives	Strategic Outcome Measures	Intermediate Measures	Initiatives
<p>4.1 Reestablish a brand identity that clearly defines NRHA's role and image</p> <p>4.2 Improve relationships with partners</p> <p>4.3 Improve relationships with customers</p> <p>4.4 Improve stakeholder perception of NRHA as force for positive residential and community change</p> <p>4.5 Create positive awareness of NRHA and its achievements</p>	<p>Content analysis of media coverage</p> <ul style="list-style-type: none"> ▪ Percent positive ▪ Percent negative ▪ Percent neutral ▪ Trend data by category <p>Partner/Customer satisfaction score</p> <p>Time required to resolve complaint</p>	<p>Comprehensive Marketing/ Communication milestones met,</p> <p>Number of awards received</p> <p>Letters of support/letters of intent/memoranda of understanding/ resolutions</p> <p>Participation rates:</p> <ul style="list-style-type: none"> ▪ Events ▪ Trade shows ▪ Conferences ▪ Community meetings ▪ Civic leagues ▪ Public meetings <p>Community participation in NRHA events</p> <p>Total number of "hits" on NRHA website</p> <p>Citizens' survey/evaluation results</p>	<p>23. Develop and implement a Communications and Marketing Plan</p> <p>24. Establish a communications strategy to promote NRHA's successes, programs, production, and staff achievements</p> <p>25. Create a process for keeping Internet and intranet updated</p> <p>26. Establish meeting forums, special events, and other outreach efforts with other government, community, and business entities</p> <p>27. Develop a collaborative working relationship with the Authority's Board of Commissioners, City Council, and City staff</p> <p>28. Inventory current customer feedback mechanisms, identify gaps and develop comprehensive survey instruments</p>

Appendix E

Performance Measures Project Plan		
Goal:	Strategic Business Approach	
Objective:	Apply consistent business management principles to all NRHA products and services	
Initiative:	Identify areas to measure and create, prepare, submit, and publish report cards	
Desired Result:	At a glance, to have a picture of how the organization is doing. To be used as a management tool and to create awareness for staff of importance of measures	
Goal Champion:	Clara Graves	
Team Chairs:	Donna Mills and Terri Giuliana	
Action Plan Step	Responsible Person (s)	Completion Date
Identify performance measure(s) will use to test approach for developing a way to track and monitor performance measures	Performance Measures Team/ Goal Champion	10/18
Goal Champion/ Accountable person identified to assist Team as needed	Executive Team	10/26
Identify data collection leads to get information need for performance measure(s)	Donna Mills and Arlene Hinson	10/26
Meeting of Goal Champion, Performance Measures Team, and Data Collection Leads to discuss project plan and next steps	Co-Chairs – Donna Mills and Terri Giuliana	11/2
Data Collection Leads complete data collection form developed by Performance Measures Team	Donna Mills and Arlene Hinson (or their designees)	11/9
Gather data and identify other people that need to be involved		11/16
Meeting of Data Collection Leads with Performance Measures Team to report on their work thus far	Co-Chairs – Donna Mills and Terri Giuliana	11/16
Insert performance measures data in spreadsheet format	Jamie Jones (or his designee)	11/23
Design format/system for electronic presentation	Jamie Jones (or his designee)	
Meeting of Data Collection Leads, assigned Information Systems staff and Performance Measures Team to discuss what has been developed for electronic presentation of data	Co-Chairs – Donna Mills and Terri Giuliana	11/30

Business Center Project Plan		
Goal:	Strategic Business Approach	
Objective:	Apply consistent business management principals to all NRHA products and services	
Initiative:	Identify, prioritize and establish business centers	
Desired Result:	To model the analytical processes necessary to determine the potential success of any NRHA business and the action steps needed to organize and operate it, by incubating an initial NRHA prototype business.	
Goal Champion:	Clara Graves	
Team Chair (s):	David Heim	
Action Plan Step	Responsible Person (s)	Completion Date
Identify Goal Champion/ Accountable person to assist Team as needed	Executive Team	ASAP
Develop business plan format for prototype NRHA business (see below)	Business Center Team	10/18
Distribute Specialized Maintenance Business Plan to Business Center Team	Rick O'Neal	10/19
Review and evaluation of Specialized Maintenance Business Plan by Business Center Team, using outline below for Business Plan	Business Center Team	10/26
Discussion of Specialized Maintenance Business Plan and any changes that need to be made	David Heim, Chair	11/13 meeting – 1:30
Specialized Maintenance Business Plan put in standard, agreed upon business plan format		
Discussion of how to share and sell concept developed to evaluate business centers to decision makers		

Business Plan for possible NRHA businesses will include:

Products/services

Customers (existing and potential)

How will support NRHA mission

Market potential

Competitors (existing and potential, what do they charge?, how are they organized?, how do they deploy their resources?)

Structure

Existing revenue (what prices do customers pay for service?)

Potential revenue (what price might customer pay for service?)

Existing costs

Potential costs

Profitability over time

How will market (steps to establish, maintain, and expand market share)

Legal structure (PHA "Instrumentality," etc.)

Strategic Plan Rollout			
Goal:	Community Engagement and Support		
Objective:	Create positive awareness of NRHA and its achievements		
Initiative:	Strategic Plan Rollout		
Desired Result:	Achieve early buy-in of plan by Board of Commisioners, Staff, Customers and Partners		
Goal Champion:	Shurl Montgomery		
Team Chair:	Ed Ware		
Action Plan Step		Responsible Person (s)	Completion Date
Board Approval	Presentation at Board Advance	Shurl Montgomery	9/24
	Board Resolution Adopting Mission, Vision, Goals	Shurl Montgomery	11/19
Staff Introduction	Annual Meeting Rollout	Montgomery/Ware	11/30
Partners	City Council Presentation	Montgomery	10/30
	Focus Groups of Civic & Business Leaders	Ware	12/1
	Letter to Stakeholders that were interviewed		2/15
Customers	Develop Citizen & Resident Summaries of Plan	Ware	2/15
	Plan Resident Outreach	Hinson	3/1
	Plan Civic League Outreach	Blair/Morales/Barney	3/1
General	Incorporate Vision/Mission into communications	Ware	7/1
	Develop Annual Report	Ware	6/1
	Website Update	Ware	7/1
	Intranet Launch	Ware	3/1
	Media Briefings	Ware	5/1

Residential Needs Study Project Plan		
Goal:	Quality Housing Opportunities for all	
Objective:	Increase the number of housing units in underserved markets	
Initiative:	Define and identify the number and types of housing units needed	
Desired Result:	Secure a high quality vendor who will deliver an expertly researched, readable and credible product	
Goal Champion:	John Kownack	
Team Chair:	Ed Ware	
Action Plan Step	Responsible Person (s)	Completion Date
Create RFP to be issued for Residential Needs Study	Ed Ware and Tom Nutt-Powell	12/15
Circulate for internal review	Ware	1/15
Coordinate with Procurement	Ware	1/15
Research and compile list of qualified firms	Ware	1/15
Issue RFP	Ware	2/15

Scope for RFP

Residential Needs Study — Norfolk Redevelopment and Housing

Authority (NRHA)

Background

The Norfolk Redevelopment and Housing Authority (“NRHA”) has recently completed an extended Strategic Planning process. In November 2007, the NRHA Board of Commissioners adopted a five-year Strategic Plan vision, mission and goals. Among the considerations involved in successfully implementing such a plan is NRHA’s changing external environment. Legal, financial, statutory and regulatory changes contribute to a profoundly altered institutional environment within which NRHA is to define and meet its mission.

As a result of the changed institutional environment, NRHA is seeking to understand the nature of housing needs for Norfolk, VA. NRHA possesses certain legal and financial assets, including...

- Flows of capital and operating funds from HUD
- Ownership of a substantial housing portfolio with a variety of legal and financial structures
- Legal authority to engage in significant redevelopment activity (albeit new eminent domain restrictions), including a variety of financing powers
- A solid base of institutional capital in the form of a broad range of skilled staff, with capacity for development, management, maintenance and financing of mixed-income housing

Wise use of these assets will enable NRHA to make very significant contributions in meeting the housing needs of Norfolk.

This is not a market study. This is not a housing demand study. This is a residential needs study, with the fundamental product informing NRHA (and other stakeholders) of the nature and order of magnitude of housing needs for the City. Further, the study must identify those needs likely to be met by existing market dynamics so that NRHA is able to understand what needs will require use of existing public-sector programs and/or creation of new means and methods.

An important study consideration is the recognition that the housing decisions of individuals and families generally do not respect geo-political boundaries. A look at the evolution of the Hampton Roads region reveals significant growth in population. The City of Norfolk, once dominant in size, is now a core of a large and mature region. There are certain fundamental realities about Norfolk, captured in the phrase “a mature city.”

Norfolk was established in the 17th century and granted a charter by King George II on September 15, 1736. By 1950 Norfolk’s population of about 213,500 was roughly half of the total population of the metropolitan area. Though its population increased by nearly 50% in the decade 1950-1960, Norfolk’s proportion of the metropolitan area decreased to about 42%. The city’s population reached its zenith in 1970 at 307,951, though its relative position in the area continued to decline, to only 29% that year. Norfolk’s population declined at each of the 1980, 1990 and 2000 census years. It is holding steady at around 234,500, not much more than the 1950 population. *(Note that following an appeal by the City, the Census Bureau in November 2007 says Norfolk is growing after all. The bureau estimates the city’s 2006 population at 238,832 instead of its original estimate of 229,112. This change means Norfolk’s population grew by about 8,000 compared to 2005, instead of declining by about 1,700. Norfolk argued that*

the bureau did not take into account building permit and state tax return data which had the result of discounting new housing in East Beach, Downtown and Broad Creek as well as other neighborhoods). By 2000, Norfolk had only about 15% of the metropolitan area population of nearly 1.6 million. In that year, Norfolk had only 76% of the population it had in 1970. In the 40 years from 1960 to 2000, the proportion of Norfolk's population age 65 or over doubled in proportion, from 5.7% to 10.9%, while the proportion of the population under 20 years of age dropped from 39.8% to 28.6%. Roughly 80% of Norfolk's housing stock was built before 1970. More than 1/3 of the housing stock was built before 1950. Only 5.5% of the housing stock was built in the decade 1990>2000, with only 2,672 permits issued, of which only 881 were for multi-family units. The time since 2000 shows a higher volume of housing starts, totaling more than 4,000, with over 40% in the MFD category.

Scope

To reiterate: This is not a market study. This is not a housing demand study. This is a residential needs study, providing basic information permitting NRHA to devise and implement a strategy for wise use of its resources, now, for the next decade and into the future.

Therefore the fundamental question to be answered is...

What are the housing needs for Norfolk now, in 5 years, in 10 years, in 20 years?

The answers to the question will involve data and analysis of...

- ❖ **Household composition**, including basic demographics (size, income, age, education and so on) and housing characteristics (preference, history, location and so on). Anecdotal evidence includes as key factors the aging of the Baby Boomer generation with likelihood of longer life post-retirement, in-migration of a variety of households, including those with limited English proficiency.

- ❖ **Housing stock**, including type, size, age, condition, cost and tenure. The basic question is: What housing exists and how much of what type is affordable? In particular, good information is needed on “niche” housing where NRHA’s financial capacity can be put to good use. Examples of “niche” housing include Assisted Living or Military Housing.
- ❖ **Participants** in the housing arena, with particular emphasis on who develops, owns, manages, sells, and/or subsidizes, sorted by product, age and affordability. This information is likely to go beyond Norfolk City limits, to include other the Hampton Roads municipalities. An interesting element of this portion of the analysis is understanding the impact of tenant-based (and therefore “portable”) Housing Choice Vouchers issued by NRHA and other area housing authorities.

Thus the **primary product** of the study is basic descriptive information (known and projected) of housing needs in Norfolk, for individuals and families who will live in Norfolk. This basic product will be informed by analysis of needs in the larger region, that are likely to be provided for outside Norfolk.

A **second and perhaps more important product** of the study is dividing the needs analysis into needs met by private-market forces, and those for which some form of public-sector involvement is needed. This portion of the study should present the continuum of housing market activity, from high-end through middle-income to low- and very-low income housing, with associated information on the capacity of the development community (for- and non-profit, including public agency activity) to respond to the needs. Of particular interest will be a presentation of the sorts of development skills, capacities and financial support needed to address those housing needs projected which do not appear to have a corresponding current capacity to be met.

Both of these products require projections. NRHA needs to know the methods used and extent of confidence in results. In addition, NHRA wants projections to be accompanied by an explanation of factors deemed important variables influencing outcomes, notably *externalities* that NRHA will need to monitor so that it can make corrections in its course as the environment within changes. In short, **articulate your caveats**.

A **third product** is specific to the housing portfolio currently owned by NHRA. Appendix A presents a summary of NRHA properties, by name, year built, type of structure, occupancy, units sizes and financing. NRHA wishes to have a succinct assessment of each of its properties relative to the potential contribution each holds to meeting current and future housing needs. NRHA recognizes that many of its older properties fit the public housing project stereotype, with associated factors of age, condition, occupancy and market perception. A one-page summary assessment of each is desired, including evaluation of location, improvements, condition, marketability summary, operational issues and recommendations, all in the context of the findings of the first two products of the study.

Proposal Form

A Proposal is to be submitted organized in the following sequence. The proposal must have a cover letter signed by a person authorized to bind the firm. The proposal must contain the address, office and cell phone and fax numbers, and email address for the primary person.

Note that elaborate proposals are not expected. What is sought in the proposal is a simple, straightforward presentation of how the Offeror will undertake the work, the experience that qualifies the Offeror to do the work (with particular reference to key individuals), references from similar recent assignments, as well as fee and payment terms.

Approach — *50 points*

Present your proposed approach to completing a Housing Needs Study that meets the requirements set forth above. Identify the assistance to be provided by NRHA, if any. Describe the products to be delivered, and the methods and data sources proposed for completion of each product. Discuss the benefits and costs of the proposed approach and products.

Experience — *15 points*

Present the professional qualifications of the lead firm, and sub-consultants (if any). NRHA is especially interested in knowing the skills, capabilities and experience of the key individuals who will be involved in this effort. The key individuals must be named, and their roles identified. This information is to be provided in both narrative and resume form. (Resumes and firm qualifications are to be placed in an Appendix.) What is most important is to clearly understand who will be doing what, and why. The individuals proposed for the work must in fact conduct the work, and will be so named as “Key Personnel” in the contract.

References— *15 points*

Provide at least three (3) references. Describe the nature of work completed for each reference and how it relates to the work proposed for this assignment. The references must be for work either currently in progress or completed within the past three (3) years. For each reference provide name and title of contact person, address, email, and phone and cell numbers.

Fee and Payment Terms — *20 points*

Propose an inclusive fixed fee and payment terms for the assignment.

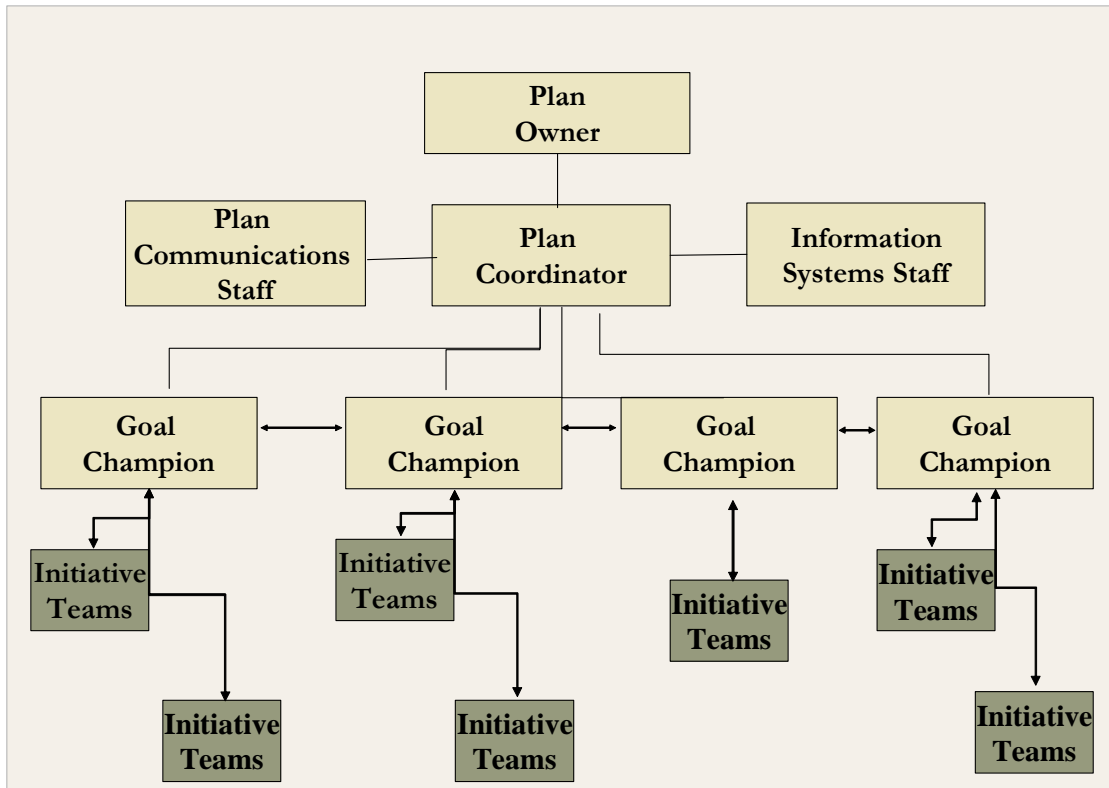
Award of Contract

Proposals are binding upon the Offeror for thirty (30) days after the date for submittal, subject to any agreed upon extension. The Competitive Negotiation Process will be used. Each proposal will be evaluated on its individual merits by a ranking panel, in accordance with ranking criteria contained in the RFP which clearly identify the relative importance of price and other evaluation factors. Price will be used in determining the Competitive Range, which is those offers with a reasonable chance of obtaining the award, taking into account price and other evaluation factors as published in the RFP. The proposal that best conforms to the needs of NRHA will be recommended for approval.

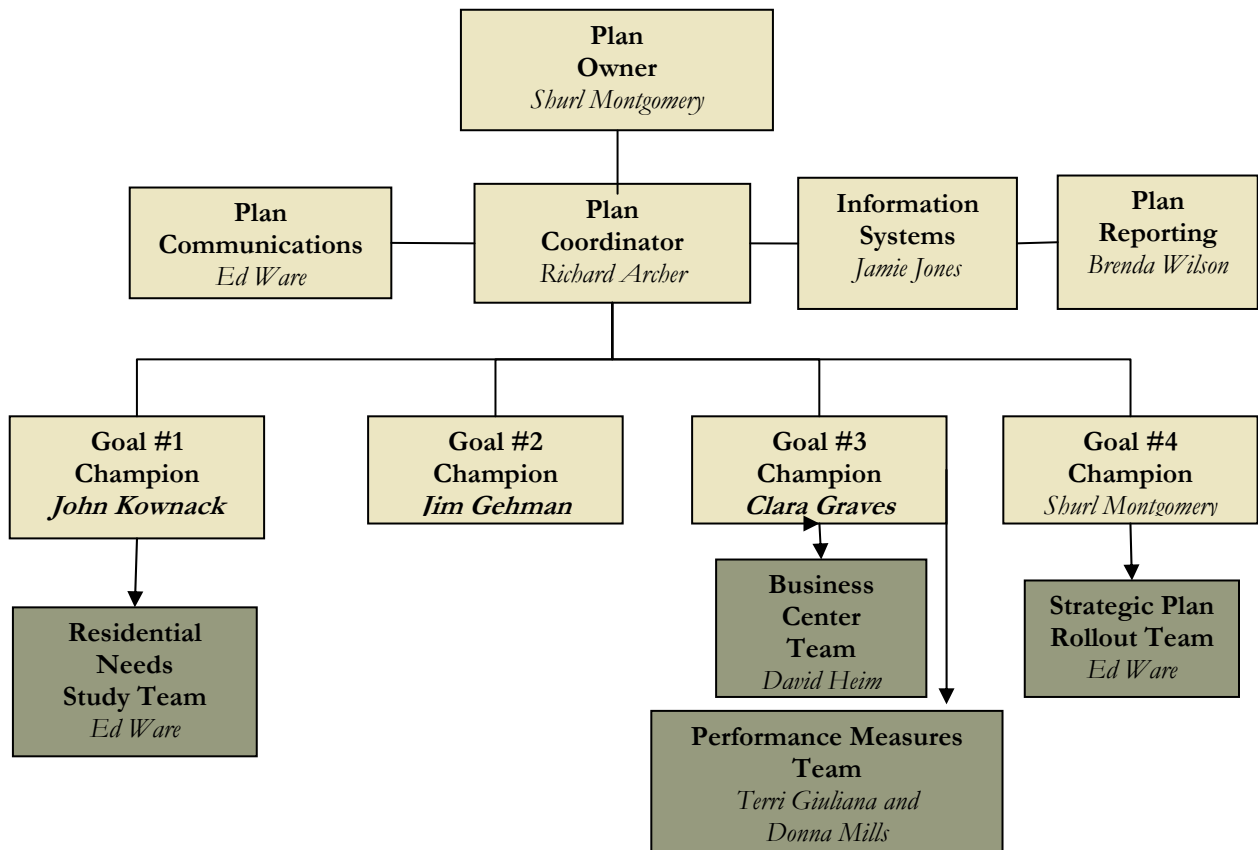
NRHA reserves the right to interview Offerors deemed in the Competitive Range, and/or negotiate a contract with the Offeror whose qualifications, price and other factors considered are ranked the highest. Should one or more Offerors be asked to submit Best and Final Offers (BAFO), the BAFOs are also ranked and shall be binding upon the BAFO Offeror(s) for thirty (30) days after the deadline for receipt of Best and Final Offers if any.

Appendix F

Proposed Implementation Team

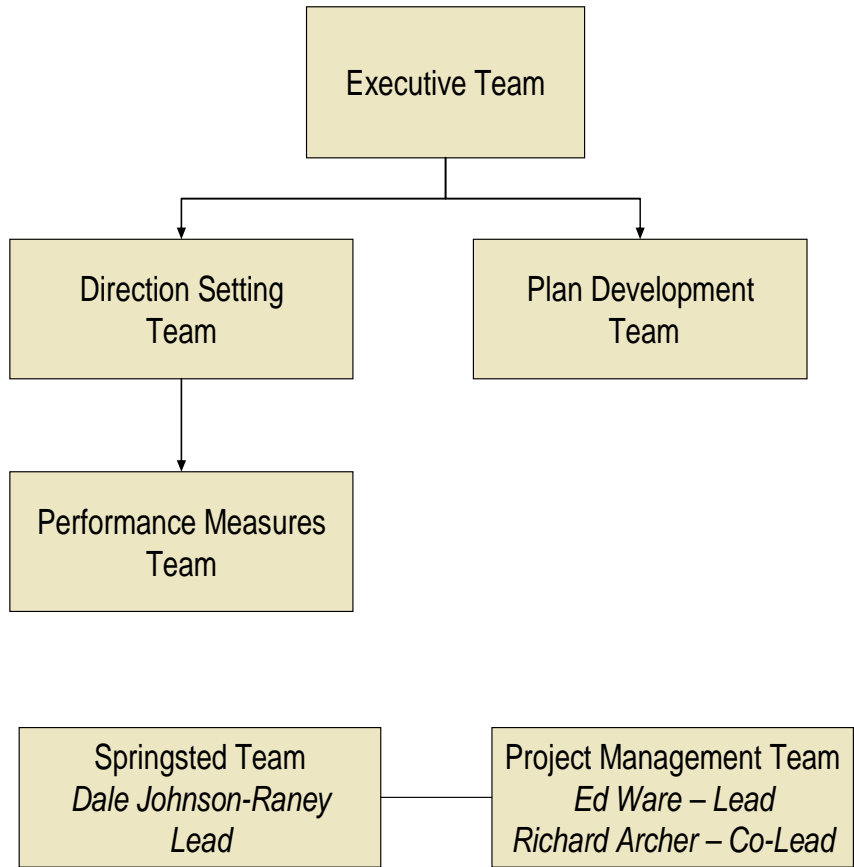


NRHA Implementation Team



Appendix G

Strategic Plan Development Teams



Persons who contributed to the NRHA strategic planning process

Developing the NRHA strategic plan required the input and participation of a large number of people. Their participation in the process is greatly appreciated.

Board of Commissioners:

Sheppard Miller, III, Chair

Hattie Anderson

Rodney Jordan

Robert Layton

Peter Meredith

Robert Soble

Ulysses Turner

Executive Team :

Shurl Montgomery, Executive Director

Richard Archer, Director of Human Resources

Tim Coyle, General Counsel

Jim Gehman, Associate Executive Director

Clara Graves, Associate Executive Director

Robert Jenkins, Deputy Executive Director

John Kownack, Associate Executive Director

Ed Ware, Director of Communications and Marketing

Direction Setting Team*:

Phyllis Armistead, Property Management Director

Ora Barclift, Financial Controls Coordinator

Terri Giuliana, Project Finance Manager

Arlene Hinson, Client Services Director

Oneiceia Howard, Resident Services Specialist

Judy Haller, Rehabilitation Services Director

David Heim, Capital Fund Manager

James Jones, Information Services Director

Debbie Isabella, Financial Reporting Supervisor

Donna Mills, Asset Manager

Stephen Morales, Neighborhood Project Manager

Rick O'Neal, Facility Management Director

Ginger Turner, Procurement and Economic Opportunities Director

Brenda Wilson, Budget and Compliance Manager

David Williams, Property Manager

*Also included Executive Team

Plan Development Team:

Richard Archer, Director of Human Resources

Arlene Hinson, Client Services Director

David Heim, Capital Fund Manager

Oneiceia Howard, Resident Services Specialist

John Kownack, Associate Executive Director

Debbie Isabella, Financial Reporting Supervisor

Donnna Mills, Asset Manager

Stephen Morales, Neighborhood Project Manager

David Williams, Property Manager

Measurement Team:

Richard Archer, Director of Human Resources

Kathleen Chisholm, Senior HR Generalist

Terri Giuliana, Project Finance Manager

Clara Graves, Associate Executive Director

James Jones, Information Services Director

Debbie Isabella, Financial Reporting Supervisor

Donnna Mills, Asset Manager

Brenda Wilson, Budget and Compliance Manager

Community Stakeholders:

Anthony Burfoot, City Council

Theresa Whibley, City Council

Donald Williams, City Council

Barclay Winn, City Council

Randy Wright, City Council

Regina Williams, City Manager

Stanley Stein, Assistant City Manager

Sharon Laisure, Assistant City Manager

Marcus Jones, Budget Director

Steve de Mik, Finance Director

David Freeman, Director, Neighborhood Preservation
Janet Williams, Grants Office Manager
Rod Woolard, Director, Department of Economic Development
Clark Earl, Director, Department of Human Services
Katie Kitchens, Director, Homeless Initiatives
Mark Warlick, Chair, Planning Commission
Syble Stone, Vice Chair, Planning Commission
Recardo Lewis, Tivest Development
Bart Frye, Frye Properties and East Beach Development
John Harris, Real Developments
Dori Iwanowski, William E. Wood Realtors
Angelica Light, President/CEO, Norfolk Foundation
George Pintoff, President, East Ocean View Civic League
Barry Bishop, President, Greater Norfolk Corporation and Chairman, Norfolk School Board
Bob Fenning, Vice President, Finance and Administration, ODU
Alvin Schexnider, Executive VP, Norfolk State
Harold Cobb, Rector, Grace Episcopal Church
Rev. Geoffrey Guns, Second Calvary Baptist
Major Gene Hogg, Salvation Army, Tidewater Command
William Fuller, President and CEO, Fulco Development
Buddy Gadams, President and CEO, Marathon Development
Isaiah Harrington, President, Hunter Square Advisory Council
Sabrina Thorpe, Vice President, Hunter Square Advisory Council
Shirly Martin, President, Grandy Village TMC
David Rice, former Executive Director, NRHA
Peter Green, President, Norfolk Inncity Federation of Civic Leagues
Robert Jennings, Director, HUD Richmond Office

Consultants:

Dale Johnson-Raney, Springsted, Inc., Vice President
John Moir, Springsted, Inc., Senior Vice President
Tom Nutt-Powell, Capital Needs Unlimited, President
Bill Champion, EMG, Director of Engineering and Architectural Services
Dennis Mobley, Mobley and Associates, President
Lou O'Boyle, Zelos, Inc., Managing Partner

Appendix H

Supplement to NRHA Environmental Scan and Organizational Analysis

Introduction

This document is intended to amplify and supplement the original Environmental Scan and Organizational Analysis documents submitted to NRHA by the Springsted Team. It discusses a number of themes presented in Springsted's original proposal.

These include the Springsted Team's analysis of the extent to which NRHA may or may not be operating in a competitive, business environment in its three principal areas of activity, e.g., redevelopment, general housing¹, and public housing, and whether the proper type and mix of products are being offered to position NRHA to sustain itself within these various "industries".

Analysis of redevelopment, general housing, and public housing industries

The following statistics are intended to establish NRHA's relative market position in its three primary "industries" of redevelopment, general (private) housing, and public housing.

Redevelopment

One of NRHA's principal means of participating in this "industry" is its capacity of acquiring and holding land parcels. NRHA owns a considerable total of the 42,227 acres which comprise the total land area of the City of Norfolk.² One can use property valuation to obtain a sense of the proportion of the City's land mass owned by NRHA. The Norfolk Office of the Real Estate Assessor values all property in the City of Norfolk at just over \$20 billion.³ NRHA's Land Inventory Schedule as of June 30, 2006 affixes a total value of almost \$32 million. This makes NRHA a major landholder worth about one-sixth of one percent of the City's entire valuation. There are an estimated 800 plus parcels held by NRHA for resale and another hundred or so in a "hold" category (including HOPE VI sites and existing public housing developments).

At the same time, the City of Norfolk presumably has considerable land holdings of its own. It undertakes planning and community development activities of its own. The City Manager said, in an interview on 2/26/2007, that she envisions less involvement of NRHA in downtown redevelopment, as the City moves to a heavier reliance on public/private partnerships involving City government and private (non-NRHA) entities.

General Housing

The "general" housing industry is defined herein as privately-owned, rental housing, both market rate and housing with various kinds of income restrictions and/or rent subsidies outside of the public housing program. NRHA participates in this industry in several ways, including owning market-rate or income restricted housing (outside of its public housing inventory) and by subsidizing the tenant rents in privately-owned housing, via its large Housing Choice Voucher (HCV) program.

¹ "General" housing is defined herein as rental housing owned by entities other than RRHA as public housing agency.

² City of Norfolk Office of Management and Budget, "Demographic Profile for Norfolk and the Hampton Roads Region", January, 2007, p.4: Total land area 65.98 square miles.

³ Ibid, p.4.

There are 395,900 occupied dwelling units in the “central cities” portion of the Hampton Roads region, including 102,900 defined by the Census Bureau as “affordable” (e.g., rents corresponding to 40th percentile). HCVs from both NRHA and other regional housing authorities are assisting 6,900 of these units (6.7% of affordable units and 1.7% of total occupied units). HCVs are deployed in 208 of the central cities’ 247 census tracts (84%). Contrast this dispersion with project-based HCVs under HUD’s Multifamily programs (located in only 11 of 247 census tracts) or public housing (33 of 247 census tracts).

In the region, only 10.8% of HCVs are deployed to elderly households and 17.3% to households with disabilities. (These are the market niches to which HUD regulations allow 100% Project Based Vouchers). It is a program disproportionately serving African-American households (88.1% of all HCVs vs. 31.2% of the regional population and 44.1% of the City of Norfolk’s population). HCV turnover is 15.8% per year. Median tenure is 2.5 years.

To establish the nature of poverty in the region, suffice it to say the Norfolk MSA is one of only five areas in the country where the proportion of HCV household heads who receive TANF (welfare) income is higher in the suburbs than it is in the central cities. This is probably a function of a generally more expensive in-town rental market and associated market dynamics, including a large number of military (Navy) personnel living in the City.

Since the passage of the Tax Reform Act of 1986, the U.S. has attempted to promote moderate-income (privately-owned) rental housing via the Low-Income Housing Tax Credit (LIHTC) program. In the Hampton Roads region, there are 81 LIHTC projects comprising 10,271 dwelling units. These are about evenly split between new construction and rehabilitation. They are distributed between central cities of the region, and its suburbs, roughly proportionate to overall rental units.

For example, 80% of the region’s LIHTC projects are in the central cities vs. 83% of all rental units. The 10,271 LIHTC units in the region account for 5% of the region’s 213,830 rental units. NRHA’s LIHTC units at Broadcreek and Mission College account for several percent of the LIHTC stock and perhaps one percent of the City’s rental stock. The region’s LIHTC projects are clearly identified as non-project and non-poverty, as evidenced by:

- 1) a less-than-proportionate representation in census tracts where 50% plus of households are below 60% of Area Median Income, e.g. LIHTC projects are present in 10.1% of such tracts vs. the 13.4% of all rental units located within such census tracts;
- 2) a less-than-proportionate representation in census tracts where over 30% of households are below the poverty line, e.g. LIHTC projects are present in 3.8% of such tracts vs. 9% of all rental units located within such census tracts.

This will have implications for identifying competitors and for specific recommendations on “substitute products” later in this paper.

Fully 81% of LIHTC projects in the region’s central cities accept HCVs, thereby affording to very-low income families (0% to 50% of Area Median Income) the opportunity to live in housing not otherwise identified as “projects” or “housing for the poor.”

In the Norfolk housing market, per 2006 Census data, there were 86,867 occupied housing units, and roughly 52.4% of these (45,541) are rental units.⁴ The median rent was \$752 per month. (This is the average figure calculated from the answers received by surveyors to the question, “what do you pay for rent”?)

Median Rents City of Norfolk, 2006

Monthly Rent Range	# of Households	% of Total Reporting
Less than \$200	2,286	5.1%
\$200 to \$299	1,653	3.7%
\$300 to \$499	2,458	5.5%
\$500 to \$749	15,769	35.4%
\$750 to \$999	13,523	30.3%
\$1,000 to \$1,499	7,914	17.8%
\$1,500 or more	982	2.2%
Total Households Reporting	44,585	100.0%

- Based on Norfolk Area Median Income for a prototypical 3-person household of \$54,250, and therefore a Tax Credit Maximum Rent limit of \$813 (30% times 60% times \$54,250 divided by twelve months), one can deduce that NRHA-affiliated Tax Credit housing (260 units) is most relevant to the \$750 to \$999 rent range, as is other LIHTC housing in Norfolk (roughly 8,000 units).
- NRHA’s public housing and HCV programs anchor the sub-\$200 to \$499 rent ranges as described below.
- What is unclear is who is providing 35.4% of the rental stock at rents between \$500 and \$749. This is both the “working poor” in Norfolk and the range of rents most comfortably paid by teachers, firefighters, and others who arguably fall under the banner of “workforce” housing.

Public Housing

The median rent statistics, at least partially, reveal the impact of NRHA’s public housing program on the overall rental housing industry in Norfolk. With 3,521 public housing dwelling units and an average tenant rent share of \$220, NRHA’s public housing “business” is a rather significant fraction of the almost 6,400 families paying less than \$500 monthly for rent. If one adds the 2,350 HCVs administered by NRHA⁵, it is clear that NRHA is the City’s major “purveyor” of housing at these rent levels.

It should be noted that both public housing and HCVs mandate a rent-to-income burden of at least 30%. With regard to LIHTC families, the calculation of a maximum rent of up to 30% of the maximum eligible income would also dictate a rent-to-income ratio of at least 30%.

⁴ 2006 American Community Survey, Selected Housing Characteristics: 2006.

⁵ Tenant rent paid by NRHA Section 8 2-BR HCV holders is estimated at \$136.13, per Steve Cunningham, October, 2007. This includes 248 of total 2-BR households (838) paying zero rent.

When one compares the rent burdens that NRHA’s various housing subsidies stipulate to those of the Norfolk rental market in general, one notes that whereas NRHA-imposed rents tend to be at the lower ends of the scale, the rent burdens tend to be at the upper ends, as shown below.

Gross Income as a Percentage of Rent

Gross Rent as a % of Income	# of Households	% of Total Reporting
Less than 15 percent	4,733	10.7%
15.0 to 19.9 percent	4,910	11.1%
20.0 to 24.9 percent	7,537	17.0%
25.0 to 29.9 percent	6,116	13.8%
30.0 to 34.9 percent	4,626	10.5%
35.0 percent or more	16,301	36.9%
	44,223	100.0%

Source: American Community Survey of U.S. Census, 2006, op. cit.

This raises the question, “who is providing rents at burdens considerably below the HUD standard of 30% of income?” (These are the kinds of questions that can be answered via additional housing needs and market demand research, identified as a priority strategic plan initiative.)

Shifting gears, statistics on issuance of multifamily rental building permits and demolition permits provide insight into the degree to which changes in NRHA’s public housing inventory affect the overall supply of affordable Norfolk housing. The City’s issuance of building permits output varies from year to year, e.g., 268 multifamily units in 2003; 378 in 2004; 843 in 2005; and 411 in 2006.

Demolitions also vary widely from year to year, e.g., 201 in 2003; 1,006 in 2004; 241 in 2005; and 310 in 2006. Given the recommendations contained herein to demolish large, older public housing developments, it is likely that NRHA will continue to play a statistically significant role in the City’s marginal changes in housing supply. For example, one can see how the “spike” in demolitions in 2004 and the “spike” in multifamily construction in 2005 can be attributed to NRHA’s Broadcreek initiative.

Census data reveals, to no one’s surprise, that a preponderance of the region’s oldest housing stock is within Norfolk. Of the City’s 97,226 total housing units, over 52,000 (53.6%) were built before 1959.⁶ NRHA’s public housing stock accounts for 5.4% of that total (2,835 dwelling units), versus a much smaller share (686 dwelling units or 1.5%) of the post-1959 housing stock.

Key Competitors

Redevelopment: Other development-oriented groups, such as the Economic Development Authority (EDA), City government, the military, and university real estate foundations also undertake planning and community development .

⁶ 2006 American Community Survey, Selected Housing Characteristics: 2006, op. cit.

If there were such a thing as a redevelopment “industry” in Norfolk, this would establish the City of Norfolk as one of NRHA’s key competitors, along with the other entities mentioned.

General Housing: NRHA’s competitors in the “general” (privately-owned) rental housing market are those who operate Norfolk’s 42,020 private rental units (45,541 total rental units minus 3,521 public housing units), and Norfolk’s roughly 8,000 non-NRHA-affiliated LIHTC units.

With regard to the HCV subset, one could posit little to no competition from other organizations, except to the extent HCVs from other jurisdictions are “ported in” (households with HCVs issued by other jurisdictions choosing to use them inside Norfolk). This is reportedly not a significant phenomenon.

As shown in the above chart entitled, “Gross Rent as a Percentage of Income”, some 23,296 households (fully half the rental market in Norfolk) are paying less than 30% of their income for rent. This prompts an interesting question, namely, “who is providing housing at rent burdens well below the mandated levels of these assistance programs?”. Additional market research can reveal the location and types of housing being offered at these relatively low rent burdens, and associated renter income levels. Depending on the answers, it could have dramatic relevance to NRHA’s reach in the rental market.

If this is sub-standard housing, then a prevalent trade-off must be acknowledged - sub-standard housing for lower-than-average rent burden. On the other hand, if these are working families or military personnel, the dilemma for housers such as NRHA is how to reach them and still offer the favorable rent burdens they currently enjoy.

Public Housing: Key competitors within the public housing “industry” do not exist except to the extent that applicants may choose to reside in areas of the region who also have housing authorities. These would include Suffolk, Newport News, Portsmouth, Franklin, Hampton and Chesapeake.

As the Springsted Team has asserted, NRHA possesses monopoly power with regard to assisted rental housing in Norfolk. *Whether this is a desirable monopoly is quite another question.*

Substitute products and services

As described in previous sections, NRHA holds monopolies in certain segments of the housing and redevelopment industries in Norfolk. Were this the Parker Brothers© game of the same name, NRHA holds the Baltic/Mediterranean monopoly but has an expense structure more appropriate to Boardwalk and Park Place.

It faces a situation not unlike Delta Airlines when it was in the throes of bankruptcy. Delta was able to emerge from bankruptcy only when it was able to implement a simple yet elegant formula: *Do more of what works, do less of what doesn't.*

In Delta’s case, flying old airplanes on domestic routes was killing it. Obtaining more international routes and flying its largest planes overseas was the “substitute product” that allowed it to emerge from bankruptcy protection and once again post operating profits.

How might these dictums be applied to NRHA?

What conclusions of value to NRHA can be gleaned by comparing NRHA's land holdings to those of other organizations?

First, it is helpful to clarify the *raison d'être* for an organization such as NRHA being a landowner in the first place. This is linked inextricably with Norfolk's history of urban renewal and the Authority's involvement in the earliest land acquisitions and clearances. A key function in this role, for many years, was to often donate land or sell it for nominal amounts (less than acquisition cost) in support of broader redevelopment goals identified as in the public interest.

It is also a truism to acknowledge that the redevelopment landscape, as it were, is fundamentally altered by the 2007 Virginia General Assembly restrictions on large-scale eminent domain actions of the type NRHA specialized in for many years.

Pending legislative modifications, it is our recommendation that NRHA do the following.

Redevelopment:

Do more selling of land. *Do less donating* land. Expanding land selling could involve "Land Held for Operations", including some of the older existing assisted-rental sites that, as raw land, bring the advantage of existing zoning permitting both multifamily and affordable housing. This may include sites with potential for mixed-income housing and mixed-uses in emerging prime downtown locations, like Tidewater Gardens located in the St. Paul's Quadrant and others along the path of the proposed Light Rail Transit.

Imposition of design standards may need process revamping. It is unclear who the customers are and what value they glean in the marketplace from the NRHA design standards. Key to this is that quality design and craftsmanship are integral components of creating excellent neighborhoods. At least theoretically this protects and enhances the substantial investment of public dollars to attract private dollars to restore and build new housing in many neighborhoods. This is the reasoning behind the NRHA Builders and Designers Guild which has more than 40 members. This promotes customer satisfaction and quality workmanship.

Do less Community Development Block Grant (CDBG) Administration if adequate fees cannot be obtained for CDBG administration. NRHA should have an independent analysis performed of its cost structure and fee schedule to deliver CDBG services and make adjustments accordingly.

Do more acquiring land for others, *under a fee arrangement*, such as Light Rail Transit.

General housing:

Do more acquisitions of multifamily housing. Use HCVs under the Project Based Vouchers (PBV), option, to broaden income distribution and meet affordable housing goals. This should be done in both privately-owned and operated housing as well as in some “in-house” deals where NRHA-created entities are the owners and developers. *Do more LIHTC housing* and use HCVs to broaden the “reach” of LIHTC housing. Help refine and shape the debate regarding “workforce housing” and *do more military housing*.

Public Housing:

If Congress appropriates only 82 percent of NRHA’s operating subsidy eligibility, NRHA will lose \$1.3 million inside its public housing “monopoly”. Most housing authorities turn a profit administering HCVs. Employing the Delta work-out philosophy, *own and operate less public housing*. Phase out the 50 plus year-old stock as discussed in the conclusion of this document. Reposition the 30 plus year-old stock. Sell assisted-rental units to first-time homebuyers where possible.

Administer more HCVs. This can be done by demolishing or disposing of assisted-rental units and/or by seeking HUD approval of Voluntary Conversion or Required Conversion proposals. Artfully use HCVs under the PBV option in mixed-income and Mixed-Finance deals to achieve NRHA affordable housing goals. Use them to promote homeownership.

Best Practices: What organizations to look at

Redevelopment: Richmond Redevelopment and Housing Authority (RRHA) recently bestowed on its redevelopment arm the primary responsibility for repositioning the RRHA assisted-rental portfolio, by phasing out existing projects and by engaging in acquisition, rehab and new construction deals. Richmond Development Corporation (RDC), RRHA’s identity-of-interest affiliate, will earn developer fees to sustain the staff involved in carrying out the repositioning transactions.

General housing: NRHA can glean much from its own non-public housing deals (Mission College, Park Terrace, Oakmont North, and Merrimack Landing). It should also look to successful local real estate operators, including those providing affordable housing to a broad range of household incomes. This will include both LIHTC and non-LIHTC transactions. It can look to housing authorities that use affiliates to acquire privately-owned properties or convert public housing properties to private ownership while serving a broad range of incomes. A notable example is the affiliate of the Jackson (Tennessee) Housing Authority, known as the Tennessee Housing Development Corporation (THDC). RRHA will soon be carrying out similar transactions through the RDC as described above.

Public Housing: There are a number of housing authorities already shaped by the “*less public housing, more HCV*” philosophy suggested for NRHA. These are typically in the western states. Boulder, Colorado is a case in point. It is roughly half the size of Norfolk, but the proportion of public housing (400 units) to HCVs (700 vouchers) administered by the housing authority (Boulder Housing Partners) is instructive. It has a robust private housing program comprised of 500 units of various types, all serving low income households. It does this with a staff of 52.

Housing authorities with even larger portfolios (but with similar proportions of program types) include Portland, Oregon and Vancouver, Washington. Authorities taking the lead in implementing genuine “project-based management” approaches would include Charlotte, North Carolina; Cincinnati, Ohio; Anne Arundel County, Maryland; King County, Washington; and Portland, Oregon. Consistent with Operating Fund requirements, these authorities will be making property viability decisions based in part on property-specific financial results as well as market dynamics.

Best Practices: Is NRHA best practice anywhere?

Redevelopment: The general perception of the Springsted Team based on its local interviews and supplementary research is that NRHA’s redevelopment cost structure is more appropriate to the redevelopment era of the 1970s and 1980s. This already-inadequate stream of redevelopment income will be further challenged as NRHA repositions its conservation and redevelopment services in light of the 2007 General Assembly restrictions placed on eminent domain. NRHA will only achieve “best practice” status when it is able to fit its redevelopment costs within its redevelopment revenue. Going forward, this will include land assembly under a fee arrangement (e.g. Light Rail Transit) and other activities whose value to the Norfolk community is demonstrated by the fees they can command.

General housing: In the conventional real estate world, “best practice” in private housing would be those who realize 100% of the potential income of their assets. Continuously. This, in turn, requires constant excellence in marketing, tenant selection, lease enforcement, maintenance, capital planning and replacement, as well as concomitant skill in dealing with people, physical plant, and such paper-driven obligations as taxes and insurance.

NRHA continues to seek its most advantageous niches in the private housing industry. Results of the Residential Needs Study proposed by the Springsted Team and adopted as a priority initiative could position NRHA to best use its resources in Norfolk’s private housing industry. The outcome of this process would result in approaches that could be replicated in other similar locales.

Public Housing: In today’s public housing industry, best practice revolves around implementation of genuine project-based management approaches, and around the replacement of “the projects” with quality mixed-income housing that blends into the general (private) housing industry.

Although NRHA has a long history of project-based accounting, its property management does not embody the principle of maximum feasible autonomy and responsibility to site staff.

NRHA does have several mixed-income initiatives underway, but they are not particularly notable industry-wide. (Broad Creek maybe an exception here; it has won several national awards)

One of the initiatives emerging from the NRHA Strategic Plan is the prototyping of business center behavior beginning with its centralized maintenance unit, which does have a history of serving outside markets. This pilot effort could indeed support and help shape the public housing industry’s shift to site-based and market-sensitive approaches. Successful repositioning of NRHA’s existing assisted-rental housing stock would be notable industry-wide given its concentration, age, and existing public persona as “the projects”.

Recommendations for Expanding Customer Base

This section emerges from and summarizes the previous discussion of competitors and alternative products and services.

Redevelopment: The first step is to view the world as made up of **existing customers** and **potential customers**. NRHA redevelopment is too far removed from City government to receive “funding” like other government departments, and therefore must demonstrate, for everything it does and gets paid for, that the value rendered is equal to the coinage spent.

NRHA’s ability to sustain its redevelopment activities is likely attained at modified staffing levels and/or re-alignment of skill sets. Rehabilitation loans demonstrate this concept. The “customer” is not the Congress or HUD or even City government, saying “we want you to make rehab loans”. The customer is each and every homeowner that decides an “*Equity Secure*” loan is worthwhile and that the loan origination fee paid to NRHA is reasonable.

The redevelopment arm of NRHA is the organizational unit most in need of the kind of business analysis espoused by the Springsted Team throughout the Strategic Planning engagement. It must begin with an internal determination of existing and potential customers matched up with prospective fee streams and cost structures.

General housing: It is likely that NRHA’s assisted rental stock will continue to serve an over-concentration of Extremely Low-Income (“ELI”) persons (0% to 30%) for years to come. The goal of NRHA’s private housing initiatives, therefore, should be on reaching customers between 30% and 80%, and on migrating a portion of its ELI monopoly to the privately-owned but publicly-assisted housing industry. The Residential Needs Study will be critical in developing strategies for doing so, as are the “repositioning” strategies discussed below.

Public Housing: In an environment of ever-shrinking federal subsidies, NRHA public housing must begin to cater to a broad range of incomes distributed throughout the 0% to 80% AMI continuum it is legally charged with serving. “Repositioning” as described below will be the only way to do so.

Matrix of “repositioning tools” and NRHA’s incidence of use:

Repositioning Matrix		Used by NRHA		Not Used by NRHA	
		Used by NRHA	Not Used by NRHA	Used by NRHA	Not Used by NRHA
Used by NRHA	⊙				
Not used by NRHA	⊙				
Demolition		⊙			
Disposition		⊙			
Acquisition		⊙			
Acquisition with Rehab			⊙		
Voluntary Conversion to Section 8			⊙		
Required Conversion to Section 8			⊙		
Project Based Vouchers (PBV)			⊙		
Section 8 Homeownership Option			⊙		
Section 32 Homeownership			⊙		
Purchase and Resale Entity (PRE)			⊙		
Replacement Housing Factor (RHF)		⊙			
Capital Fund Financing Program			⊙		
Issuing Tax-Exempt Bonds		⊙			
Subpart F Mixed-Finance		⊙			
PHA Instrumentalities		⊙			
Market-Sensitive Flat Rents			⊙		
Operating Fund Income Freeze					

NRHA has an Assistant Executive Director for Housing Reinvention. This is evidence of the interest NRHA has in reshaping its assisted-rental portfolio. Both the Broadcreek initiative and the non-public housing assets such as Mission Park, Park Terrace, Oakmont North, and Merrimack Landing provide an array of prototypes for guiding efforts to transform Norfolk’s public housing portfolio.

Other efforts have been carried out or are in process as a result of a stated desire to “reposition” Norfolk public housing.

In its proposal, the Springsted Team referenced the public housing repositioning policies or “tools” that have evolved over the course of the past decade or so. A list of these tools is shown on the following matrix, accompanied by a thumbnail description of each.

Demolition is self-explanatory, but it is important to understand that both demolition and **disposition** of public housing, under Section 18 of the Housing Act, provide the opportunity to shed or transfer public housing operating and capital costs, under a 2- to 3-year window of phased-down operating and capital subsidies.

Acquisitions of units or buildings, to contain some public housing units or none at all, is a strategy that allows a portfolio such as NRHA’s to gain 30 plus year old properties as it sheds 60 plus year old ones. Combining this with rehab significantly refreshes the existing public housing portfolio and supports redevelopment objectives, in instances

where, for example, properties are declining and beginning to experience disinvestment.

Conversion to HCV or the artful deployment of existing vouchers (by project basing them for 10 years or more are strategies for replacing the zero-sum (or worse) game of public housing subsidies. Instead, units tied to HCV rent and subsidy streams can access capital markets and more adequately cover operating expenses.

Using HCVs for **homeownership**, and/or selling public housing units, are both useful tools in promoting strategic goals aimed at transitioning very-low or low-income households into owning their own home. When older public housing units are thus transferred to private ownership, it can be a win/win with regard to “repositioning” and increasing self-sufficiency. Housing authorities can opt to accomplish this by creating Purchase and Resale Entities (PREs) to facilitate this process over time while still allowing the PHA to dispose of the units quickly.

Replacement Housing Factor (RHF) is significant in that it is a phase-down (of five and possibly 10 years) of the capital subsidies that a demolished or disposed property was earning. Happily, the typically high embedded capital needs are no longer being borne by the housing authority. In its place is either raw land (post-demolition) or someone else’s property! Yet the flow of RHF continues and provides one source of capital for replacing public housing units lost via “Section 18” demolition or disposition.

Capital Fund Financing Program (CFFP) involves borrowing against the likely future flow of public housing Capital Funds. Current rules permit pledging, typically, up to one-third of an authority’s Capital Funds over the term of the loan, often 15 to 20 years. At current interest rates, this can make available 6 or 7 years worth of annual grants. Although HUD permits CFFP loan proceeds to be used on existing public housing units, they begin to leverage other capital when structured as Tax Exempt Debt that triggers Low-Income Housing Tax Credits (LIHTC) (see three following paragraphs).

Tax Exempt Bond issuance is an important capability in that it can trigger so-called “4%” LIHTCs, resulting in equity limited mostly by requirement to rent to persons whose incomes do not exceed 50% to 60% of Area Median Income. This is significantly higher than the existing public housing target market in Norfolk (0% to 30%) but well within the public housing mission of serving families whose incomes are at or below 80% of Area Median Income. LIHTC “9%” credits are more lucrative but highly-competitive, unlike the “4%” credits that are appropriate to transactions involving rehabilitation of existing property.

Mixed-Finance transactions, consistent with Subpart F of public housing development regulations, is a financing capability unique to authorities. It permits private owners to enter into agreements with authorities to operate a certain number of apartments consistent with HUD requirements. In exchange, public housing operating and capital subsidies can be allocated to those units. Mixed-Finance is predicated on leveraging of capital and as such has facilitated mixed-income public housing in non-project settings. LIHTC is the prevalent source of non-public housing financing used in these kinds of transactions. It often results in a “win/win” in that LIHTC units with no other type of rent subsidy can typically assist only those families in the 40% to 60% Area Median Income range.

Housing Authority “Instrumentalities” are the subsidiary or affiliated organizational entities that authorities are empowered to create. When legally controlled by the parent authority, “instrumentalities” have the ability to pledge authority assets and otherwise wield the repositioning “tool-box”. Yet, they have a unique identity and are beneath the radar of the news media and real estate market, particularly if possessing an unassuming name. While the earliest Mixed-Finance transactions (virtually all HOPE VI) relied on outside Master Developer partners, who earned the lion’s share of the developer fee and property cash flow, Instrumentalities can control, or be, the owners and developers of Mixed-Finance transactions and reap the benefits thereof.

Market-Sensitive Flat Rents represent yet-another unique capability of authorities, to set a maximum rent at virtually any level of their choosing, while still receiving operating and capital subsidies. Although most authorities believe they are compelled to set their Flat Rents equal to their HCV Fair Market Rents, in actual fact the Flat Rent is intended to reflect a market price that actual families are willing to pay to live in a particular public housing complex. Few authorities have tapped the potential of this tool by pushing their Flat Rents sufficiently low enough to incent working families to move to their projects by undercutting the market.

Operating Fund Income Freeze refers to a three-year period where HUD has agreed to NOT deduct operating subsidy attributable to increases in rent receipts from public housing tenants. As discussed in the following paragraphs, the “freeze” is intended to be an opportunity for authorities to improve their financial posture to the extent they can attract customers who can pay rents higher than the current \$220 average. This tool, like the others, can be used in combination. For example, a Flat Rent of, say, \$350 might be sufficiently below-market to attract working families to NRHA housing, while increasing rent receipts during the critical three-year “freeze”.

NRHA potential for gaining maximum value from repositioning tools: Members of the Springsted team briefed the NRHA Board of Commissioners in 2005 under a separate engagement. The briefing focused on the existing NRHA public housing portfolio and the fact that a number of the sites, and a majority of the dwelling units, are perceived by the Norfolk market as “the projects”. The Springsted team continues to believe that any actions taken by way of repositioning must face this reality. Therefore, any tools focusing on existing family public housing must attempt to offset the “project” stigma (through sale of the units or through aggressively-low Flat Rents) and/or must be aimed at eliminating projects via demolition or disposition.

If paired with acquisitions, rehab, new construction, and artful placement of HCVs (via homeownership or project basing), and perhaps featuring new ownership (even if by NRHA-created entities operating under the radar), the inventory can be gradually transformed into a significantly different array of affordable housing opportunities in non-isolated, non-stigmatized, non-project settings.

Assessment of each Asset Management Project’s (AMP’s) potential for capitalizing on the Operating Fund Income freeze: In its proposal, the Springsted Team acknowledged the opportunity presented by the subsidy computation incentive occasioned by the income “freeze”. The team envisioned an examination of each “AMP” to attract a higher tenant rent share.

The following table is a distillation from a larger NRHA table entitled, “Public Housing Community Household AMI’s”, as of 7/6/2006. It groups households residing in NRHA-managed sites into income ranges. Breaking the data at 30% of AMI is important in that a 3-person Norfolk family at 30% would be earning \$16,300 and would pay a tenant rent share of approximately \$385. In most locales this figure would cover operating expenses. NRHA-specific operating expenses will be discussed further below.

NRHA Household AMIs						
	Year Opened	# of Units	Type	Percentages of HHS		
				0% to 30%	30% to 50%	50% to 80%
Hunter Square	1978	91	Elderly/HC	87.9%	8.8%	3.3%
Partrea	1979	114	Elderly/HC	82.1%	15.2%	2.7%
Sykes	1980	84	Elderly/HC	81.0%	17.9%	1.2%
Bobbitt Apartments	1980	84	Elderly/HC	81.0%	14.3%	4.8%
Franklin Arms	2003	100	Elderly/HC	82.0%	17.0%	1.0%
Oakleaf Forest	1942	257	Family	80.2%	17.5%	2.4%
Moton Circle	1952	138	Family	68.4%	25.7%	5.9%
Diggs Town	1952	422	Family	81.0%	15.4%	3.6%
Young Terrace	1953	752	Family	83.3%	13.7%	3.0%
Grandy Village	1953	341	Family	80.7%	14.3%	5.1%
Tidewater	1955	618	Family	81.3%	14.8%	3.9%
Calvert Square	1957	310	Family	83.7%	11.1%	5.2%
Totals		3,311		80.5%	15.4%	4.1%

Note: Smaller developments excluded.

What is striking about the preceding chart is the fact that, whether it be elderly/handicapped or family housing, **four-fifths of the customers** at virtually all NRHA-managed developments were at or below 30% of Area Median Income.

Since 80% of the portfolio is family housing, and elderly/handicap incomes are assumed to be relatively fixed, NRHA will not be able to significantly affect its overall tenant-generated income without being able to exact a much more robust family housing tenant rent.

Honing in on the family sites, one cannot help but notice that even at the site receiving significant “modernization” (e.g., Grandy Village), the standard customer profile is four-fifths at or below 30% AMI.

If one were to make certain assumptions about the potential for enhanced rental income at an NRHA family site, what would the impact be? The following chart models the effect of replacing 0% to 30% 2-BR residents with 40% to 60% 2-BR residents at Diggs Town, an average size and average age NRHA family development. There are 151 2-BR units at Diggs Town. Per the above chart 81% of all residents are 0% to 30% and an even distribution was assumed below for each of the deciles within that range (0% to 10%, 10% to 20%, and 20% to 30%). Likewise for the higher deciles.

These assumptions would result in an estimated monthly tenant rental revenue of \$37,026 assuming full occupancy. (This is equivalent to \$245.21 per unit-month). A true rent-to-income ratio is applied to account for adjustments to Annual Income for dependents, etc. assumed at \$880 per household.

NORFOLK REDEV. & HSG AUTH

10/31/07

Orgn. Name

Date Prepared

DIGGS TOWN

Project Name

<p style="text-align: center;">NAHRO REVENUE PLANNER © <i>Rent Forecasting Software</i></p>						
Unit Size:	2 Bedrooms		PMSA Median = \$54,250			
Total DUs:	151					
Subsidized Rent	No. of DUs		Income Range		Rent-to-Income Ratio	Monthly Revenue
			From	To		
Fill in Minimum Rent below: \$50	41		0%	10%	20%	\$2,903
	41		10%	20%	27%	\$7,439
	40		20%	30%	28%	\$12,683
	11		30%	40%	29%	\$4,912
Fill in Flat Rent below: \$505	12		40%	50%	29%	\$6,060
	3		50%	60%	29%	\$1,515
	2		60%	70%	29%	\$1,010
	1		70%	80%	29%	\$505
Total Subsidized:	151					\$37,026

Now suppose annual 2-BR turnover is eight (8) units at Diggs Town, and the move-outs are all from the 0% to 10%, 10% to 20%, and 20% to 30% deciles. Further suppose that NRHA orchestrates an aggressive campaign to attract Tax Credit renters (40% to 60% AMI) to Diggs Town. Of the eight (8) new move-ins, assume six (6) are from the 40% to 50% decile and two (2) from the 50% to 60% decile. This increases the average monthly 2-BR rent at Diggs Town to \$262.75. The new renters would be paying monthly rents capped at the Flat Rent of \$505.

Orgn. Name

Date Prepared

DIGGS TOWN

Project Name

<p style="text-align: center;">NAHRO REVENUE PLANNER © <i>Rent Forecasting Software</i></p>						
Unit Size:	2 Bedrooms		PMSA Median = \$54,250			
Total DUs:	151					
Subsidized Rent	No. of DUs	Income Range		Rent-to-Income Ratio	Monthly Revenue	
		From	To			
Fill in Minimum Rent below:	38	0%	10%	20%	\$2,691	
\$50	38	10%	20%	27%	\$6,895	
	38	20%	30%	28%	\$12,048	
	11	30%	40%	29%	\$4,912	
Fill in Flat Rent below:	18	40%	50%	29%	\$9,090	
\$505	5	50%	60%	29%	\$2,525	
	2	60%	70%	29%	\$1,010	
	1	70%	80%	29%	\$505	
Total Subsidized:	151					\$39,675

Quite apart from the question of whether this is at all a plausible result within NRHA’s grasp, the financial impact would be an annual income increase of 7.2% at a property with an existing annual rental revenue estimated at \$1.3 million and annual operating expenses estimated at \$3.2 million.⁷ (Note that in actual fact the turnover and new move-ins at properties are spaced out throughout the year and therefore the first-year impact is half the above.)

Diggs Town was last rehabilitated in 1990, now has short-term capital needs estimated at \$4.6 million⁸, and is occupied by a preponderance of families considered by HUD as Extremely Low-Income. The question becomes, in the context of the thousands of units in the City of Norfolk obtaining rents at the \$500 level, could even small numbers of Tax Credit-eligible families be attracted to existing NRHA family properties? The Flat Rent does undercut the Maximum Tax Credit Rent by \$100 to \$200.

Could this be accomplished through the further reduction of Flat Rents charged at Diggs Town and other NRHA family properties, particularly if accompanied by targeted capital improvements?

The real answer will emerge if and only if these strategies are battle-tested in real life. One could argue that the Grandy Village initiative is one test of the ability of NRHA to compel the renting public, particularly those with some ability to choose, to elect to live at NRHA family properties. As of 7/6/2007, Grandy Village was showing the precise 80%/20% split between Extremely Low-Income families (0% to 30%) and all others found at virtually all NRHA-managed sites. If Grandy Village proves unable to attract higher-paying renters, despite greater marketing and significant capital improvements, the outlook would indeed be bleak for other NRHA family sites.

⁷ NRHA internal spreadsheet entitled, “But we expect HUD to only pay us 82 percent of the assigned subsidy”, per Clara Graves.

⁸ “Property Management Report Card, Management Assessment for 9/30/06”, NRHA internal report. Diggs Town capital needs for 2007-2011.

Consideration of how long to keep existing NRHA public housing communities in service must take into account AMP-specific operating revenue and expense projections. The Diggs Town analysis above simulated increases in 2-BR tenant rental revenue from monthly rents of \$265 to \$288 in a year.

This is at a property with estimated operating expenses of \$638 per unit-month. This is based on the “82 percent of assigned subsidy” spreadsheet previously cited. This information has been reformatted as shown below.

**Norfolk Redevelopment and Housing Authority
Detail Financial Plan 2007 by Business Unit**

Business Unit	# Units	2007 Estimated <i>82% subsidy</i>
<i>Section 9 Asset Management Projects</i>		
Tidewater Gardens - Revenue	618	<u>\$4,588,036</u>
Tidewater Gardens - Expenses		<u>\$4,769,485</u>
Tidewater Gardens - Net Gain (Loss)		<u>(\$181,449)</u>
Moton Circle - Revenue	138	<u>\$1,062,590</u>
Moton Circle - Expenses		<u>\$1,182,568</u>
Moton Circle - Net Gain (Loss)		<u>(\$119,978)</u>
Diggs Town - Revenue	422	<u>\$3,318,419</u>
Diggs Town - Expenses		<u>\$3,229,159</u>
Diggs Town - Net Gain (Loss)		<u>\$89,260</u>
Grandy Village - Revenue	341	<u>\$2,462,431</u>
Grandy Village - Expenses	plus others?	<u>\$2,437,146</u>
Grandy Village - Net Gain (Loss)		<u>\$25,285</u>
Young Terrace - Revenue	752	<u>\$4,971,264</u>
Young Terrace - Expenses		<u>\$4,722,968</u>
Young Terrace - Net Gain (Loss)		<u>\$248,296</u>
Calvert Square - Revenue	310	<u>\$2,061,745</u>
Calvert Square - Expenses		<u>\$2,254,750</u>
Calvert Square - Net Gain (Loss)		<u>(\$193,005)</u>
Oakleaf Forest - Revenue	257	<u>\$1,357,948</u>
Oakleaf Forest - Expenses		<u>\$1,549,710</u>
Oakleaf Forest - Net Gain (Loss)		<u>(\$191,762)</u>
Partrea Apts. - Revenue	114	<u>\$630,361</u>
Partrea Apts. - Expenses		<u>\$748,678</u>
Partrea Apts. - Net Gain (Loss)		<u>(\$118,317)</u>
Hunter Square - Revenue	91	<u>\$515,304</u>
Hunter Square - Expenses		<u>\$847,995</u>
Hunter Square - Net Gain (Loss)		<u>(\$332,691)</u>

**Norfolk Redevelopment and Housing Authority
Detail Financial Plan 2007 by Business Unit pg. 2**

Business Unit		2007 Estimated 82% subsidy
<i>Section 9 Asset Management Projects</i>		
	# Units	
Bobbitt Apts. - Revenue	84	\$470,151
Bobbitt Apts. - Expenses		\$610,007
Bobbitt Apts. - Net Gain (Loss)		(\$139,856)
Sykes Apts. - Revenue	84	\$489,245
Sykes Apts. - Expenses		\$761,062
Sykes Apts. - Net Gain (Loss)		(\$271,817)
Scattered Sites - Revenue	20	\$153,220
Scattered Sites - Expenses		\$207,863
Scattered Sites - Net Gain (Loss)		(\$54,643)
Self-Sufficiency - Revenue	25	\$102,908
Self-Sufficiency - Expenses		\$202,968
Self-Sufficiency - Net Gain (Loss)		(\$100,060)
Franklin Arms - Revenue	100	\$468,856
Franklin Arms - Expenses		\$639,107
Franklin Arms - Net Gain (Loss)		(\$170,251)
Broadcreek All Phases - Revenue		\$405,967
Broadcreek All Phases - Expenses		\$405,967
Broadcreek All Phases - Net Gain (Loss)		\$0
Section 9 Housing- Income	3,356	\$23,058,445
Section 9 Housing-Expenses		\$24,569,433
Section 9 Housing-Net Gain (Loss)		(\$1,510,988)
	% of Income	-7%

Note: Operating subsidy phase-down attributable to demolition or disposition not reflected in the above as it is short-term in nature.

The most striking finding of the above figures is that operating expenses average **\$610 per unit-month**. In very rough terms, **this is twice what comparable housing would be expected to cost** to sustain operations. In addition, the cost structure reflected above does not reflect the “defederalization” of the centralized cost centers nor the imposition of market-sensitive fees as required by Subpart H of the Operating Fund regulations.

Further analysis of the present and future costs to operate each AMP is considered outside the scope of this document. However, it is not a stretch to conclude that phasing existing NRHA public housing properties out of the Annual Contributions Contract, one by one, is essential given abnormally high operating expenses, ever-burgeoning capital needs, over-concentration of Extremely Low-Income families, and very limited opportunities to increase rental revenue from within “the projects”.

Appendix I



MARKETING ADVERTISING PUBLIC RELATIONS

223 East City Hall Avenue, Suite 400 757-314-3100 phone
Norfolk, Virginia 23510

Memo

To: Ed Ware
From: Dave Iwans
Date: January 29, 2008
Re: Focus Groups Summary

DIA scheduled and conducted three focus groups with business and civic leaders to review and solicit the draft NRHA Strategic Plan. The groups convened on Friday, November 16, 2007 (one group at breakfast and one group at lunch) and on Monday, November 19, 2007 (at lunch). Participants were nearly evenly split between males and females and 35% were African-American. Representatives participated from nearly every corner of the City of Norfolk.

Significant Findings

VISION STATEMENT:

Original: *Quality housing choices in neighborhoods where you want to live.*

Feedback: All participants complimented the focus, brevity and direction of this vision. Most felt, however, that the word, "you" should change to "anyone would" to be more inclusive and broad-minded.

Recommended change: None. The NRHA staff feels very strongly that in order to achieve internal buy-in that leaving the word 'you' is more impactful than 'anyone' would.

MISSION STATEMENT:

Original: *Provide quality housing opportunities that foster sustainable mixed income communities.*

Feedback: This single sentence was universally applauded for its brevity, transparency and its "forward leaning" determination. While all participants agreed that this is a "lofty" mission, all complimented the Authority for "shooting high." "You can't achieve great goals if you don't set the bar for greatness." As with the vision statement, many commented that this is a far-sighted, challenging mission. While many felt that this may be many years off, all agreed that this "should be the mission" of the Authority. Once again, all were impressed by this aggressive standard NRHA was envisioning for themselves and for the city as a whole.

Recommended change: None.

ORGANIZATIONAL GOALS

GOAL #1: Quality Housing Opportunities for All

Original: *NRHA will provide a continuum of desirable housing opportunities for households of all incomes.*

Feedback: This was universally accepted as written. Several participants raised the issue of adequate workforce housing opportunities but were convinced by the other participants that this goal encompassed this type of alternative.

Recommended change: None

GOAL #2: Sustainable Mixed-Income Communities

Original: *NRHA will act to promote a new community model that creates a healthy physical and social environment that is appealing to households in a wide range of incomes.*

Feedback: The one concern that was fairly consistently heard was about the word "new." Most felt that it either wasn't new (using Bread Creek as an example), or that the word would not meet the test of time. The consensus feeling was that the word "new" could simply be deleted without any negative impact on the overall goal.

Recommended change: Simply drop the word 'new'.

GOAL #3: A Strategic Business Approach

Original: *To meet changing requirements and make best use of resources, NRHA will use a focused business model to effectively and efficiently deliver its products or services.*

Feedback: More people than not were concerned that this sounded like NRHA was now going to be striving to "turn a profit." Just the use of the word "business" twice, is what triggered their concern.

The groups suggested and felt more comfortable to restate the goal as simply – "operate efficiently."

This minor change seemed to address the profit issue in most people's minds.

Recommended change: To meet changing requirements and make best use of resources, NRHA will operate effectively and efficiently to deliver its products or services.

GOAL #4: Community Support

Original: NRHA will be a trusted partner that works collaboratively with residents, partners and other stake holders.

Feedback: Much discussion about this goal was directed to making the goal "more meaningful." It was generally felt that this goal didn't "reach as high as the others." Rather than use the term 'support,' the groups thought that "community engagement" was more proactive and better reflected the true intent of the goal.

There was consensus that by adding the word 'transparent' to the goal's description and saying, "NRHA will be a trusted and transparent partner..." that the conviction of the statement was enhanced.

Recommended change: Goal #4: Community Engagement

NRHA will be a trusted and transparent partner that works collaboratively with residents, partners and other stakeholders.

More Feedback: At the conclusion of each of these focus groups the participants could be described as NRHA ambassadors. All were very favorably impressed with the draft Strategic Plan.

Participants universally applauded the lofty goals NRHA has set for itself. All recognized the intense work that will be required to achieve these goals.

The plain and understandable language used throughout the strategic plan resonated extremely well. All felt that the wording was straight forward, it was not full of jargon and thus very credible.

Appendix J

Core Competencies

August 16, 2007

NRHA

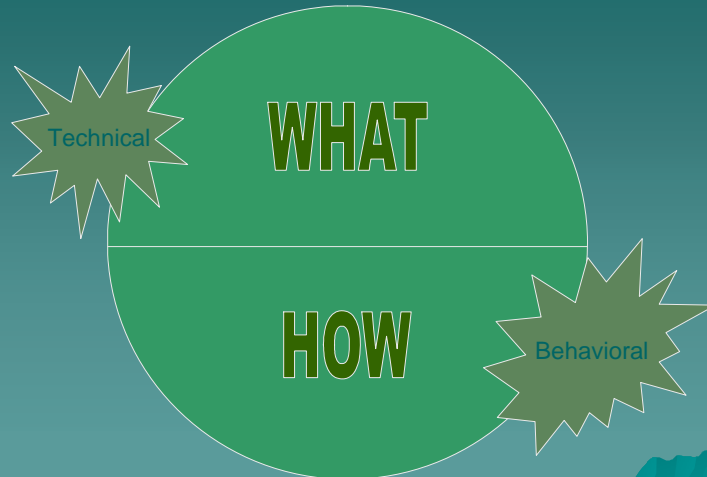
What are core competencies?

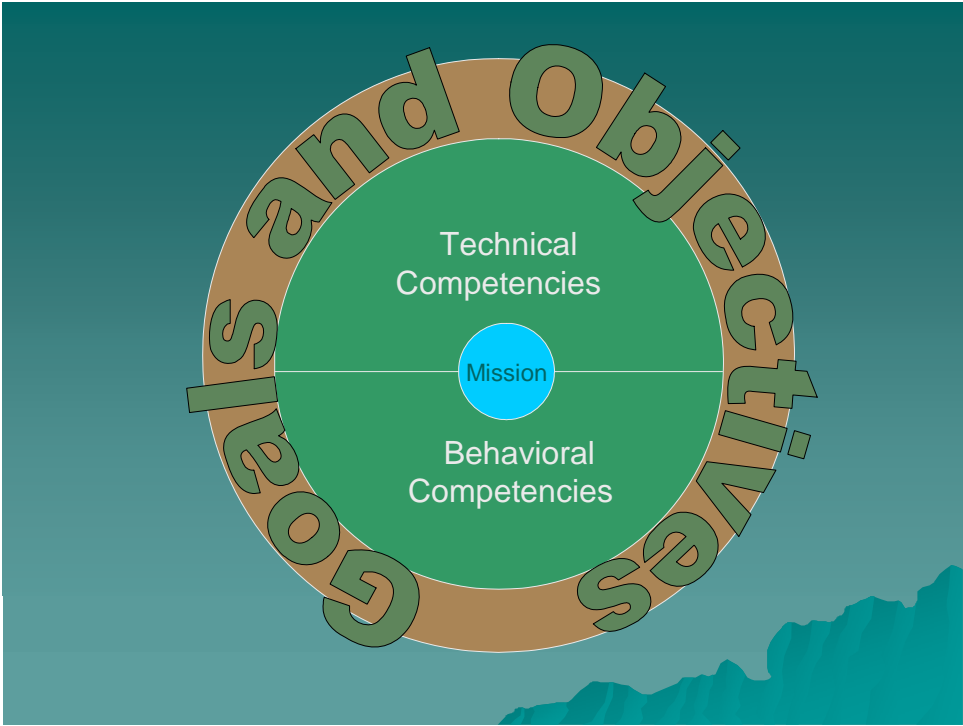
- ◆ **Definition:** Core competencies are strategic business capabilities that provide a marketplace advantage. Core competencies are the skills, abilities, knowledge, and characteristics that help distinguish superior performance and are the root essentials of an organization's expertise.



Identify the technical and behavioral competencies of the ideal employee

Competency - It's not just what you do

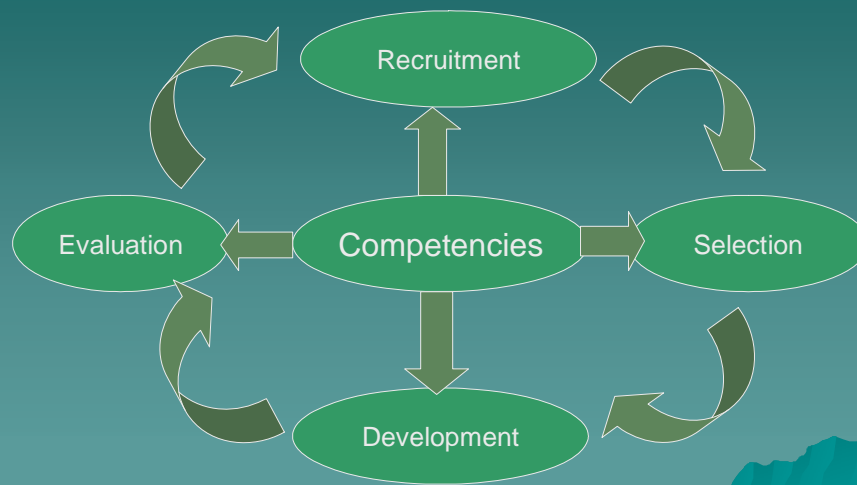




Linking Mission to HR Functions



IRS COMPETENCY BASED MODEL



Process for developing behavioral competencies

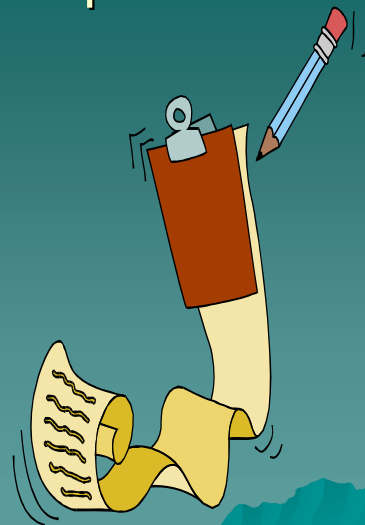
- ◆ Step 1 - Identify potential competencies
- ◆ Step 2 – Sort the list
- ◆ Step 3 – Compare responses
- ◆ Step 4 - Reach consensus on your organizations behavioral competencies
- ◆ Step 5 - Integrate competencies into other performance management vehicles

--Based on the work of Dick Grote

A.C.E.I.T

Step 1 – Identify competencies

- ◆ Start with a complete list
- ◆ Make sure it is complete
- ◆ Write descriptions of behaviors for someone who would excel at this
- ◆ Do not duplicate



Step 1- Competency with description

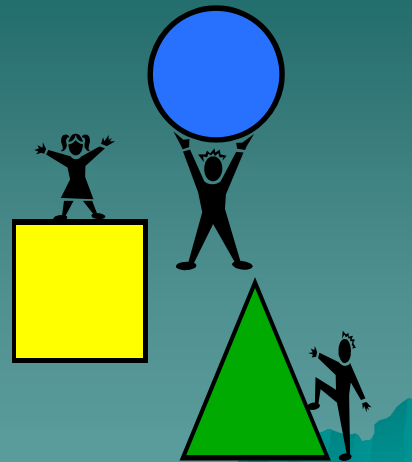
- ◆ Innovative
 - Personally develops a new method or approach that results in a positive outcome
 - Proposes new approaches, methods or technologies
 - Develops better, faster, cheaper ways to do things

Step 1-Competency with description

- ◆ Positive Attitude / Enthusiasm:
 - Is optimistic about the work to be done, internal and external customers, management and company policies
 - Doesn't gossip or spread rumors
 - Is a positive influence on others
 - Is courteous, cooperative and helpful

Step 2: Sort the list

- ◆ Top management decision
- ◆ Identify the small number of competencies most critical for success
- ◆ Link success to organizational mission and goals



Step 2 - Process

- ◆ Every person is asked to sort the list
- ◆ Individually sort the list into 3 categories
 - #1 Must have (high)
 - #2 Should have (medium)
 - #3 Would be nice (low)

Steps 1 & 2 - Try it

- ◆ These are the voyages of the Starship Enterprise

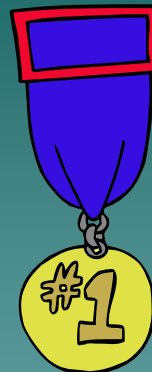


Mission

Explore strange new worlds,
seek out new life and new civilizations
and boldly go where no man has ever gone
before

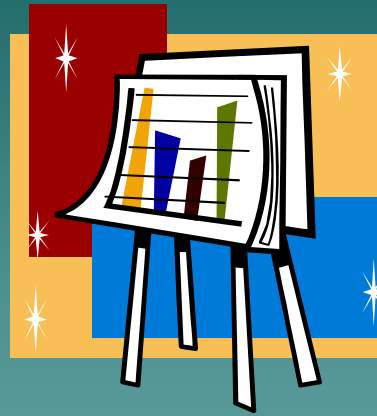
Sort again

- ◆ Providing a First Choice community through excellence in public service



Step 3: Compare individual responses

- ◆ Display the results for everyone to see



Step 4: Reach consensus

- ◆ Eliminate the easiest ones first (lowest)
- ◆ Identify those with clear agreement (highest)
- ◆ Finalize the total number and work to consensus



Step 5 - Publish, market and use

- ◆ Make everyone aware
- ◆ WIIFM
- ◆ Explain the process
- ◆ Phase in, and integrate the pieces of the system

OPM Leadership Competencies

- ◆ Leading Change
- ◆ Leading People
- ◆ Business Acumen
- ◆ Results Driven
- ◆ Building Coalitions/Communication

General / Specific

- ◆ Customer service
- ◆ Employee ownership
- ◆ Positive outlook
- ◆ Technical skills (Job class specific)
- ◆ Coaching and leadership
- ◆ Total wellness and safety
- ◆ Teamwork and loyalty

Competency Resources

- ◆ Workforce.com
- ◆ dickgrote@groteconsulting.com
- ◆ Linezine.com
- ◆ Learnativity.com
- ◆ Building Robust Competencies, Paul Green