



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.