



WINCHESTER HOUSING AUTHORITY DEVELOPMENT CORPORATION

STRATEGIC PLAN OUTLINE 2009–2014

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1. ORGANIZATION'S HISTORY

The Winchester Housing Authority Development Corporation (WHADC) is a 501(c) (3) corporation founded in November 2001. It is a wholly-owned subsidiary of the Winchester Housing Authority. The corporation was founded to address affordable housing and economic development needs in the Town of Winchester and its surrounding communities.

Its parent corporation, the Winchester Housing Authority (WHA) – founded in 1956 – operates two communities of 119 residences designated for use by elderly and disabled citizens. WHA also serves the housing needs of low-income citizens through its Section 8 Rental Assistance Program. It currently manages 238 active vouchers that serve low and moderate income citizens. The Authority's Section 8 vouchers are also used to support 11 single room occupancy apartments (SROs), located at the Northwest YMCA (also located in Winsted) that provide housing for citizens who are homeless.

While both WHADC and WHA focus primarily upon the housing needs of low-income citizens, the organizations have differing roles.

WHADC's primary interests are housing development and rehabilitation within a *Target Cluster* it identified at the creation of the organization. *See Map #1, Page 2.* While the organization does have a private market sensibility as it concerns identifying opportunities that generate income and profits, its corporate charter mandates it serve low and moderate income citizens.

Its most recent project – Laurel Commons, an elderly development of forty-four residences that is managed by WHADC – is emblematic of that idea.

WHA, as a top performing Public Housing Authority, has a long history of providing well-managed, high quality housing to low and moderate income housing to the Winsted community.

One benefit of its public housing experience is the ability of staff to deal with program administration and process as defined by state and federal agencies...no small talent for any organization.

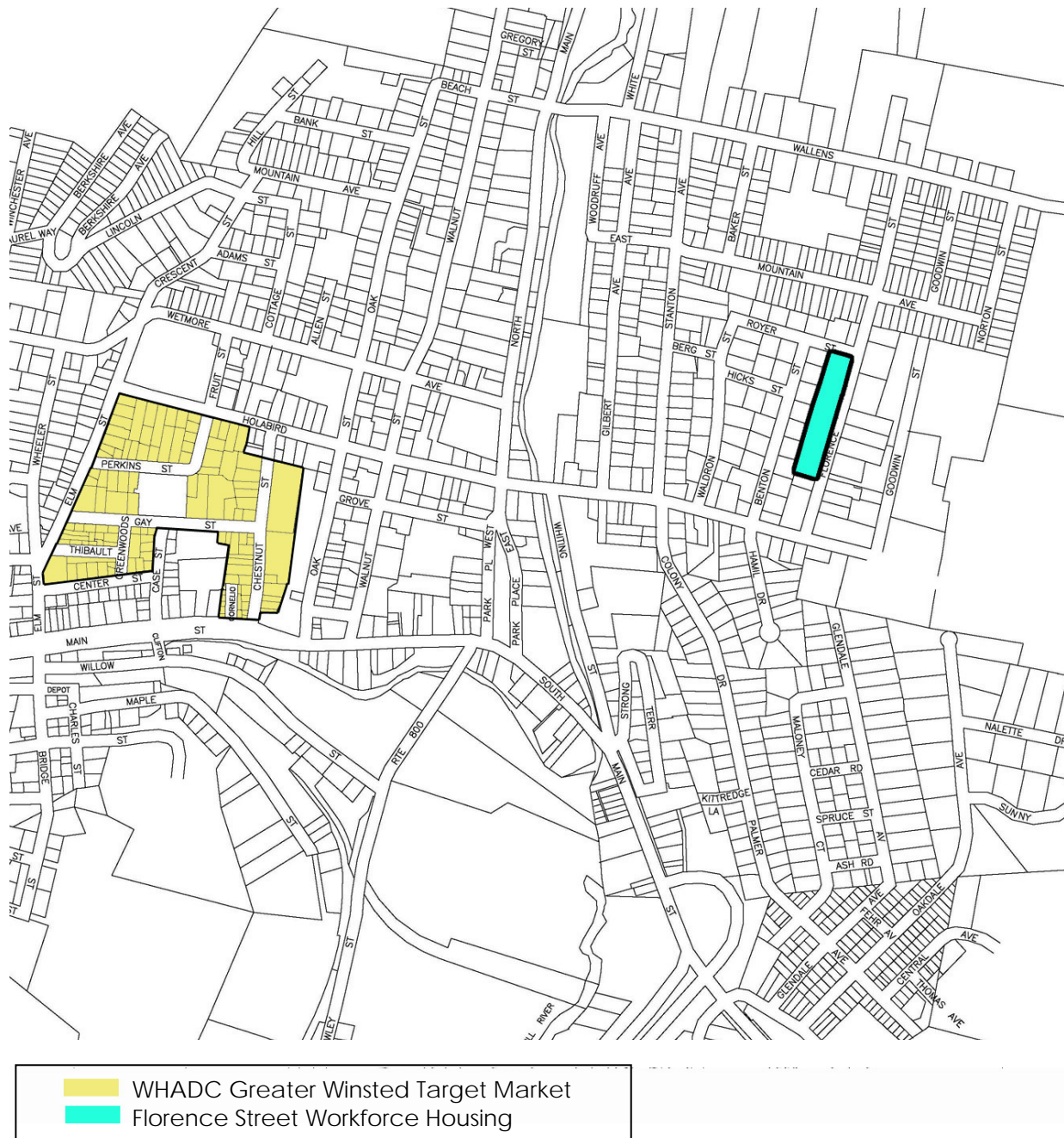
Process and programs aside, one only has to walk WHA managed properties to appreciate the fact that it operates on par with well-managed private sector property management firms. Since 2000, WHA has been evaluated as a "High Performer" by HUD.

Regardless of their role, WHADC and WHA are complementary organizations that provide synergy to their individual operations. That is, the two organizations bring the full range of program management, property management, and project development expertise to their operations...a benefit to funders, partners, and affordable housing end users.

2. MISSION

The WHADC strives to provide and expand affordable housing alternatives to low and moderate income elderly and disabled citizens in Winsted, Connecticut. This occurs by providing and developing efficient, well-managed communities and associated services that are orchestrated by an immensely talented staff.

Fundamental to all WHADC activities is its commitment to the ideals of professionalism, community, and value.



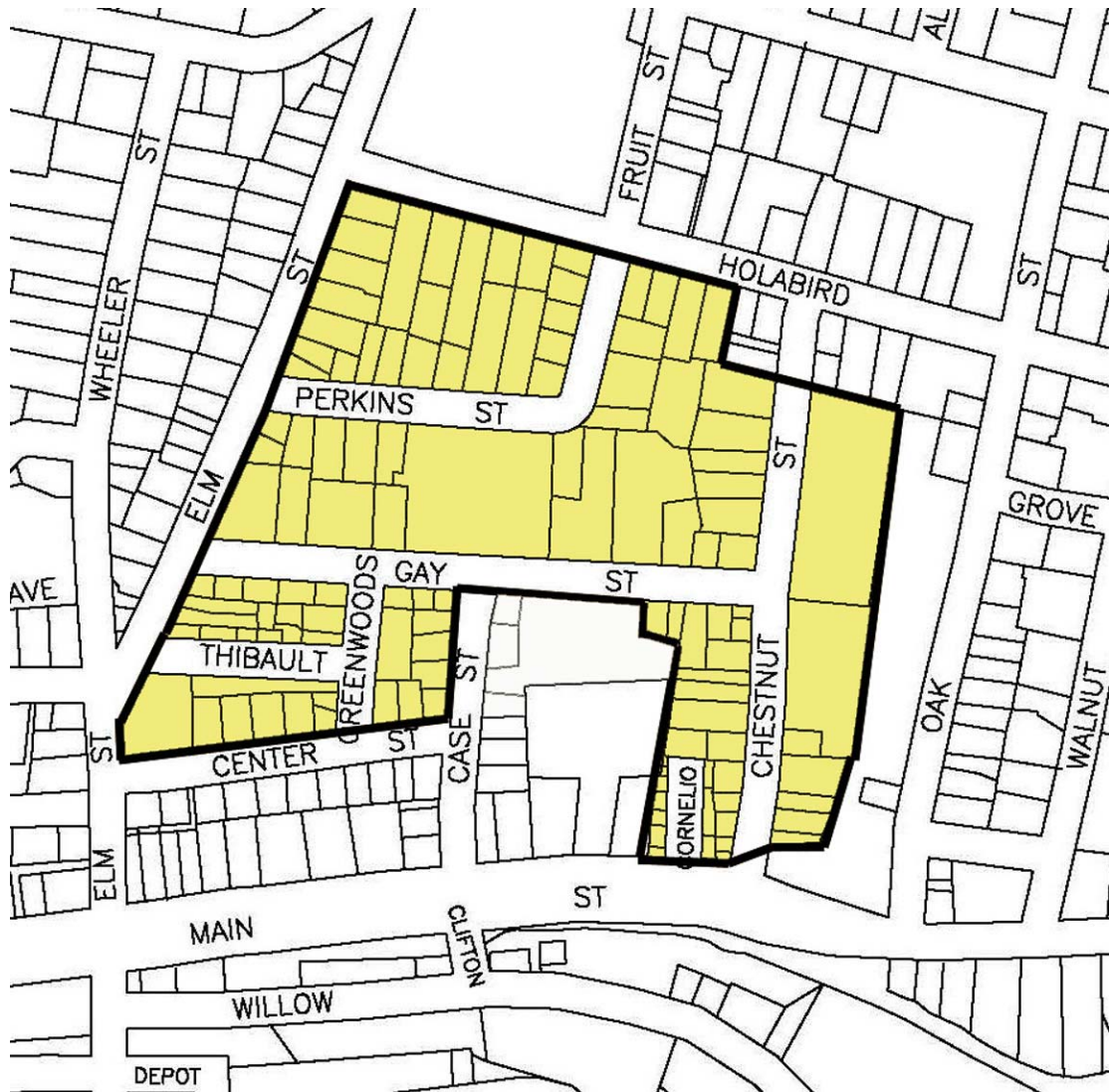
MAP #1: Greater Winsted

3. VISION

Over the course of five years, WHADC and its partners will:

- A. **Grow the business:** It is important for business managers to know (and accept) their core competencies. For WHADC, that means to continue, improve, and expand its current high performing operations based upon elderly and disabled housing creation/provision...and make investments in business infrastructure and staff that make sustained growth of those operations possible.

- B. **Continue Revitalization of the Target Cluster:** Since its inception, WHADC's primary target area insofar as housing creation is concerned has been located between Chestnut Street, Holabird Avenue, Elm Street, Thibault Avenue, Greenwoods Street, Gay Street, and then Cornelio Avenue. See Map #2, below.



MAP #2: WHADC Target Cluster

This area, a mix of old residential and commercial properties, is in close proximity to WHADC's base operations at 80 Chestnut Street...and, more importantly, Winsted's downtown Main Street shopping district. The continued development of this area will provide customers for downtown businesses, create additional tax revenue for the Town, quality affordable housing for a burgeoning elderly population...an increased quality of life that will be enjoyed by all Winsted citizens.

- C. **Continue Developing Lasting Partnerships:** Over the last five years WHADC has entered into a number of new partnerships....and expects to continue its success in this area.

As WHADC continues to establish a new standard for asset management that meets the needs of the individuals residing in its properties, the support of the Town, nonprofits, private sector business interests, and the community at large will only continue to grow

- D. **Increase Availability of Supportive Services:** *Producing quality, well managed housing is simply a baseline performance standard within the affordable housing community and is only one part of the equation for long-term success. WHADC strives for more.*

Therefore, WHADC will increase the availability of supportive services by vertically integrating them within their operations. These services – primarily medical/counseling – will dramatically increase the stability, sustainability, and value of its communities over time.

The reader should know that some of the pieces for this idea are already in place – i.e., existing “meals on wheels” program that services WHADC tenants and the close proximity of WHADC properties to the Blanche McCarthy Winsted Senior Center...which provides educational, recreational, and cultural activities, social services, health clinics, daily nutritious lunches, and door to door transportation services for Winsted’s elderly. The Senior Center is operated by the Town and is located at the corner of Chestnut Street and Holabird Ave.

- E. **Remain Opportunistic:** *While WHADC fully understands (and embraces) its core competencies and product, it will always be open to new ideas, partnerships, and opportunities that are consistent with its Mission and business interests.*

Currently there are many scattered site opportunities available for WHADC to create affordable housing for teachers/municipal workers, students, and work force housing.

In addition, with its Laurel Commons Development (completed in 2005) and its pending Carriage Maker development (construction in the fall of 2010), WHADC has started a development pipeline that will require strategic partnerships with other nonprofits – notably service providers – that enhance the outcome of WHADC’s housing operations. Over the next five years, WHADC will seek, evaluate, and engage in such partnerships as they meet real needs and business interests consistent with WHADC’s mission.

4. STATEMENT OF STRATEGIC DIRECTION

- A. **Increase Supply of Quality Housing for Senior Citizens Earning Low-Incomes:** With the cooperation of the Town and neighborhood residents, WHADC will seek opportunities to develop the new construction senior housing projects.
- B. **Ensure Sustainability of Housing through Development of Supportive Services:** The Residents residing in WHADC Communities have special needs which will increase as these citizens become older and more infirm.

To that end, WHADC expects to begin the development of partnerships with medical professionals and nonprofit service providers to bring such services to the WHADC properties as well as the Town of Winsted.

WHADC has also challenged its staff, consultants, and partners to develop new business models that provide/create the income/funding streams that make consistent, high quality supportive services a reality in its communities.

This will increase the marketability and sustainability of WHADC communities over the long term.

- C. **Long-Term Planning:** Secure sources of multiple private and public sector funding which enables WHADC to pursue new projects.

Over the next five Years, WHADC will raise \$30,000 annually of new funding that will fund its supportive service aspirations.

In addition, it will raise \$20,000 annually that will be used to provide gap funds necessary for additional property development and acquisition.

- D. **In Concert with the Winsted Town Redevelopment Plan, Market the Community; Market the Neighborhood; Market the Town:** WHADC's business interests are inexorably tied to the future viability of Winsted as a vibrant community offering value to citizens from all walks of life and economic spectrums. To that end, WHADC seeks to promote the message that Winsted offers an affordable and high quality of life. While the employment centers are diversified from Winsted to Torrington to Hartford and all along the routes 44 and 8 corridors, WHADC is on a mission to attract buyers to "Come Home to the Village of Winsted."
- E. **Explore Additional Opportunities in Target Area:** As appropriate opportunities arise, the unoccupied residences and troubled properties in the Target Area may provide WHADC a unique opportunity to engage in house-by-house and street-by-street neighborhood revitalization ventures.

This may include, but not be limited to:

1. Acquisition, Rehabilitation and Sale of marginal absentee investor owned rentals for affordable rentals to families, new construction homeownership to low- and Moderate-Income Buyers
2. Infrastructure Improvements such as sidewalks, lighting, trees and parking that is ancillary to its development activities.

This is no small matter for WHADC in that its elderly housing development aspirations derive value from maintaining the balanced, multi-cultural character of WHADC's Target Area ...and the adjoining community – i.e., close proximity to families, schools, shopping, etc.

5. TARGET MARKET IN TERMS OF PEOPLE AND PLACE

WHADC seeks to serve elderly/disabled renters and homebuyers who earn between 30% and 80% of Area Median Income and below as defined by HUD (below):

HUD 2009 Income Limits for Litchfield County									
	Persons	1	2	3	4	5	6	7	8
% of AMI	30%	\$18,200	\$20,800	\$23,400	\$26,000	\$28,100	\$30,150	\$32,250	\$34,200
	50%	\$30,250	\$34,700	\$39,000	\$43,350	\$46,800	\$50,300	\$53,750	\$57,200
	60%	\$29,280	\$33,480	\$37,620	\$41,820	\$45,180	\$48,540	\$51,840	\$55,200
	80%	\$44,800	\$51,200	\$54,000	\$57,600	\$69,100	\$74,250	\$79,350	\$84,500
	100%	\$60,500	\$69,400	\$78,000	\$86,700	\$93,600	\$100,600	\$107,500	\$114,400

This will enable WHADC to take a mixed income approach to its rental development activities as well as provide, as those opportunities arise, useful affordable new construction housing to families and individuals.

That said, specific Market Areas within the area:

A. Elderly and Disabled:

Given the AMI for single head of households in Litchfield County – \$60,500 for a single head of household – WHADC expects to address the housing needs of elderly and disabled citizens with incomes between \$18,200 and \$44,800... a potential customer/client base of considerable breadth.

However, Winsted residents aged 50 years or older (currently 38% of the town population) will only increase over the near term as the Baby Boomers continue to age and live longer than their parents.

This situation is made more critical by the fact that the rural elderly have higher poverty rates than those elderly living in urban areas.

As need promises to outstrip resources, it is certain that WHADC will be challenged to balance its commitment to housing provision for the elderly/disabled at 30% to 60% AMI...as well as its mixed income aspirations.

B. Renters Earning Low-Incomes at 30% to 60% AMI...Finding a Market...Finding a Balance:

The current AMI of a family of four in Litchfield County is \$86,700. As a result, WHADC's income targets are defined per the table below:

Family Size	30% of AMI	60% of AMI	80% of AMI
1	\$18,200	\$29,280	\$44,800
4	\$26,000	\$41,820	\$57,600

Rental development opportunities for WHADC are further defined by the FMR (Fair Market Rent for Litchfield County) per the table below:

Litchfield County, CT Fair Market Rents				
Efficiency	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
\$632	\$823	\$972	\$1,248	\$1,404

The combination of rent and utilities at levels that do not exceed 30% of the household's income is a very challenging market for any developer.

However, WHADC has local development experience and assets that it can bring to this endeavor.

Currently, WHADC has a planned nine (9) unit workforce housing project – Florence Street planned for property it owns on Florence Street. This is a property the State of Connecticut deeded to WHADC. Project funding development is in progress. *See Map #1, Page 2)*

As other opportunities occur, WHADC will pursue those opportunities that can provide safe, quality, affordable housing for working people so that they can focus on improving their economic standing and quality of life.

C. Neighborhood Revitalization Project Areas:

Within the WHADC Target Area – Holabird Avenue, Chestnut Street, Elm Street, and Main Street – the organization has identified specific development opportunities it wishes to pursue as follows:

1. The Gay, Elm Street and Thibault Avenue Revitalization Area:

WHADC has identified development opportunities for Elderly and Non-elderly Residences within a few areas within its core service area. *See Map #3, Page 8.*

One of them, Carriage Maker Place (a 32 unit community for the elderly) is scheduled for construction in the fall of 2010. *See Map #4, Page 15.*

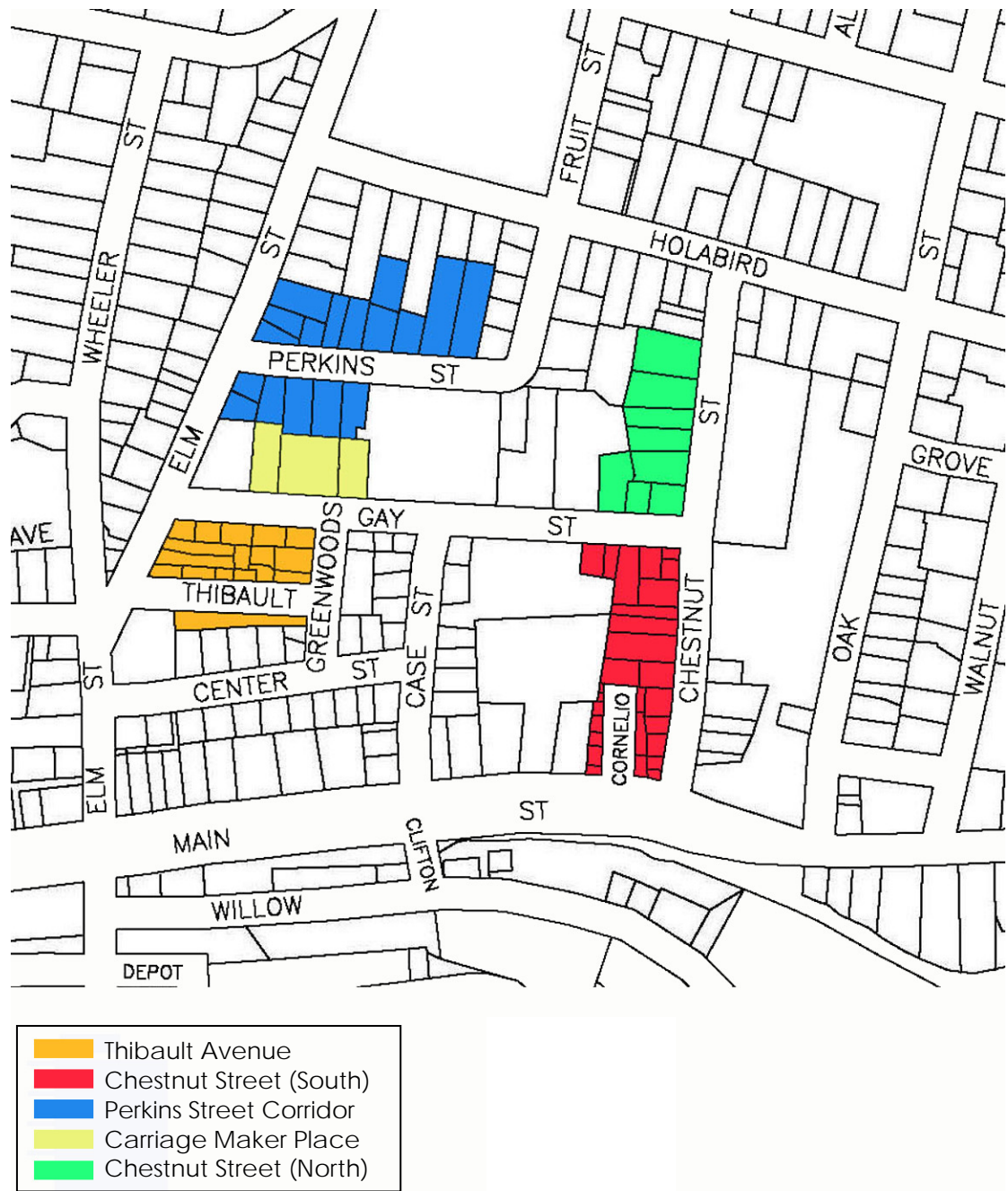
There is also a potential development area in the *Thibault Avenue* Corridor a neighborhood identified by Thibault Avenue, Perkins Street, and Greenwoods Avenue. *See Map #5, Page 16.*

This area of Winsted's downtown has always been, and will continue to be, central to WHADC's development aspirations.

2. Chestnut (South):

In its 2005 Strategic Plan, WHADC saw the potential and needed revitalization effort in what (at the time) it called "Area 1" – a parcel with distressed housing bordered by Chestnut Street, Gay Street (North), and Cornellio Avenue. WHADC has renamed "Chestnut Street South" ...and still sees the need and potential of revitalizing this area. *See Map #6, Page 17.*

To that end, as the Town revises its Master Plan, WHADC would like to be helpful in defining the future of this area...as well as a partner in its development.



MAP #3: Planned Development Areas, WHADC Target Cluster

3. Chestnut (North):

Pursue the Acquisition of existing properties that, depending upon circumstances, will be revitalized by WHADC for use as rental properties for senior heads of households and/or working families seeking affordable housing, rent to own opportunities, or affordable home ownership. WHADC will evaluate the appropriate use for a property on an individual basis. *See Map #3, Page 8, Details to develop as opportunities occur.*

6. CORE PRODUCTS AND SERVICES:

WHADC will enhance its existing property assets and develop/produce additional elderly and disabled rental housing communities with associated supportive services. In addition, it will endeavor to produce of housing that provides homeownership and/or low income rental opportunities and through infill and planned unit development.

The following core products and services that will anchor the growth of WHADC's business operations and add to the revitalization of older neighborhoods in the Town of Winsted.

A. Senior Rental Housing:

1. Objectives:

- a. Provide a more entrepreneurial path to continue affordable housing services to seniors in an uncertain Public Housing environment.
- b. Meet increasing demand for senior housing with aging population.
- c. Build safe communities where residents can live full, independent lives and be close to services.
- d. Develop income stream to fund sources for sustainable service-enriched property management capacity.

2. Approach:

- a. Build on Success of Laurel Commons ...this includes the construction of rental units over the next five years. WHADC currently has a 32 unit development – Carriage Maker Place – scheduled for 2010 construction.
- b. Access federal Low-Income Housing Tax Credits, HUD 202, FHA Multifamily Mortgage Insurance, USDA Rural Housing Development mortgage funding, Project Based Section 8, State and local/regional gap fund providers.
- c. Develop quality supportive services for the properties it manages. This will include developing partnerships with local nonprofit supportive services shareholders (Northwest Community College's nurse training program and/or direct service providers such as the Visiting Nurse Association with offices in Winsted), regional outreach to other elderly nonprofits in an effort to develop a regional approach to supportive service, and re-define/advocate the development process so that the inclusion of supportive services is a baseline criteria for the creation of elderly housing/community development.
- d. Continue to Manage what it builds...investing in staff and management infrastructure to remain efficient and competitive.

B. New Construction Homeownership and Infill Housing Home Ownership/Rental Housing:

1. Objective

- a. Contribute to the quality of housing stock and neighborhood infrastructure in:
 - i. WHADC's Neighborhood Revitalization Target Areas; and,
 - ii. Greater Winsted as prudent and able.
- b. Leverage its development capacity and the job opportunities resulting from its expanding elderly business into facilitating other housing development that serves low and moderate income households.
- c. Generate fee income that helps improve the financial condition of WHADC.

2. Strategy

- a. Develop the Florence Street site WHADC currently owns where it is feasible to create nine (9) homes for workforce housing.
- b. The Town of Winsted expects to revise its Master Plan in 2010. WHADC will active in promoting dialogue and commitment with/by the Town and other interested parties in the development of Chestnut Street (South).
- c. Remain receptive to the purchase and revitalization of scattered site infill and renovated housing in all of WHADC's Neighborhood Revitalization Target Areas...particularly Chestnut Street (North).

7. HOUSING PROJECT SELECTION CRITERIA

Private developers have overlooked Winsted and there are very few productive non-profit housing developers in Litchfield County. As a result, WHADC is presented with many development opportunities.

The following is a set of Project Selection Criteria that will help serve as a filter for Board and staff of WHADC in determine what projects to develop and what projects on which to pass:

- A. Clearly Contributes to Achieving One or More Strategic Plan Goals.
- B. Project Contributes to Neighborhood Revitalization and Sustainability and Contributes to Improved Quality of Life in Winsted.
- C. Project is Financially Feasible and can be developed in a reasonable time (three years or less).
- D. No unreasonable environmental, site or design functionality and/or zoning risks.

E. Project Must Generate a Financial Return to WHADC in the form of:

1. Developer fee from construction;
2. Cash flow from rentals;
3. Property management fees; and,
4. Clearly Defined Partnership with Town, Community Institutions, and Nonprofits.

8. FINANCIAL NEEDS

Generally, WHADC will take the approach of breaking fund raising for each of the projects into two phases...Land Acquisition, Predevelopment and Site Preparation; and, Appraisal and Affordability Gap.

A. Land Acquisition and Site Preparation Fund:

The challenge for successful development of affordable housing is in how effectively WHADC can acquire contiguous properties from investors, many of whom live out of town. With its network of quality rental property operators in Litchfield County, access to Section 8 Housing Vouchers through its parent organization, the Winchester Housing Authority, WHADC is well positioned to provide rental relocation options to tenants living in substandard units in the target areas...making project creation more viable.

1. WHADC will focus in the first two years of this Strategic Plan in Raising a Land Acquisition and Site Preparation Fund so that it can acquire as many properties in the target areas on its own.
2. A realistic goal for establishing funding has been set at \$100,000 for the first two-years of this strategic plan. Acquiring \$60,000 from LIHTC Grant with another \$40,000 from corporate and private foundation donations.

In addition, WHADC has developed assets and will seek a discretionary credit line from a private lender.

With its Laurel Commons and Carriage Maker developments, WHADC will soon be well positioned to compete for institutional sources of subsidy for addressing its development needs.

The most likely institutional sources for additional funding include:

- a. Federal Home Loan Bank affordable housing loan program
 - b. State HOME funds via the Department of Community and Economic Development.
 - c. USDA Rural Housing Development grants.
 - d. Private Sector Partners
3. Once the subsidies are raised, WHADC will secure interim financing to build the project and/or bridge the pay-in of various subsidies. The Connecticut Housing Investment Fund (CHIF) is well positioned to provide pre-development and interim financing.

Local banks have also expressed interest in providing construction financing as well.

9. ORGANIZATIONAL DEVELOPMENT

A. Staffing

WHADC will manage larger new construction projects via fee-for-service Development Team made up of consultants and professional services providers, many of whom WHADC already has relationships and development experience.

All rental projects will include provisions in the Operating Budgets for on-site property management that will be administered by WHADC staff. Any growth in WHADC property management staff will be contingent on having a clearly defined funding source for each new staff person.

It is likely that in the next two years, WHADC will need to hire either a Project Manager or a Development Assistant that can help keep multiple projects moving on a day to day level as the Executive Director, Fred Newman, focuses on cultivating and servicing executive relationships with funders, Town of Winsted, State of Connecticut and community stakeholders. Retained Developer Fee earnings and grants will serve as the funding base for these positions.

10. PRODUCTION GOALS

A. Year One (2010)

1. Complete Carriage Maker, Phase I
2. Raise \$20,000 for future site acquisition
3. Develop plan for the inclusion of high quality supportive services that augment WHADC's property management

This includes outreach to nonprofits, funders, and modeling business plans (income streams) that may be used to finance this undertaking.

4. Develop plan for creating Development Assistant position. This includes defining tasks and funding
5. Purchase one blighted property in Chestnut North for family rental and eventual home ownership.
6. Initiate dialogue with DECD concerning the development of Florence Street...eight (9) affordable new construction homes.

B. Year Two (2011)

1. Begin Carriage Maker Place, Phase II

2. Renovate one residence at Chestnut Street (North) for rental or affordable housing homeowner purchase.
3. Raise \$20,000 for future site acquisition
4. Enter in dialogue concerning purchase of 3 Perkins Street properties...which is adjacent to the Carriage Maker development.
5. Have funding commitment in place for the development of Florence Street...and planned construction to begin in 2012.
6. Town recognizes Chestnut Street (South) as Planned Redevelopment area.
7. Begin dialogue regarding a consortium of Northwest Connecticut housing nonprofits and supportive service providers with the purpose of developing/collaborating/sharing supportive service resources. The goal is to "raise the bar" concerning the quality of services as well as creating economy of scale that makes better/shared (and reduced) cost of delivery a realistic expectation.

C. Year Three (2012)

1. Complete Carriage Maker Place, Phase II
2. Renovate one residence at Chestnut Street (North) for rental or affordable housing homeowner purchase.
3. Raise \$20,000 for future site acquisition
4. Begin construction of single family homes at Florence Street.
5. Develop 3 Perkins Street property into rental and/or affordable housing homeowner purchase.
6. Town recognizes Thibault Avenue as a Redevelopment Area.
7. In partnership with the Town of Winsted, create plan and acquire Chestnut South property.
8. Northwest Connecticut supportive service plenary...results in vertically integrated supportive service provision consortium – aides, medical professionals, etc. – established to serve Northwest Connecticut nonprofits and citizens.

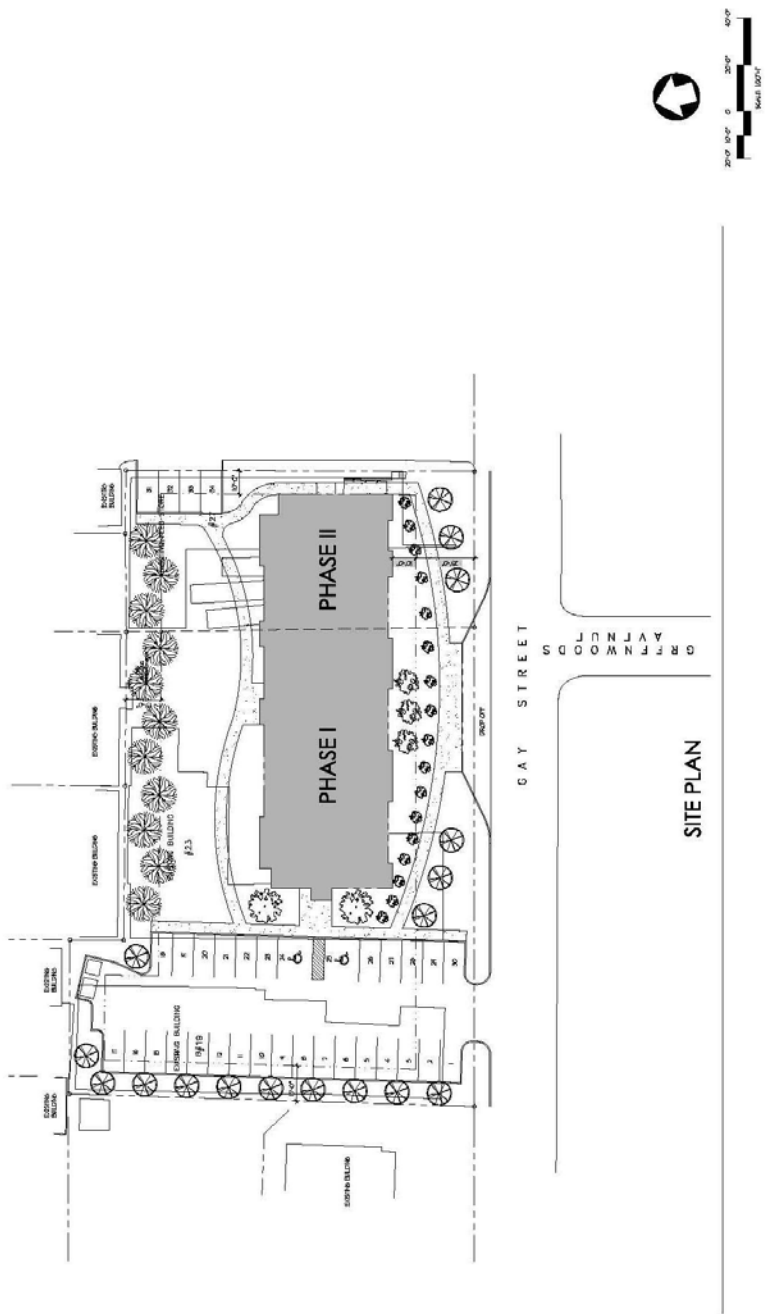
D. Year Four (2013)

1. Single family construction continues at Florence Street.
2. Renovate one residence at Chestnut Street (North) for rental or affordable housing homeowner purchase.

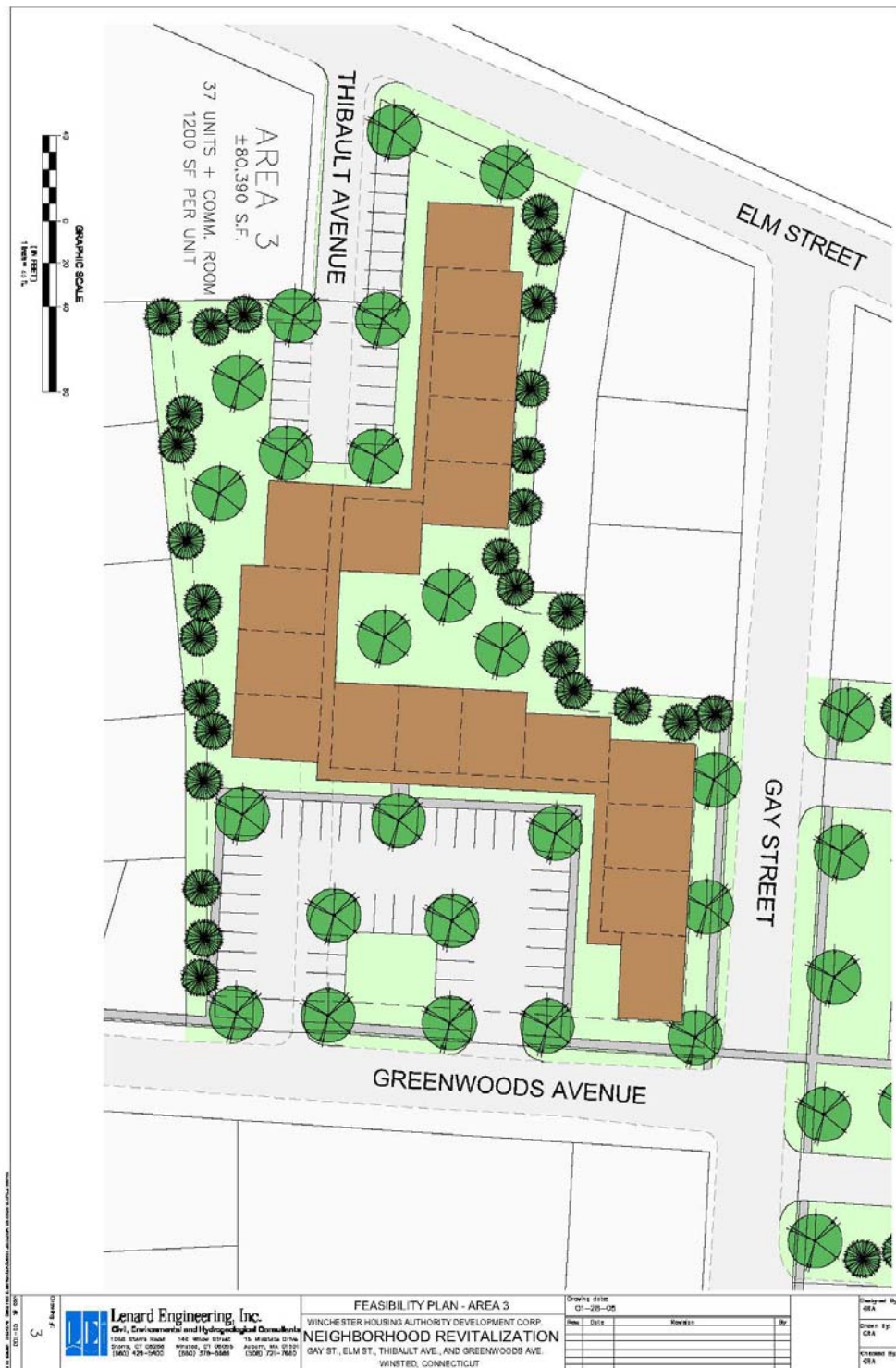
3. Raise \$20,000 for future site acquisition
4. Chestnut Street South property acquisition(s).
5. In partnership with the Town of Winsted, create plan and commence acquisition of Thibault Avenue property acquisition(s).
6. Begin planning sessions for WHADC Strategic Plan.

E. Year Five (2014)

1. Complete Florence Street development/construction.
2. Renovate one residence at Chestnut Street (North) for rental or affordable housing homeowner purchase.
3. Raise \$20,000 for future site acquisition
4. Chestnut Street South property development/construction.
5. Thibault Avenue property acquisition(s).
6. Present draft of WHADC Strategic Plan to BOD.



MAP #4 CARRIAGE MAKER PLACE



MAP #5: THIBAUT AVENUE CORRIDOR



MAP #6: CHESTNUT STREET SOUTH