



## Strategic Plan Executive Summary June 17, 2007

# Why a strategic plan for NNEHIF?

In 2006, the Northern New England Housing Investment Fund (NNEHIF) embarked on a strategic planning process with the goal of strengthening its position as a leader in affordable housing. NNEHIF is a private, nonprofit 501(c)(3) corporation that promotes the creation of affordable housing in Maine and New Hampshire. NNEHIF has carried out this mission by encouraging private investment in affordable housing through the low income housing tax credit program (LIHTC), and by offering technical assistance to affordable housing developers.

The Board of Directors and senior staff recognized that to remain effective in a changing external environment, NNEHIF must adopt new strategies. The planning process involved more than 50 meetings with Board members, staff, and external stakeholders. Strengths, weaknesses, opportunities, and threats were identified and analyzed, and new ventures were considered. Significant attention was given to a constellation of external challenges that have changed NNEHIF's position in the low income housing tax credit market. These challenges include:

- **Increased competition.** While NNEHIF had traditionally been the sole LIHTC syndicator in the region, large for-profit syndicators now actively compete for that business and are often in a position to offer more favorable price and terms.
- **Consolidation of the banking industry.** Challenges for NNEHIF include new community reinvestment options for banks at the national level, and the fact that fewer senior bank officials have knowledge of NNEHIF and its value.
- **Declining public funds.** Both federal and state funds for affordable housing are declining, while demand and costs continue to rise.
- **Greater challenges for developers and operators.** New regulations and populations are increasing overall complexity and costs.

# Implications for NNEHIF?

The next question for the Board and staff was, “so what?” In other words, what are the implications of these challenges for NNEHIF's mission and for its traditional constituencies? On this topic, discussions with external stakeholders were revealing.

External stakeholders generally express high regard for NNEHIF and its unique position as a regional nonprofit syndicator. They value its expertise, professionalism, regional knowledge, and advocacy. At the same time, however, they acknowledge that decisions about choice of syndicator often come down to price and terms.

So, if larger syndicators can offer more competitive price and terms, what is NNEHIF's value? *The short answer is: NNEHIF's value is greater now than ever.* Here's why:

- The creation of affordable housing is critically important to the economies and communities of Maine and New Hampshire, with profound implications for job growth, retention of young families, and community stability.
- In spite of the emergence of national syndicators in the region, recent studies reveal a widening gap between the demand and supply of affordable housing.

To address these challenges, NNEHIF plays a unique role. Unlike national for-profit syndicators, NNEHIF's sole focus is on Maine and New Hampshire. It has extensive knowledge of the region and its constituencies. It is committed to the long-term success of individual projects, and in this regard has a stellar track record. At the public level, NNEHIF is also a forceful advocate for sound, affordable housing policies, and provides support for other advocacy organizations. Finally, unlike for-profit syndicators, NNEHIF strives for both economic and social rewards.

## What's next?

To strengthen its mission, NNEHIF will:

- increase visibility in the LIHTC market by communicating its unique value to its broad constituencies of nonprofits, governmental entities, developers, and operators.
- diversify its base of products and services. In this regard, NNEHIF will build on existing capacity to offer two additional services: full service consulting in affordable housing and third party asset management. In addition, during the next several years NNEHIF will consider other ventures, such as direct development.
- increase public advocacy efforts, and to this end, will work collaboratively with state housing investment authorities and community organizations.
- ensure that its Board and staff have the tools and resources they need to continue to deliver outstanding products and services.
- seek new opportunities to communicate with stakeholders.

The full strategic plan contains 16 strategies and more than 60 specific actions designed to achieve the above goals. The plan is an evolving document and will be revised as new information and opportunities emerge.

Completion of the plan would not have been possible without the assistance of many individuals and organizations. The Board of Directors and staff are appreciative of input from the Maine and New Hampshire housing investment authorities, investors, developers, operators, advocates, and community organizations. Continued input is essential, and NNEHIF looks forward to continuing partnerships with the many varied and knowledgeable organizations similarly committed to the vision of affordable and secure housing for the people of Maine and New Hampshire.