



# Habitat for Humanity of Greater Memphis

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## STRATEGIC PLAN

July 2023 – June 2028

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### Five Year Targets:

- 150+ Homes via new construction
- 1200+ Repairs via AIP



Habitat for Humanity of Greater Memphis (HFHGM) has identified the following strategic priorities for advancing the mission impact and sustainability of the organization over a four-year span from July 2023 to June 2027.

## **OVERVIEW OF STRATEGY**

Achieving our vision is dependent not just on impacting those we serve but by creating advocates and allies to advance community level engagement in affordable housing as a conduit to social change. Our strategy will have a dual focus on two distinct yet interconnected and critical audiences: Those who benefit and those who can contribute. We will adopt the “Three Houses” model from Habitat International to conceptualize scalable impact from the families we serve to broader social progress with an emphasis on consistent and progressive outcomes for those two audiences.

### **Habitat’s Vision**

**A world where everyone  
has a decent place to live.**

## **STRATEGIC PRIORITIES**

- ❖ **Enhance brand profile and grow market presence**
- ❖ **Deliver programs that create opportunities for families to improve wellness and have agency to thrive**
- ❖ **Expand programs and collaborative efforts that encourage neighborhood development**
- ❖ **Build greater sustainability in conjunction with increasing staff capability**

This strategy document outlines these priorities, which are not sequential but intended to be pursued concurrently, in further detail and provides proposed approaches to these priorities and metrics for measuring progress. We recognize that the approaches utilized by HFHGM may have to be adjusted to account for changes in capacity and resources or in response to external factors or changes in the needs of those we serve. We will adapt our approaches as needed within the framework of these priorities to continue moving the organization toward our vision.

## OUR STRATEGY

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Habitat for Humanity of Greater Memphis' vision is centered on a place to live. While HFHGM naturally focuses on creating and maintaining physical places to live through new construction and home repairs, HFHGM is in a unique position to expand that interpretation of "place" to encompass the neighborhood and community. HFHGM goes beyond the build through family services, advocacy and research, and community partnerships to foster stronger neighborhoods. That scalable impact is the focus of our strategy over the next several years.

This strategy is anchored by our core principles as an organization:

- Demonstrate the love of Jesus Christ
- Focus on shelter
- Advocate for affordable housing
- Promote dignity and hope
- Support sustainable and transformational development

HFHGM has adopted the Three Houses model introduced by Habitat International and utilized by other affiliates:

### From Building Houses to Building Impact



Outcome goals are scaled from those being served to influencing change at a societal level. Impact through each of the three houses is connected but not simply a linear progression as the concept works in a cyclical fashion. As HFHGM can effect change at the community or societal level, those outcomes inform how HFHGM works directly with families. Further, HFHGM must consider the audiences necessary to generate outcomes across the three houses. While Habitat can create outcomes for the families it serves, for HFHGM to scale impact to the community and societal level, the organization must consider the role of those that are outside its client base. As such, Habitat's strategy is focused on two interrelated audiences: Those who can benefit and those who can contribute.

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***Our strategy will have a dual focus on two distinct yet interconnected and critical audiences:  
Those who can benefit and those who can contribute.***

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While those who can benefit is more straightforward, those who can contribute can include multiple groups from sponsors and donors who contribute financially to partners who contribute to programs and initiatives and to those in the community that can engage in advocacy and promoting the work of Habitat. That secondary audience of those who can contribute is critical for HFHGM to be able to scale impact beyond individual families.

HFHGM has identified four priorities to guide the organization in pursuit of this strategy. Each priority is presented with desired outcomes related to the Three House model for impact as well as proposed approaches for operationalizing these priorities. The priorities are given numbers to distinguish each priority, but the numbering is not an indicator that the priorities must be pursued in an order, and HFHGM will be pursuing these priorities concurrently over the timeline of this strategic plan. The approaches utilized will continue to be adapted as needed, within the broader framework of this strategy, based on changes in the environment, the needs of the audiences being addressed by this strategy, or HFHGM's organizational capacity. Implementation of this strategy will be supported by the development of annual operating plans, reflecting continual assessment and monitoring of HFHGM's progress in relation to these strategic priorities.

## OUR STRATEGIC PRIORITIES

### Priority #1: Enhance brand profile and grow market presence

#### Why This is a Priority:

HFHGM has a 40-year history of significant contribution to the community, but while HFHGM is well-known, the organization is not well understood. The mission activities of HFHGM go well beyond the scope of building homes. Further, misconceptions exist about who HFHGM serves and the nature of those activities in that homes are not free. As HFHGM pursues a strategy emphasizing both those being served and those who can contribute, building the brand profile is critical to engaging those who can contribute and positioning HFHGM to play a larger role in research, advocacy, and public policy for affordable housing.

HOW WE WILL PURSUE THIS	OUTCOMES WE WANT TO ACHIEVE
<ul style="list-style-type: none"> <li>➤ Expand marketing and branding for HFHGM</li> <li>➤ Increase published research</li> <li>➤ Increase role in public policy through relationships with local government</li> <li>➤ Build advocacy support and coalitions at the local and state government level</li> </ul>	<ul style="list-style-type: none"> <li>❖ Consistent public understanding of HFHGM brand and work</li> <li>❖ Increased awareness, advocacy, and allocation – Those who can contribute are actively encouraged and presented opportunities to invest resources</li> <li>❖ Affordable housing is viewed as a fundamental issue on par with other social issues and the link between affordable housing and other social issues is better understood</li> <li>❖ HFHGM has further strengthened its position to recruit partners, foster coalitions and initiatives, and be viewed as a leader in advocacy, research, and public policy</li> </ul>

**Priority #2: Deliver programs that create opportunities for families to improve wellness and have agency to thrive**

**Why This is a Priority:**

The core of HFHGM is the organization’s established and successful program model which reflects HFHGM’s organizational values. As HFHGM continues to grow and increase its impact, any strategy is going to be rooted in serving more families. Because the scope of services that HFHGM provides goes beyond just building homes, HFHGM is uniquely positioned to generate broader outcomes for families served. The nature of building or repairing a tangible family asset and the additional wrap around services that HFHGM can offer give families more agency, in that those families can now have greater control over how they build financial security and generational wealth for their families.

<b>HOW WE WILL PURSUE THIS</b>	<b>OUTCOMES WE WANT TO ACHIEVE</b>
<ul style="list-style-type: none"> <li>➤ Continue to increase capacity to serve more families</li> <li>➤ Explore/Research potential expansion of services or new services</li> <li>➤ Increase program capacity through partnerships and collaboration</li> <li>➤ Expand program scope to recognize and address trauma and other barriers to entry for families</li> </ul>	<ul style="list-style-type: none"> <li>❖ Families feel safe and stable in homes</li> <li>❖ Families feel pride in ownership</li> <li>❖ Families are financially secure and have an asset to begin building greater generational wealth</li> <li>❖ Seniors are able to age in homes and the asset can stay in the family</li> <li>❖ Families have access, through home ownership, to pursue other aspects of wellness including health and education</li> </ul>

**Priority #3: Expand programs and collaborative efforts that encourage neighborhood development**

**Why This is a Priority:**

As HFHGM seeks to scale its impact beyond individual families served, HFHGM will seek ways to build greater collective impact at a neighborhood level. This approach will leverage existing partnerships and collaborations as well as identify opportunities to engage other providers, serving those same families and neighborhoods, that offer complementary services. HFHGM will utilize its expertise and relationships to lead efforts to build initiatives and neighborhood groups that can sustainably self-manage. This attention to neighborhood development also provides opportunity for HFHGM to go beyond those being served and concurrently create a conduit for HFHGM to cultivate more people who can contribute whether at the neighborhood level or more broadly with volunteering, investing resources, or engaging in advocacy.

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**HOW WE WILL PURSUE THIS**

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- Community mapping
- Expand HFHGM’s presence in neighborhoods being served
- Explore new services that contribute to broader neighborhood development
- Cultivate volunteers and donors in neighborhoods where HFHGM has a presence

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**OUTCOMES WE WANT TO ACHIEVE**

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- ❖ Neighborhood-level outcomes such as blight reduction
- ❖ Increased neighborhood engagement & pride
- ❖ Neighborhoods are able to organize and self-manage
- ❖ Greater collaboration between residents of HFHGM-built homes and the rest of a given neighborhood
- ❖ Neighborhood outcomes are visible indicators of community change to partners, funders, and the public

### **Priority #4: Build greater sustainability in conjunction with increasing staff capability.**

#### **Why This is a Priority:**

As HFHGM utilizes the three-house model, the organization recognizes the importance of the foundation anchoring the houses in the model. HFHGM's strategy must include attention to the financial resources and staff capacity necessary to pursue this strategy and continue to generate meaningful outcomes for those served. This priority emphasizes both funding and people as critical resources for the organization to continue building sustainability. As HFHGM addresses organizational capacity, HFHGM will balance revenue strategy and fundraising with developing its staff and ensuring that the organization has the systems and infrastructure to support staff and daily operations.

#### **HOW WE WILL PURSUE THIS**

- Adjust revenue strategy to increase the proportion of revenue from contributions and earned income
- Research and assess potential funding approaches that may result in new revenue streams
- Develop an employee-incentive program and other employee programs to support staff development
- Improve infrastructure and systems and process to support staff and daily operations

#### **OUTCOMES WE WANT TO ACHIEVE**

- ❖ Increased unrestricted funding
- ❖ Funding is available to expand current programming while also making investments in future growth
- ❖ Revenue model reflects consistent increases to ReStore revenue and other sources of earned income
- ❖ Staff culture is productive and able to sustain growth
- ❖ Staff have opportunities for personal growth within HFHGM



# Habitat for Humanity of Greater Memphis

## Strategic Plan: July 2023 – June 2027

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# **Appendices**

General Assessment

Challenges & Opportunities

Alignment with Habitat International

Planning Notes from Staff Leadership



# Habitat for Humanity of Greater Memphis Strategic Plan 2023-2027

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## ASSESSMENT

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To more fully assess opportunities, challenges, and leverage points for Habitat for Humanity of Greater Memphis (HFHGM), data was incorporated from a range of sources:

- Current program output data and market data, generated by HFHGM staff
- Historical financial data from HFHGM's audited financial statements for FY 2018
- Current financial data for FY 2022 and budget projections for FY 2023
- Evaluation data from HFHGM's 2018 engagement with Listen4Good
- Focus group meetings with each individual staff department

## **PROGRAM**

As Habitat for Humanity of Greater Memphis celebrates its 40<sup>th</sup> anniversary, the organization has continued to experience success and growth. From 1983 to the present, HFHGM has created more than 570 new homeowners and repairs for more than 1,000 seniors through its Aging in Place (AIP) program. Over its 40-year history, the organization has had a cumulative economic impact of more than \$300 million.

HFHGM has contributed to major projects including the distinction of hosting the 33<sup>rd</sup> Jimmy & Rosalynn Carter Work Project in August 2016 as well as participating in projects related to community business facades, public art, and historical and business repairs.

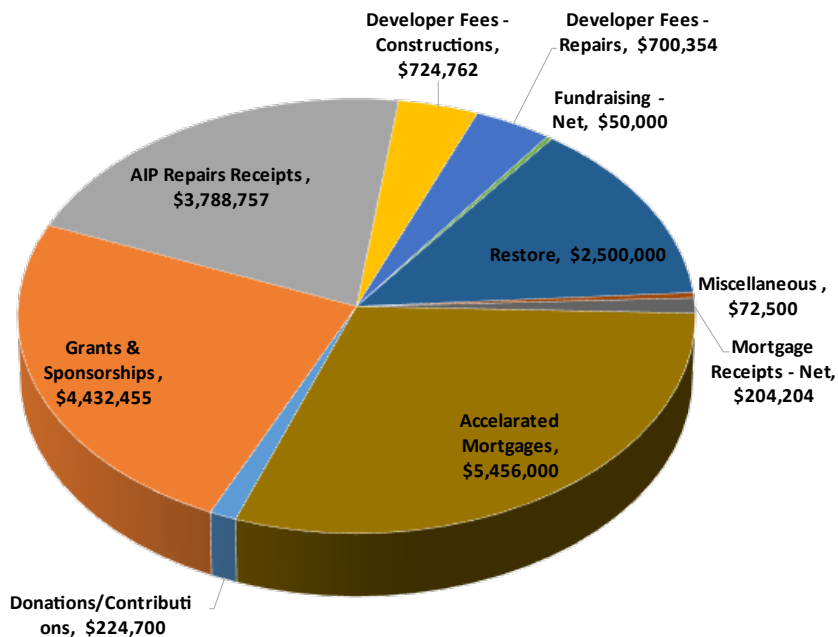
The Aging in Place program has become a model for replication by other affiliates since its inception in 2011. From 2018 Listen4Good evaluation results, nearly 84% percent of respondents indicated a high level of program effectiveness with more than 58% citing a benefit of health changes as a result of the program. In assessing current needs for home repairs among seniors, 31% indicated that they would have to leave their homes without AIP. The AIP program can be correlated to multiple cost savings to the city and community including reduced admissions to care facilities, reductions in utility costs, and savings on blight impacts. HFHGM estimates that investments in AIP can generate savings to the community of 3.3 times the initial investment.

Habitat's continues to be able to leverage years of staff experience and institutional knowledge with a strong record of program success and client satisfaction. HFHGM also

benefits from its relationship with Habitat International and continued learning opportunities from other affiliates. HFHGM has a dedicated staff team that is committed to advancing the organization’s mission and delivering high quality outcomes for participants.

## **FINANCIAL POSITION & PERFORMANCE**

Habitat for Humanity of Greater Memphis has continued to improve financial performance and position from FY 2018 to projections for FY 2023. While analysis over that period must take into consideration the impact of the pandemic on individual years, over that broader span, revenue increased notably by 70% with net revenue increasing by 211%. In addition to growth in financial performance, HFHGM received a significant major gift in FY 2022 representing an increase in its cash position of 168% from the end of FY 2018. This major gift provides a significant source of funding for expanding or growing new programs over the next several years. ReStore sales have also demonstrated continual growth, increasing by 126% since FY 2018 and becoming the fourth largest source of revenue for the organization.





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HFHGM has budgeted to serve over 386 families in FY 2023, with 41 homes built through new construction, 44 homes built via tithe, and 295 repairs through AIP. While ReStore sales have increased and provided a consistent source of earned revenue, accelerated mortgages remain the largest single source of revenue for HFHGM, representing 30% of total revenue projected for FY 2023. HFHGM continues to leverage existing relationships with local banks willing to purchase mortgages at par value (100%).

### **NEED**

Despite this growth and success, the need for Memphis Habitat's services remains constant and unquestioned:

- The poverty rate in Memphis (21.7%) is nearly double the national rate (13.7%) with the poverty rate for seniors in Memphis (14.1%) also far above the national rate for seniors (9.2%).
- The child poverty rate in Memphis (35.0%) is more than double the national rate (14.4%) with one out of every two children in Memphis living in poverty.
- Memphis credit scores average just over 600, representing some of the lowest scores nationally, ranking Memphis in the bottom two percentile overall and bottom two percentile for large cities.
- Families living in poverty experience various housing issues – physical inadequacy of structure, overcrowding, cost burden, homelessness, and emotional drain – and are more vulnerable to predatory lending practices.

Poverty in Memphis is further complicated by significant racial inequity. The poverty rate in Memphis is two times higher for Black families than white families. The median income for Black families has remained at 50% of median income for white families for a century. Further, a distinctively higher percentage of Black families rent versus own their own home, often spending significant higher portions of monthly income to pay rent and being more susceptible to unlawful landlord practices.

## CHALLENGES/OPPORTUNITIES

Focus group meetings were conducted with each HFHGM staff department to generate feedback on challenges and opportunities currently facing HFHGM and on the near horizon. The following table represents a summary of responses across all departments:

KEY CHALLENGES/OPPORTUNITIES	
PROGRAM	STAFF & FUNDING
<ul style="list-style-type: none"> <li>• Increasing Need for Services</li> <li>• Cost/Time/Capacity</li> <li>• Complexity of Homebuying</li> <li>• Expansion Opportunities               <ul style="list-style-type: none"> <li>- Current and New Services</li> <li>- Collaborations/Coalitions</li> <li>- Neighborhood Engagement</li> </ul> </li> <li>• Brand Awareness</li> <li>• Advocacy &amp; Public Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Staff Strain &amp; Burnout</li> <li>• Department Alignment               <ul style="list-style-type: none"> <li>- Role Clarity as HFH Grows</li> </ul> </li> <li>• Systems &amp; Infrastructure</li> <li>• Need for Unrestricted Funding</li> <li>• Reimagining Special Events and Special Projects Post-Pandemic</li> <li>• Need to Increase and Identify New Sponsors &amp; Volunteers</li> </ul>

## ALIGNMENT WITH INTERNATIONAL

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In generating long-term outcomes goals, HFHGM utilized the three-house conceptual model used by Habitat International and many other affiliates. This conceptual model reflects the scaling from shorter-term community impact to sector impact to longer-term societal impact. Further the model is anchored by a foundation that reflects organizational sustainability. HFHGM Memphis adjusted the model to scale impact from families served to the community served to lasting societal change. Through planning sessions with the HFHGM Board of Directors, outcome goals for each of the three houses were developed.



- **Families Feel Safe & Stable in Homes**
- **Families Feel Pride in Home Ownership**
- **Families Begin Building Generational Wealth**





- **Coordinated Community Development**

- Mapping/Planning
- Tertiary Services

- **Increased Neighborhood Pride & Engagement**

- Beyond Single Homes
- Self-Sufficient



- **Cycles of Poverty have been Disrupted**

- Generational Wealth
- Education

- **Greater Awareness & Public Engagement**

- Housing recognized on par with other social issues

## PLANNING NOTES FROM STAFF LEADERSHIP

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Following the development of outcome goals by the Board of Directors, utilizing staff feedback, staff leadership participated in planning sessions to craft strategic priorities and explore approaches to operationalize those priorities. The following notes reflect additional ideas generated beyond the detail included in this strategic plan.

### **PRIORITY: Enhance brand profile and grow market presence**

- Expand marketing and branding for HFHGM
  - ❖ Identify audiences including key segments outside of current families and builds
  - ❖ Leverage ReStore for placement of marketing and branding promotion for mission activities
  - ❖ Utilize demonstration areas for prospective donors and partners
  
- Increase published research
  - ❖ Identify external firms for collaborative research opportunities

### **PRIORITY: Deliver programs that create opportunities for families to improve wellness and have agency to thrive**

- Continue to increase capacity to serve more families
  - ❖ New Construction
  - ❖ Home Repairs & AIP
  - ❖ Home Buyer Education
  - ❖ Mortgage Services
  - ❖ Other Wrap Around Services
  
- Explore/Research potential expansion of services or new services
  - ❖ Skilled labor & skill training
  - ❖ Development of nationwide AIP
  - ❖ Open additional ReStore locations



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- Increase program capacity through partnerships and collaboration
  - ❖ Community agencies providing related or complimentary services
  - ❖ Law enforcement
  
- Expand program scope to recognize and address trauma and other barriers to entry for families
  - ❖ Expand pre- and post-evaluation and support services

### **PRIORITY: Expand programs and collaborative efforts that encourage neighborhood development**

- Community mapping
  - ❖ Expand partnerships with agencies providing complimentary social services to neighborhoods where HFHGM has a presence
  - ❖ Encourage the development of neighborhood-led initiatives and groups such as a neighborhood watch
  
- Expand presence in neighborhood
  - ❖ Organize neighborhood events
  - ❖ Help to coordinate neighborhood beautification projects
  - ❖ Coordinate construction and AIP in the same neighborhoods
  - ❖ Explore possible micro-grants to neighborhoods issued by HFHGM
  
- Explore new services that contribute to broader neighborhood development
  - ❖ Workforce housing

### **PRIORITY: Build greater financial sustainability in conjunction with increasing staff capacity**

- Adjust revenue strategy to increase proportion of revenue from contributions and earned revenue
  - ❖ Increase ReStore funding



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- ❖ Increase sponsorships and identify new sponsors
- ❖ Cultivate recurring donors and increase major gifts
- ❖ Reduce dependency on accelerated mortgages
  
- Research and assess potential approaches that may result in new sources of revenue
  - ❖ Explore possibility of becoming a CDFI
  - ❖ Explore possibility of becoming a HUD approved agency
  
- Develop employee programs
  - ❖ Employee incentive program
  - ❖ Systems/process to assess and address employee burnout
  - ❖ Review non-monetary benefits and professional development
  
- Improve infrastructure and systems and process to support staff and daily operations
  - ❖ IT and operations systems/processes
  - ❖ Systems for assessing staff capacity and identifying positions
  - ❖ Greater clarity around roles to enhance recruitment strategies

