

Cabrillo Economic Development Corporation

# **Strategic Plan 2001-2005**

**Cabrillo Economic Development Corporation  
11011 Azahar Street  
Saticoy, California 93004**

# Cabrillo Economic Development Corporation Strategic Plan 2001-2005

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## **Acknowledgments**

In developing its **Strategic Plan 2001-2005**, CEDC sought the advice and participation of many diverse community stakeholders, including representative renters, homebuyers, elected officials, government staff, funders, lenders, other non-profit groups, Board and staff. Interviews conducted with each of these stakeholders provided CEDC with valuable input for the development of its Strategic Plan. A Focus Group of stakeholders was also convened, which provided additional input and review of the draft document.

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## **Focus Group Participants**

### **Elected Officials and Government staff:**

Brian Brennan, City Council, City of Ventura  
Charlotte Craven, City Council, Camarillo  
Ernie Whitaker, City of Oxnard

### **Buyers and Renters:**

Betty Enay, Santa Paulan senior  
Michelle Gascon, Fillmore buyer  
Ed Krull, Santa Paulan senior  
Naomi Ontiveros, Oxnard buyer

### **Non profit and Collaborators:**

Lauri Flack, Westside Neighborhood Council  
Dan Hardy, Many Mansions  
Barbara Macri-Ortiz, Attorney  
Marcos Vargas, CAUSE  
Byron Williams, State Farm Insurance

### **Lenders and Funders:**

Sharon Baronofsky, Rural LISC  
Jennifer Caspar, Enterprise Foundation  
Donna Wright, Neighborhood Reinvestment Corp.

# 2001-2005 Strategic Plan

## Executive Summary

*The CEDC Board of Directors and management present the agency's Strategic Plan for the period 2001 to 2005. The Plan will guide the company in its continued growth as a leading producer of affordable housing in Ventura County. Key components of the Strategic Plan are summarized below:*

**Vision:** CEDC is known for its development of quality, affordable housing, effective property management and exemplary home ownership services in Ventura County.

**Community Building Focus:** CEDC is anchored in its community building policy that includes families, neighborhoods and community groups as key participants in its development activities.

**Balanced Diversification Strategies:** The company shall continue the successful business practice of operating its various programs and products using balanced, targeted and diversified strategies.

**Policy Leadership:** CEDC will collaborate with local jurisdictions, state, regional and national organizations to promote community development and affordable housing policy, resources and production.

**Community Education and Marketing:** CEDC 's public policy housing education and marketing activities will promote community diversity, balanced housing strategies and CEDC as a community partner.

**Board Development:** The Board of Directors dedicates itself to increasing its involvement in selected community and elected official education, marketing and policy development activities.

**New Headquarters:** The cornerstone for CEDC growth is the expansion of its central office from 3,000 to 7,500 square feet completed in 2001.

**Housing Production:** CEDC sets an aggressive five-year goal to develop 1,000 new housing units and 200 units of existing rental units through acquisition and rehabilitation by the year 2005.

**Home Ownership Center:** CEDC opened a new Home Ownership Center in 2001 to expand its capacity for homeownership counseling and education, as well as loan assistance to first time homebuyers.

**Property Management:** CEDC will expand its property management capacity and increase its portfolio from 270 units to 1,000 units by 2005.

**Resource Development:** CEDC will create a \$10M Housing Development Fund that will allow the agency to keep pace with its growth, production goals and market conditions.

**Operating Reserves:** Establish the CEDC operating reserve cash position in 2002, increase it in 2003 and build it up to six months of operating reserves by 2004

# Community and Regional Context

## Location and Market Area

CEDC operates in Ventura and Santa Barbara counties, which are located in Southern California along the central coast. Ventura County is the company's primary market area. Its focus in Santa Barbara County is the Santa Ynez Valley, where CEDC works in partnership with People Helping People, a community service organization serving the region. CEDC Headquarters are located in Saticoy, a small community at the East end of Ventura City, which is centrally situated to serve the region. The regional context for our Strategic Plan will focus on the County of Ventura.

## Cities and population

Ventura County is a large 1,873 square mile region that encompasses 1.2 million acres of national forest and 43 miles of Pacific coastline. The northern rural portion of majority of the County includes the Los Padres National Forest and agricultural and farming uses while its southern half is urbanized and contains the majority of the county's population of 756,600. Ventura County has 10 incorporated cities: Camarillo, Fillmore, Moorpark, Ojai, Oxnard, Port Hueneme, Simi Valley, Santa Paula, Thousand Oaks, and San Buenaventura. CEDC has developed affordable housing in nine of the eleven jurisdictions since 1981. Only Thousand Oaks and Port Hueneme have not yet been municipal partners.

## Local Economy and Jobs/Housing Balance:

Ventura County has had one of the fastest-growing economies in the United States and was recently ranked as a top metropolitan area in terms of growth in jobs, technology, income and other factors (Forbes Magazine). The County total employment level is 285,871 jobs, and in 2000 unemployment was 4.5%. In 2001 the annual growth in new jobs is forecast at 3.5% and the economy is expected to grow at 4.5%. Ventura County's gross product, the value of all goods and services produced, was \$33.8 billion in 2000, with a \$36.4 billion forecast for 2001. The U.S. Department of Housing and Urban Development *median income* for a family of four in Ventura County in 2000 was \$68,500.

Ventura County experiences a serious jobs/housing imbalance and a severe shortage of affordable housing. Regional new housing production, particularly workforce housing, is not keeping pace with new jobs. For example, 18,000 jobs were created in the last two years while only 8,400 housing units were permitted. This condition increases housing overcrowding, keeps prices high, and adversely affects economic growth (Schniepp). Moreover, the threat to the quality of life caused by rapid urban growth, coupled with natural resource constraints issues, have caused communities within Ventura County to enact *growth control policies that severely limit residential development*. As a result, the price of housing has risen and low-to-moderate income residents are being either forced out of their communities or into crowded living conditions.

## Housing Affordability

Ventura County's robust economy and restricted housing supply combine to create one of the *most expensive housing markets in the country*. Recently, the county has experienced sharp increases in home prices and rents. Only 33% of county households can afford to buy at the January 2001 median home price of \$293,370. Ventura's affordability index is down from 40% in 2000 and is at the worst level since 1990 when it was at 17%. Median rent for a two-bedroom apartment in Ventura County is \$1,200, beyond the reach of low-income and many moderate-income households. The countywide vacancy rate is at 2% with unit wait lists ranging from 20-100 persons. (Construction Industry Research Board)

# CEDC Today

## History

CEDC roots go back to 1975 when a group of farmworkers living in Cabrillo Village, a farm labor camp in Saticoy, organized themselves to overcome eviction and ultimately purchased their community from the growers. The farmworkers adopted a redevelopment plan and rebuilt their community over a ten-year period. Cabrillo Village became a national model for farmworker self help community development.

As an outgrowth of this experience, CEDC was formed in 1981 as a countywide community development corporation. The County of Ventura provided CEDC with significant start up operating and development funding to support housing projects the agency developed in Moorpark, Santa Paula, Piru and Ventura. CEDC's capacity to successfully undertake multiple housing projects grew during this period.

In the nineties, CEDC diversified its operations and expanded its market areas to include other communities in the county. Construction and property management divisions were added early in the decade. In 1997, a home ownership counseling and lending division was added in partnership with the Neighborhood Reinvestment Corp. And, new community partners included Camarillo, Fillmore, Ojai, Oxnard, and Simi Valley. By the end of the decade CEDC had successfully become a diversified community development corporation serving two counties and multiple cities, with the capacity to develop a variety of housing products aimed at better serving the needs of very low, low and moderate income families and individuals.

## Organizational Profile

**Service Areas:** Ventura and Santa Barbara countie

**Board of Directors:** 15 community representatives

**Number of People Served:** Approximately 7,500

**Housing Development:** 724 units have been developed in nine communities. The current portfolio includes 400 units in the development pipeline that will serve 2,200 people in five communities

**Home Ownership Counseling/lending:** CEDC has counseled 1,000 people and helped 172 families become new homeowners. CEDC has underwritten 90 loans, representing \$16M in new mortgages.

**Property Management:** The agency manages a portfolio of 270 units, representing 7 separate properties.

**Annual Budget:** The agency's current annual budget is \$2.5M.

**Personnel:** The current staff includes 31 professionals, with 21 full time and 10 part time positions. Board and staff tenure is a special strength.

*CEDC is proud of its community development track record. Through its strategic planning process, CEDC will continue to recalibrate its agency direction in response to the community development and affordable housing needs of the residents of its service areas.*

# Vision Statement - 2005

*ANCHORED IN COMMUNITY BUILDING PRINCIPLES, CEDC DEVELOPS HOUSING THAT FORMS THE FOUNDATION FOR PEOPLE TO IMPROVE THEIR QUALITY OF LIFE. CEDC SYMBOLIZES QUALITY, AFFORDABLE, WELL-DESIGNED HOUSING. OUR SUCCESS IS BASED ON MAINTAINING A COMPANY THAT IS WELL MANAGED, PUBLIC AND PRIVATE COLLABORATION AND COMMUNITY PARTNERSHIPS.*

## **Customers**

People in need of affordable housing view CEDC as a company with a good reputation and through it they feel hopeful that their housing dreams will become reality. Families residing in CEDC built rental and ownership housing view CEDC as a good company. CEDC takes great pride in its developments and provides support to people to lead better lives through community building efforts.

## **Stakeholders**

Community stakeholders view CEDC as a professional and reliable partner that produces quality, cost effective housing and is well managed by a diverse, engaged Board of Directors and professional staff. CEDC is the housing non-profit with the most experience in Ventura County.

## **CEDC Leadership**

CEDC is a leader in Ventura County in affordable housing community education, policy development and implementation. CEDC has a growing, positive reputation for its capacity to collaborate in community building efforts in neighborhoods in Ventura County.

*CEDC is a company with positive brand name recognition, known for well designed, quality constructed, and well maintained affordable housing. Its properties are neighborhood assets.*

*The Home Ownership Center is the best resource for low and moderate-income families to receive assistance to become homeowners and is the top facilitator of low-income mortgages in Ventura County.*

*CEDC is recognized as a well managed business. The Board of Directors is comprised of diverse, active, engaged community leaders. Staff is a professional group that espouses teamwork, planning, goal setting and evaluation as its hallmarks.*

# Mission, Philosophy, and Core Values

## Mission

To develop and manage, through a community building approach\*, affordable housing for very low, low and moderate income families and individuals in Ventura and Santa Barbara counties

## Philosophy

Our philosophy is that every person has a right to decent, safe and affordable housing. We view affordable housing as a cornerstone of communities' economic, environmental, and social well being.

We believe that responsible people can and will lead more productive lives with affordable, decent housing as a foundation for their daily life needs. Quality, affordable housing is an integral component of a community's vitality and vibrancy in that it positively impacts health, education, public safety, social services, and economic development.

## Core Values

We are guided by core values in our interactions with clients, the community, and our own agency affairs.

*For Customers:*            Respect for people - Work for Justice - Responsibility Counts

*For Stakeholders:*      Active Leadership - Partnerships - Mutual Accountability

*For CEDC:*                Integrity - Professionalism - Creativity - Commitment

*\* "Community building is the practice of actively engaging families, neighborhoods and the community as instrumental participants and beneficial assets in the determination and process of community development"*

# Organizational Principles

*OUR ORGANIZATIONAL PRINCIPLES ARE FOUNDED ON THE UNITY OF OUR MISSION AND OUR BUSINESS.*

*The following organizational principles guide how we interact with the public, our stakeholders, and within our organization.*

## **Community Building**

The practice of community building shall guide CEDC operations in housing development, home ownership counseling, property management, neighborhood planning, and organization development. Community building springs from the viewpoint that family, neighborhood and community groups are instrumental participants in the determination and process of community development. CEDC's community building approach is 'asset based' in that it proactively engages the community as a beneficial asset in shaping the direction of the agency's projects and programs.

The CEDC shall strive to balance meeting affordable housing needs with neighborhood community building practice, and project feasibility.

## **Stakeholder Partnerships**

CEDC shall place a priority on working in partnership with communities that exhibit a commitment to the development of affordable housing, including providing local resources and streamlining development processing. CEDC will continue to build strong relationships with a variety of stakeholder partners in order to promote the development of policies and resources that support affordable housing production and economic development. CEDC shall continue to work collaboratively with both private and non-profit partners and community groups.

## **Agency Accountability**

- CEDC is accountable to the community and our stakeholders.
- CEDC is committed to community education and an active role in advancing local, state and federal affordable housing and community economic policy.
- CEDC will design, create and adapt its organizational structure as necessary to effectively serve its mission and goals.
- CEDC values diversity and seeks to maintain a diverse Board and staff.

# **CEDC Operating Management Principles**

*WORKING TOGETHER AS VOLUNTEERS, BOARD MEMBERS AND STAFF,  
WE EMBRACE OPERATING PRINCIPLES TO GUIDE OUR ACTIONS AND  
BEHAVIOR, BASED ON OUR CORE VALUES, IN ORDER TO ENHANCE THE  
PURSUIT OF THE CEDC MISSION.*

*We value and adhere to the following principles of governance and conduct as the keys to long-range operational success:*

## **Strong management and organization development**

- A diverse Board is in charge of policy, assessment, and fiscal responsibility and maintains an active role in community education and policy.
- We believe that the chief role of management is to support staff to succeed.
- Senior staff has the responsibility to make policy recommendations to Management and the Board of Directors.
- Our management acts to place decision making and responsibility as close to the work as possible.

## **Accountability in key management objectives:**

- Insistence on the highest ethical standards.
- Regular planning, and adhering to the practice of planning to plan.
- Annual goal setting and evaluations and periodic strategic planning.
- Comprehensive communication and supervision systems.
- Teamwork and a culture of conflict management.
- Maintaining a positive, productive, cost-effective work environment.
- Competitive compensation packages.
- Being a financially strong company: maintaining strong fiscal capacity and systems, including maintenance of six-month operating and annual budget reserves.

## **Housing development principles**

We are committed to early, consistent and meaningful neighborhood input during the housing development process.

We emphasize quality architectural design that endures.

Private sector funding will provide the vast majority of our housing development funds, rather than government funding.

Appropriate levels of investment by local government partners are important.

We will structure profit margins that are consistent with industry standards.

Our project rents will be set at the lowest affordable levels, given the balance between available subsidies and the need to maintain long term fiscally responsible, property management budgets.

Affordable sales prices for low-income buyers will be set at the lowest levels given the availability of subsidies.

Sales prices for products geared to moderate-income buyers will be set at the prevailing market for that community.

## **Construction activities principles**

Quality construction.

Competitive sub contractor pricing.

Use of local sub contractors, including minority and female sub contractors.

Regular tenant and buyer focus group design, quality input, and evaluation

## **Property management principles**

Rents will be maintained at the lowest level possible, given the compliance regulations governing subsidies, local market conditions, and the need to maintain CEDC fiscal responsibility.

We are committed to and reliant on regular resident input as on going tool to insure quality property management.

## **Home ownership counseling and lending principles**

Homebuyers must demonstrate responsibility.

Classes will be held in English and Spanish for monolingual persons.

Mortgages will be made at the lowest levels, given available resources.

Service fees will be consistent with fair, responsible industry practices.

# 2001-2005 Strategic Plan

## Introduction

Our 2001-2005 Strategic Plan goals build upon the strength of CEDC and its success in employing two key strategies that have underscored our past strategic planning. These two strategies will continue to be the foundation of our new Strategic Plan.

*1) CEDC has adopted an 'asset based' Community Building focus that guides its development activities and policies.*

We view Community Building as the proactive practice of engaging family, neighborhood and community groups as key participants in the determination and process of community development. Our community building approach is 'asset based' in that it views input from the community as a beneficial asset in shaping the direction of the agency's projects and programs.

*2) CEDC operates its business through a series of Balanced Diversification Strategies.*

**Geography:** CEDC selectively diversifies where the agency operates, including select cities in Ventura and Santa Barbara County in both urban and rural communities.

**Target Incomes:** We concentrate on serving very low and low-income households but serve moderate-income households as well.

**Housing Products:** CEDC is developing a balance of both new apartments and single family homes for very low, low and moderate- income families in both urban and rural areas. Our product strategy also includes the rehabilitation of apartments and homes.

**Connected Business Centers:** CEDC plans and manages its various divisions to take advantage of related business opportunities, which currently include Housing Development, Construction, Property Management, Home Ownership Counseling, Lending, and Technical Assistance Services (Management And Accounting).

**Funding:** CEDC has a diversified funding strategy that incorporates income from housing development and construction fees, home ownership counseling contracts and lending fees, property management fees, and private and governmental grants.

# Goals and Strategies 2001-2005

## Community Education & Policy Development

**Goal 1:** *Educate the general public, elected officials, and the private sector about the merits of work force housing through focused marketing and collaboration strategies.*

**Strategies:**

1. Conduct monthly or periodic housing forums directed at elected officials and the private sector around the county.
2. Collaborate with VCEDA on the HOME program
3. Sponsor an annual affordable housing conference.
4. Make regular presentations to neighborhood councils.
5. Build a public/private County wide housing coalition.
6. Continue to participate in the Ventura County Housing and Homeless Coalition.
7. Participate in the Regional Civic Alliance for Ventura County.
8. Write regular columns on housing issues in the Ventura Star and LA Times.
9. Become the County affordable housing production record keeper. Conduct a study documenting affordable housing production in the 90's, publish it and then do annual updates.

**Goal 2:** *Actively participate in Housing and Economic Development Policy development at the federal, state, and local levels.*

**A. Local Affordable Housing Policy Strategies:**

1. Propose a regional mixed housing ordinance.
2. Propose a regional housing trust fund.
3. Propose a regional "affordable" housing public/private alliance.

**B. State Policy Strategy:**

1. Continue to participate in the Southern California Association of Non Profit Housing and to support Housing California.

**C. Federal Policy Strategy:**

1. Become more active in the National Low Income Housing Coalition.

**D. Rural Policy Strategy:**

1. Continue to participate in the Rural LISC program and the proposed National Rural Network.

# Board of Directors and Community Building

**Goal 1:** *Fill all current vacancies and then consider expanding the Board.*

**Strategies:**

1. Add 3 new Board members by July 2002, with an emphasis on consumer representatives.
2. Evaluate expanding the Board in 2002.

**Goal 2:** *Engage Board members in local affordable housing policy and education efforts*

**Strategies:** *Set up annual work plans to engage the Board and staff in community education, policy, and service group membership opportunities, as follows:*

1. Conduct community housing forums.
2. Work on one housing policy issue per year.
3. Assist selected cities in updating their Housing Elements.

**Goal 3:** *Develop a CEDC Marketing Plan that includes board staff and client ambassadors*

**Strategy:**

1. Develop a Plan by July 2002.
2. Make affordable housing presentations to each municipality once a year.
3. Select targeted service clubs to join and distribute participation between the Board, management staff, and volunteers.

**Goal 4:** *Develop a comprehensive community building (CB) division by 2004.*

**Strategies:**

1. Raise funds to hire CB staff in 2002.
2. Partner with two neighborhood groups by 2002, and more groups as resources become available in 2003-05
3. Develop a housing development CB program in 2003.
4. Develop internal property management resources to fund a full time CB position by 2004.
5. Develop the resources, capacity and materials to become a CB Center by 2005 that would include a professional community building network.

# Housing Development

**Goal 1:** *Develop 1,000 housing units in Ventura and Santa Barbara counties by 2005.*

## **Strategies:**

1. Establish a market share production goal for Ventura County based on the total very low and low income Housing Element goals for all jurisdictions by 2002.
2. Target priority municipal partners in Ventura and Santa Barbara counties.
3. Develop and implement an expansion plan for Santa Barbara in 2002.
4. Explore the feasibility of expanding into Santa Clarita in 2003.
5. Do more mixed income and creative model projects.
6. Work to produce 700 Multi-Family and 300 Single-Family housing units for families, seniors, farmworkers and persons with special needs, with the following targets:
  - Urban/Rural development: 200 rural units, 800 urban units.
  - Household Incomes: 40% Very Low Income (400 units); 40% Low Income (400 units); and 20% Moderate Income (200 units).

**Goal 2:** *Develop the capacity to acquire and rehabilitate existing apartments, with a production goal of 200 units by 2005.*

## **Strategies:**

1. Establish target communities in 2002
3. Raise equity capital by 12/02.
4. Select a broker and a consultant to do the project deals by 12/02.
5. Transaction goals: one project in 2003, two in 2004, three in 2005.

**Goal 3:** *Develop the capacity to do in-fill, mixed use developments, with a production goal of 5 projects by 2005.*

## **Strategies:**

1. Select target communities.
2. Obtain financial commitment from cities.
3. Select a broker to do the project deals.
4. Train 2 staff in mixed use project feasibility analysis.
5. Assign project work to staff/ or consultants.
6. Set-up and implement production schedule: one project in 2002, two in 2003, and two in 2004.

# Home Ownership Counseling (HOC) and Lending

**Goal 1:** *Expand the HOC program*

**Strategy:**

1. Open and expand the CEDC HOC Center in 2001.

**Goal 2:** *Increase the capacity of the Center to make loans.*

**Strategy:**

1. Become a mortgage broker by 2003.

**Goal 3:** *Expand packaged loans from the current level of 45 loans in 2000 to 135 loans in 2005.*

**Strategy:**

1. Increase the staffing level from one to three loan counselors, market the program, and increase the level of mortgage financing through continued partnerships.

**Goal 4:** *Increase home loans from 140 in 2000 to 300 in 2005.*

**Strategy:**

1. Expand the pool of mortgage financing by expanding financial partnerships and CEDC controlled financing (CDFI).

**Goal 5:** *Augment the level of program services.*

**Strategy:**

1. Continue to expand the division by adding select special initiatives such as preventing predatory lending, assisting Section 8 families to become homeowners, creating loan pools, and expanding our lending programs.

# Property Management (PM)

**Goal 1:** *Increase the PM portfolio from 270 to 1,000 units by 2005.*

**Strategies:**

1. Add 400 multi-family units through CEDC developments by 2005.
2. Purchase, rehabilitate, and refinance 330 units by 2005, at the rate of one transaction per year.
3. Investigate the feasibility of CEDC managing other tax credit rental projects in Ventura County.
4. Investigate the feasibility of CEDC managing private market rate apartments.

**Goal 2:** *Expand the management capacity of the PM division.*

**Strategy:**

1. Develop an organization development plan for the division by 2002.

**Goal 3:** *Strengthen Property Management Community Building programs.*

**Strategy:**

1. Hire a full time Property Management Community Building staff person by 2003.

**Goal 4:** *Create an Affordable Housing Network in Ventura County for by 2004.*

**Strategy:**

1. Create a network with local housing authorities, non-profits, and private owners that own and manage properties. Market the concept in 2003 and initiate the networking program in 2004.

# Resource Development

**Goal 1:** *Raise \$10,000,000 in seed capital for a CEDC Development Fund by 2002.*

**Strategies:**

1. Create a Board and investor partner Campaign Committee by June 2002.
2. Develop and fund a proposal with our existing partners by December 2002.
3. Leverage fund with one or two investment funds by 2003.

**Goal 2:** *Increase the level of CEDC controlled financing for the HOC division and community economic development by 2002 - 2005.*

**Strategies:**

1. Obtain CDFI certification and funding in 2002
2. Look at the feasibility of expanding into micro lending in 2003.
3. Look at the feasibility of expanding into small business lending by 2004.

**Goal 3:** *Improve CEDC financial base by developing six months of operating reserves by 2004.*

**Strategies:**

1. Develop two months of operating reserves by 2002.
2. Develop four months of reserves by 2003.
3. Develop six months of reserves by 2004.

**Goal 4:** *Expand the CEDC headquarters by 2005.*

**Strategies:**

1. Complete a study of space needs and available expansion options in 2002.
2. Find and secure a site in Saticoy in 2003.
3. Raise funds in 2004.
4. Build a new facility, as required, in 2005.

**Goal 5:** *Fund a CEDC Retirement Program by 2004.*

**Strategy:**

1. Set aside a 3% match in 2002, 5% in 2003, and 7% in 2004.

