



Strategic  
Plan

2017-

2021

A Place to  
Live



## 2017-2021 ANNUAL STRATEGIC PLAN

### **Mission**

***CDCB is a multifaceted affordable housing organization devoted to utilizing collaborative partnerships to create sustainable communities across the Rio Grande Valley through quality education, model financing, efficient home design, and superior construction.***

### **Vision**

***CDCB shall be the trendsetter in creating model communities, where every person will be valued, provided options, interconnected within sustainable communities, and assured a high quality of life through excellence in education and responsible decision making.***

### **Executive Summary**

The Community Development Corporation of Brownsville (CDCB) is a private, 501(c) (3) non-profit community housing development organization (CHDO). Founded in 1974, CDCB has been providing safe, sanitary affordable housing to the citizens of the Rio Grande Valley for the past 42 years. CDCB is the one of the largest non-profit producers of single-family affordable housing for homeownership in the State of Texas. CDCB is governed by a 13 person community based Board of Directors that serves on a volunteer basis to determine policy for the Corporation. CDCB serves the southernmost area of the United States – Cameron, Willacy and Hidalgo Counties, Texas, which shares its border with Mexico on the south, and the Gulf of Mexico on its east.

CDCB has been the recipient of numerous national affordable housing awards, including, Recipient of the Maxwell Award of Excellence; a Maxwell Award of Excellence Finalist; and the Federal Home Loan Bank System Community Partnership Award. CDCB has also been recognized with the State of Texas Housing Finance Agency Special Achievement award. In 2013 CDCB became a NeighborWorks America Chartered Organization.

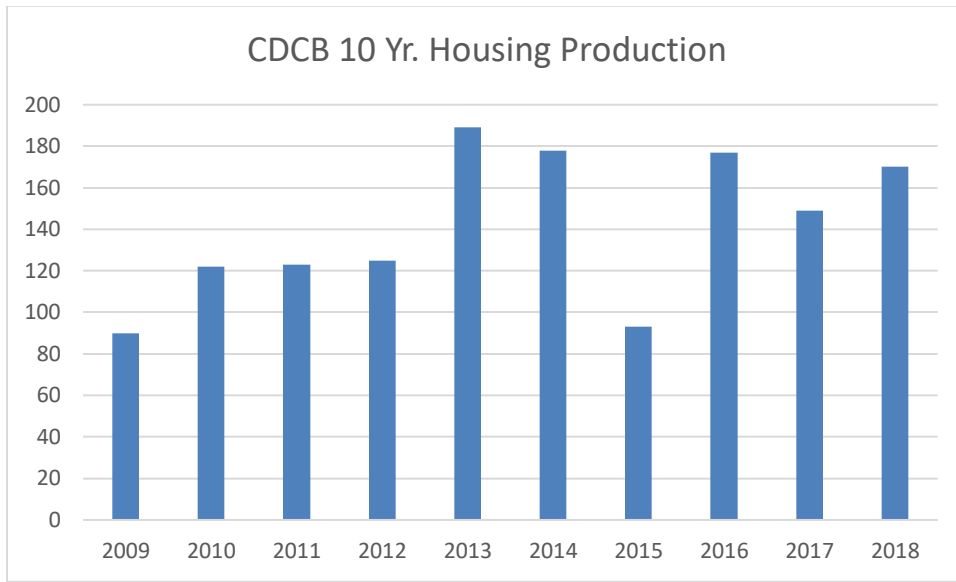
CDCB is an approved FHA Title I & Title II Direct Endorsement lender and a USDA Rural Development approved packager. CDCB has an operating budget of roughly \$2 million and employs a staff of 40 people. CDCB develops, finances, coordinates, supervises, and guarantees all single family ownership, rehabilitation and rental housing construction.

CDCB has had considerable experience in all aspects of housing development. From its beginnings to eliminate “pit privies” within the City of Brownsville in 1974, CDCB has evolved into the largest producer of single family housing for homeownership in the State of Texas. CDCB operates five lines of business to meet the housing needs of the Rio Grande Valley residents.

Over the last ten years the Community Development Corporation of Brownsville has built, mortgage financed or preserved 1,204 affordable homes in the Rio Grande Valley averaging 120 homes per year.



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### Current CDCB Lines of Business

#### Single Family Homeownership & Preservation

Through five (5) different programs CDCB is able to meet the varied needs of families purchasing or preserving single family homes for homeownership.

##### ***First and Second Lien Mortgage Lending (Homeownership)***

In October, 1996, CDCB was approved as a Title II Direct Endorsement Lender by the Federal Housing Administration and in 1998 CDCB was the first non-profit in the State of Texas to originate first lien loans under the State’s Mortgage Revenue Bond Program. CDCB is a FHA Direct Endorsement lender; Wells Fargo Correspondent Lender, a USDA certified loan packager and originates portfolio loans for the Rio Grande Valley Multibank CDFI. Since 1998 CDCB has originated over \$140 million in first lien loans.

Many low-income families are unable to purchase a new home due to their inability to save enough money for the down-payment and closing costs. In order to overcome this barrier, CDCB in partnership with the City of Brownsville and the State of Texas, has created one of the most successful Down-payment Assistance Programs in the State of Texas. Since 2001, CDCB has utilized over \$13 million in Federal, State, and private down-payment assistance funds in association with its new housing construction and loan origination programs. We have assisted over 1,500 families at an average of \$8,000 per family.

##### ***RGV Casitas (Homeownership)***

In order to continue to serve low to moderate-income families in the pursuit of homeownership and to meet the growing demands placed on non-profit single family housing development organizations CDCB has established a Mission Driven Real Estate Brokerage Service, RGV Casitas.



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### ***Mutual Self Help Housing (Homeownership)***

The Mutual Self Help Housing Program creates homeownership opportunities for families earning 60% or less of the States Median Family Income. Five to ten families work together over eleven (11) months, sharing labor and skills to successfully complete each home, with each family moving into their new home after all homes are complete. Participating families contribute their labor in building 65% of the new home for themselves and the other participating families (Sweat Equity). The “sweat equity” of each participating family reduces the loan amount for each home by as much as \$12,000.

### ***Rehabilitation & Reconstruction (Preservation)***

Keeping with CDCB’s first mission, to provide safe, sanitary and affordable homes to the poorest residents of Brownsville and the surrounding areas, CDCB has continually operated a housing rehabilitation and reconstruction program. Currently branded as “sustainABLEhouse”.

The sustainABLEhouse initiative engages design as a tool to address issues of equity within the Lower Rio Grande Valley by providing affordable housing that is durable, efficient, contextually appropriate, and community/resident informed. The sustainABLEhouse design process works directly with each client so their needs and preferences shape the design of their home.

In the Lower Rio Grande Valley, CDCB has partnered with bcWORKSHOP to implement the sAh process. CDC Brownsville serves as the financial agent, client coordinator, and construction manager for these homes, while bcWORKSHOP provides design and construction administration services.

### ***Foreclosure Counseling (Preservation)***

With the unprecedented increase in foreclosures, homeowners need to understand their options more than ever before. At CDCB, our housing counselors are trained to assist each client in foreclosure prevention. Each counseling session provides each client with the information needed to understand the loan modification process. Our housing counselors are in contact with the largest mortgage companies, assisting homeowners in communicating with their lenders and in understanding the steps required for an effective resolution.

### **La Puerta Center for Financial Empowerment**

For many people, owning a home is the American dream and it can become a reality, but not without realistic goals, good advice, practical planning and an understanding of the costs involved. To assist families in this effort, and to provide counseling to future homeowners at large, CDCB started the La Puerta Center for Financial Empowerment.

CDCB’s La Puerta program aims to equip and empower families to reach a state of financial health, to achieve financial stability, resilience and long-term security through three core program interventions: (1) the provision of knowledge and skills, (2) access to sound financial products and services and (3) targeted opportunities to save. Financial coaching and financial education workshops are the primary tools that we employ to provide families with the knowledge and skills they need to improve financial behavior and decision making.



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### Development

#### ***Rental Housing Development***

Since the housing market crash of 2008 and the subsequent credit tightening for single family mortgages, CDCB understood the only way to continue to meet the over-whelming need for affordable housing in the Rio Grande Valley was to start a Rental Housing program.

CDCB's Rental Housing vision is much more than just acquiring property, building and renting units. Our rental housing vision takes into account the choices people make in how they wish to live their lives. These choices include the personality of each home and the care that's gone into the design and building of them, living with a more sustainable ethic, awareness of beauty and commitment to community and neighbors. The key to our vision is thoughtful land use, creative site planning, and great architectural design.

#### ***Single Family Subdivision Development***

Rural and urban affordable housing subdivisions are developed by CDCB through raw land acquisition and infrastructure development, or by acquiring improved lots from private sector developers through multiphase purchase agreements.

Each subdivision features client led designed homes or standard varied floor plans, each with multiple elevations that provide 3 or 4 bedrooms, 2 baths, with a single car garage, as well as community parks and green space. All homes constructed in CDCB's subdivisions are Energy Star Certified or better.

Area banks and the Rio Grande Valley Multibank provide CDCB with various lines of credit for infrastructure development, lot acquisition, and interim construction financing. Interim construction financing made available to CDCB is then lent by CDCB to its subdivision homebuilders at CDCB's pass through rate.

### YouthBuild

CDCB YouthBuild is an Employment and Training Program. It assists youth ages 16-24 to obtain their GED, receive construction skills training by assisting to build LEED Certified homes under the direction of CDCB, and participate in community and leadership projects. It is CDCB YouthBuild's vision to prepare and support its youth to earn postsecondary certifications or degrees and/or acquire fulltime permanent labor market value employment. The YouthBuild model provides project based learning and occupational skills training that prepare disadvantaged youth for career placement. The academic component is an alternative education program that assists youth in obtaining their GED and the occupational skills training prepares them to gain placement in career pathways and/or further education or training. The model supports the goal of increasing affordable housing within communities by teaching youth construction skills that are learned through building or significantly renovating homes for low-income families.

### Special Services

In order to carry out the housing goals set by CDCB each year CDCB has discovered that it needs to be involved in other areas of Community Development. In our Special Services line of business CDCB conducts the following work:



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- Loan Servicing – Currently CDCB services a portfolio of 400 loans for the Rio Grande Valley Multibank. CDCB engages a “high touch” servicing techniques to assist clients to meet their financial obligations and still make ends meet in their lives. CDCB has only foreclosed on two mortgage loans in the past 25 years.
- Rio Grande Valley Multibank CDFI - Since its inception, the RGVMB has been managed on a day to day basis through an Administrative Agreement with the CDC of Brownsville which provides staffing, technical, administrative, accounting, and expanded development services to the RGVMB. This arrangement has served to maximize efficiencies, reduce costs, and provides for shared staffing. The RGVMB, through CDCB’s administrative efforts operates two main lending products:
  - The CASALoan – Through its membership in the Federal Home Loan Bank of Dallas low-interest mortgages to families unable to be approved for standard FHA loans. The RGVMB has funded over \$6 million on over 85 loans in the past four years.
  - Community Loan Center – In 2011 the RGVMB launched the CLC of the RGV to offer an alternative to high cost payday and tile loans. The CLC began franchising the lending model in 2014 and to date has seven active franchises in Texas and Indiana. Over 12,000 transactions saving close to \$7 million for low-income families in fees and interest.
- Ford Foundation Equity Work - In the Rio Grande Valley of Texas, economic and racial discrimination, exploitation and disenfranchisement have isolated and marginalized “colonias”. Unable to obtain decent housing in Valley cities, thousands of the lowest income Hispanic families, many recent immigrants, make homes in these substandard colonias. Following Hurricane Dolly a unique partnership of low-income community organizing groups, nonprofit housers, planners/designers, and policy advocates came together to confront these endemic problems.

As we continue this work, CDCB focus’ on leadership development, building capacity of local organizations to organize, program innovation and securing new solutions through five initiatives:

1. Equity in drainage: Address chronic residential flooding.
2. Equity in disaster planning and protection for low-incomes households.
3. Equity in higher education — New state university includes very-low income students.
4. Equity in housing opportunity for extremely low-incomes families.
5. Equity in public transportation for underserved colonias and other low-income areas.



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### Strategic Planning Process

In November, 2015 CDCB staff and board met to start its five year strategic planning process with a full day idea session led by Joe Gonzales of NeighborWorks America. At this session staff and board reviewed the past three year's history as well as looking at internal and external challenges and opportunities. In March, 2016 CDCB invited over 40 people (board, staff and community representatives) to participate in phase two of CDCB's strategic planning process. These 40 people were broken up into five working groups corresponding to CDCB's main lines of business; Single Family Homeownership and Preservation, Development, YouthBuild, La Puerta and Special Projects. These committees met over the months of March, April and May to set draft strategic directions and outline draft goals for each line of business.

During the month of June, 2016 the Sr. Staff then met to refine the draft goals and strategies set by the lines of business committees. In July and August, 2016 these strategies and goals were then presented to the Board of Directors for discussion, review, refinement and approval in September, 2016.

The following section of the plan document is "divided" into three areas:

- Shared Goals
- Priorities based on the Shared Goals
- Strategies/outcomes

Each of the Shared Goals, Priorities and Strategies/Outcomes were formed by the individual lines of business working groups. The original individual lines of business notes are attached to this document in the Appendix. The five individual CDCB lines of business notes are to be used as a resource by CDCB board and staff as a guide to meet the shared goals, priorities and strategies/outcomes.



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## Shared Goals 2017-2021

**Goal #1 – Create opportunities for South Texas residents to live in affordable homes.**

Priorities	Strategies & Outcomes
<p><b>Increase the production and preservation of safe, sustainable, healthy affordable homes where people live and work that meet the diverse needs of the communities we serve.</b></p>	<p><i>Single Family Homeownership &amp; Preservation Strategy - Assist 712 families:</i></p> <ul style="list-style-type: none"> <li>• New Construction – 276 New Units &amp; Loan Originations</li> <li>• Other – 276 Units (Loan, RGV Casitas, Down payment Asst., Counseling Only)</li> <li>• Preservation – 160 Units (Reconstructions, Rehabs, Repairs &amp; Foreclosure Mit.)</li> </ul> <p><i>Rental Strategy – Build, buy and/or develop 320 units:</i></p> <ul style="list-style-type: none"> <li>• Single Family Scattered Site Rental Units – Twenty (20) Units.</li> <li>• Multifamily Projects – Three hundred (300) units.</li> </ul>
<p><b>Create equitable, sustainable and mixed use affordable housing and commercial developments.</b></p>	<p><i>Development Strategy – Build/Develop three projects (residential and commercial):</i></p> <ul style="list-style-type: none"> <li>• Mixed use sustainable subdivision developments – Two (2) developments.</li> <li>• Commercial – Build and/or develop one (1) commercial property in downtown Brownsville.</li> </ul>
<p><b>Expand the reach of CDCB in new rural and colonia areas, areas of persistent poverty and service to high-needs populations.</b></p>	<p><i>Expansion Strategy:</i> Continue to expand product delivery into the counties of Hidalgo and Willacy and the City of Corpus Christi.</p>





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**Goal #2 – Create opportunities for people to improve their lives using housing as a platform.**

Priorities	Strategies & Outcomes
<p><b>Improve and increase cross-sector connections between housing, health, education and workforce development.</b></p>	<p><i>YouthBuild Strategy:</i> Continue to develop a program that provides an exceptional student experience, is able to increase student enrollment, improves financial stability and increases our partnerships and external relationships in Cameron and Willacy County.</p> <ul style="list-style-type: none"> <li>• Enroll 150 students into YouthBuild</li> <li>• Ensure 130 students pass the TSI, find employment, start college or VOTech training.</li> <li>• Ensure grade levels are raised by three (3) grade levels for 130 students.</li> <li>• Ensure 130 students earn their NCCER and OSHA certificates.</li> <li>• Ensure 130 students earn their GED.</li> <li>• Create a new business training and development project in order increase financial stability.</li> </ul> <p><i>Health &amp; Housing (Planning Strategy)</i> CDCB in conjunction with The UT School of Public Health, will plan targeted outreach to CDCB subdivisions, assess the needs of those communities and devise an action plan to improve financial and physical health outcomes.</p> <ul style="list-style-type: none"> <li>• CDCB will coordinate site visit to multiple locations in San Antonio, Texas to study the impact of <i>neighborhood and built environment</i> on public health. Participants will gain an understanding of: 1) use of bike and walking trails and connection to green space to promote wellness in community 2) connecting newly developed spaces to low income housing initiatives.</li> <li>• Coordinate city leaders to attend Community Development &amp; the Social Determinants of Health Symposium hosted by the National Alliance of Community Economic Development Association (NACEDA) to explore national best practices of improving health through community development.</li> <li>• Working with Methodist Health Ministries and Brownsville Wellness Coalition, CDCB will plan and pilot a health and financial wellness program.</li> </ul>
<p><b>Improve housing stability and financial security of residents</b></p>	<p><i>La Puerta Strategy – Create a dynamic process for financial education, create a recognized brand, improve financial stability and participate in city, state and national advocacy around financial capabilities.</i></p> <ul style="list-style-type: none"> <li>• Create 146 savings accounts.</li> <li>• Improve the FICO score for 856 clients to 620 or higher.</li> <li>• Conduct 250 financial education classes for 3,000 people</li> <li>• Assist 1,500 clients with income tax preparation.</li> <li>• Make 856 families homebuyer ready.</li> <li>• Lower the debt payments for 856 clients to 15% or less of their monthly income.</li> </ul>



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**Goal #3 – Create opportunities to strengthen communities**

Priorities	Strategies & Outcomes
<p><b>Strengthen the ability of CDCB to contribute to or facilitate comprehensive community development through housing delivery and affordable lending products.</b></p>	<p><i>RAPIDO Strategy</i>-CDCB has demonstrated the effectiveness of a new approach to disaster rebuilding for lower-income homeowners through construction of twenty model homes</p> <ul style="list-style-type: none"> <li>• Work with HUD and FEMA to get programs aligned to RAPIDO model in LRGV.</li> <li>• Secure cooperation from the State of Texas through approved legislation.</li> <li>• Seek adoption by two units of local government.</li> </ul> <p><i>MiCASiTA Strategy</i> - Develop increasingly affordable housing and financing options that are available to more lower-income families via the MiCASITA program.</p> <ul style="list-style-type: none"> <li>• Building 50 units in Hidalgo, Willacy &amp; Cameron County.</li> <li>• Evaluate expansion of product and possible manufacturing of MiCASITA cores for expansion.</li> </ul> <p><i>RGVMB Community Loan Center Strategy</i> – Continue the growth and expansion of the CLC throughout the RGV, State of Texas and the Nation.</p> <ul style="list-style-type: none"> <li>• Increase the number of small dollar loan originations by <b>60%</b> in the RGV from 4,165 annually to 6,664 annually by 2021.</li> <li>• Increase profitability by 15% annually above 2016 profit.</li> <li>• Launch five new CLC franchises nationally.</li> </ul>
<p><b>Support efforts to improve the quality of place.</b></p>	<p><i>Drainage equity strategy</i>- Over the coming year, we will use the TWDB assessment to prioritize drainage projects for colonias with the most pressing needs. We are also working with colonia leaders on model, state-of-the-art low-impact drainage plans that reduce the cost of engineered drainage making limited public funds go further.</p> <ul style="list-style-type: none"> <li>• Advocate low-impact drainage model projects in all future demonstration projects.</li> <li>• Expand LID storm water runoff and public space outreach and plan development to 3 Cameron County colonias.</li> <li>• Create opportunities to involve local drainage professionals to work on projects.</li> <li>• Host a workshop series with technical experts to shift current regional drainage planning practices to one that reduces localized runoff, improves water quality, and promotes public spaces.</li> <li>• Develop 1 to 4 pilot projects testing innovative techniques for storm water capture and runoff.</li> </ul>



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	<p><i>Green Space strategy – Increase the amount of green space throughout CDCB’s projects and public areas.</i></p> <ul style="list-style-type: none"> <li>• Continue to work with county, city and other non-profit organization to encourage the construction and use of bike and walking trails and connection to green space to promote and more resilient community and connecting newly developed spaces to low income housing initiatives.</li> </ul>
<p><b>Support efforts that enhance the role of residents in strengthening communities.</b></p>	<p><i>UTRGV/Unidos Por RGV and TSC strategy- CDCB will advocate for the inclusion of colonia residents in the decision making process and future University planning. To maintain the community’s momentum in steering the University toward a becoming an Anchor Institution, Unidos will continue to need project management and research support.</i></p> <ul style="list-style-type: none"> <li>• Equip colonia residents to influence decisions made by the university.</li> <li>• Get the university to implement the community committee.</li> <li>• Establish university programs for Mexican-American studies, studying colonia community development, housing, economic and immigration issues.</li> </ul> <p><i>Transportation strategy - Raise awareness about the region’s multimodal transportation systems and improve ease of use in rural and low income areas.</i></p> <ul style="list-style-type: none"> <li>• Provide technical support and facilitate community outreach in advocating for transportation options in low income areas served by UTRGV</li> <li>• Work toward the inclusion of alternative transportation options in the construction of the new university campus locations and the new valley medical school.</li> </ul>



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**Goal #4 – Continue to improve operational excellence and stewardship**

Priorities	Strategies & Outcomes
<p><b>Improve organizational-wide risk management and strengthen quality financial controls.</b></p>	<p>Strategy - <i>Improve CDCB operational efficiency and stewardship to ensure compliance with federal, state and local requirements in all matters of finance and operations.</i></p> <ul style="list-style-type: none"> <li>• Keep our financial “write-offs” below \$5,000 annually.</li> </ul>
<p><b>Improve financial resources and grants management by increasing our social enterprise approach to generate revenues and expand services.</b></p>	<p>Strategy - <i>Improve CDCB’s financial health and stability.</i></p> <ul style="list-style-type: none"> <li>• Increase total net assets by <b>5%</b> above 2016’s total net assets.</li> <li>• Increase grant income by 10% annually above 2016 grant award level.</li> <li>• Investigate financial investment opportunities by CDCB in the RGVMB. These could include loans, guaranties, investments etc. ...</li> </ul>
<p><b>Attract and retain top talent, build a diverse, inclusive workforce and board, establish a pipeline of future leaders, and cultivate a subject matter expertise.</b></p>	<p>Strategy – <i>Strengthen CDCB’s Board &amp; Staff capacity, depth and knowledge.</i></p> <ul style="list-style-type: none"> <li>• Improve the Board Self-Assessment score from 3.385 to 3.65 as scored by BoardSource.</li> <li>• Create a roster of 5 to 10 future board members with diverse and subject matter expertise.</li> <li>• Ensure 25% of the board attend at least one board training with NeighborWorks annually.</li> <li>• Ensure 100% of the staff attends subject matter training with NeighborWorks or other industry leading training organizations every 24 months.</li> <li>• Work to bring the salaries of all staff in-line with industry standards and levels appropriate for south Texas.</li> <li>• Evaluate possible re-branding of CDCB.</li> </ul>



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**Five Year Production Goals**

<b>Product</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Goal</b>	<b>2020 Goal</b>	<b>2021 Goal</b>	<b>Totals</b>
SF New Const.	29	56	67	78	78	261
SF Other	79	46	54	57	57	296
Preservation	10	13	33	35	36	129
MF Rental	31	53	30	72	72	300
SF Rental	0	3	4	7	7	20
LP 1 <sup>st</sup> . Ass.	570	872	722	820	819	3,901
LP HB Ready	124	60	129	180	190	830
YB Enrolled	24	24	32	36	41	159
YB GED Pass	9	17	6	31	35	124
CLC Loans	5,008	5,154	5,676	6,164	6,664	29,000
CLC Franchises	3	3	3	2	2	7



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# **CDCB Board Planning Retreat Notes**

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# Single Family Homeownership





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# Development



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**La Puerta**



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## YouthBuild



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## Special Projects



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**Annual Goals**

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