Exhibits

I. Greater New Britain CDC Strategic & Business Plan

II. Framework for Community Economic Development Planning

III. Housing Authority City of Pittsburgh Request for Proposals

IV. Housing Authority City of Pittsburgh Resident Council Organizational Development Training Summary

V. Housing Authority City of Pittsburgh Draft Family Self Sufficiency Program
Exhibit I

Greater New Britain Community Development Corporation

Strategic and Business Plan for the Arch Street Area
The Greater New Britain Community Development Corporation

Strategic and Business Plan for the Arch Street Area

Final Report

Prepared by:
Urban Partners

May 28, 1996
Executive Summary

The Greater New Britain Community Development Corporation (GNBCDC) was established in 1995, through the efforts of Citizens for Action in New Britain (CANB) and the New Britain Area Conference of Churches (NEWBRACC). GNBCDC’s mission is:

*to empower low and moderate income individuals and families to become stakeholders in their New Britain area neighborhoods, by:*

1. working with effective coalitions and community organizations that share our mission;
2. creating homeownership opportunities;
3. promoting economic development; and
4. engaging in activities to build harmonious and tolerant communities thereby improving the quality of life in the New Britain area.

GNBCDC has come together as a response to community needs—for decent housing and employment opportunities; for the revitalization of blighted, vacant buildings and the rejuvenation of dormant commercial corridors--and as a vehicle for experienced organizations such as CANB and NEWBRACC to carry out these difficult revitalization projects and programs.

The needs of the Greater New Britain area are large--much too large to be effectively attacked simultaneously. Therefore, GNBCDC has determined that the first focus of its efforts should be the Arch Street neighborhood directly south of New Britain’s central business district.

In selecting activities for initial priority within this area, GNBCDC has insisted that these priorities be consistent with the overall strategic purpose of the organization and with the needs and expectations of the community as expressed through the Arch Street Area Neighborhood Association (AANA). Within the Arch Street area, GNBCDC’s focus will be on economic development activities that encourage the redevelopment of the Arch Street area’s commercial district.

GNBCDC has arrived at this focus for the following reasons. First, while the Arch Street area’s residential streets have some problem properties, GNBCDC and AANA are in agreement that the blighting influences along Arch Street are more extensive, more concentrated and more visible and, thus, pose the most significant threat to the neighborhood’s well-being. Second, the community’s concerns about the need to expand the Arch Street area’s employment opportunities favors a strategy that focuses on commercial revitalization. Finally, a focus on Arch Street proper will result primarily in new commercial development; however, the character of the buildings involved allows some opportunities for residential development on upper floors.

This resulting strategic plan focuses attention on economic development needs. Implementation of this strategy will result in: 1) the economic revitalization of the neighborhood -- through the creation of jobs, and 2) the provision of expanded services to the community and the physical revitalization of Arch Street through rehabilitation and targeted demolition of problem properties.
The GNBCDC strategy for the Arch Street area contains two major elements. First, GNBCDC will encourage and support the expansion of employment opportunities in the Arch Street area through the development and recruitment of businesses and the encouragement of entrepreneurship in the area. GNBCDC will conduct community outreach activities to identify and attract appropriate businesses to the Arch Street area. The organization will work with area property owners to present attractive space opportunities to these new businesses. GNBCDC will advocate for existing area businesses to assist them to overcome obstacles to their success within the neighborhood. The organization will also identify those existing area businesses interested in expanding employment and will connect those businesses to the financial and technical resources necessary for them to achieve this desired expansion. The organization will work with local financial institutions to improve access to capital for existing and new businesses.

Beyond a focus on existing businesses, GNBCDC will also support the entrepreneurial aspirations of area residents. This involves identification of the entrepreneurial capacity of local residents as well as connecting these potential entrepreneurs to business skills training and other effective technical and financial resources throughout the Greater New Britain area. Ultimately, GNBCDC will need to capture the employment impact of this evolving entrepreneurship by identifying appropriate sites on Arch Street for the specific business activities developed by these new businesspersons.

In carrying out these business development activities, GNBCDC will focus on building relationships with other organizations in the community which can assist in supporting new businesses in the Arch Street area. GNBCDC will serve as a liaison between local residents and other entrepreneurs interested in the Arch Street area and providers of specific technical assistance and services. The organization will not attempt to deliver technical assistance or operate loan programs internally; rather, GNBCDC will identify appropriate community resources and assist area entrepreneurs to access necessary services.

Second, GNBCDC will participate in the physical development of Arch Street, through direct development activities and by supporting and enabling the development activities of other entities. GNBCDC will focus its real estate development activities on commercial and mixed-used development on Arch Street. Priority attention during the first few years of operation will be given to the revitalization of the zone between 127-232 Arch Street; however other Arch Street properties provide redevelopment opportunities and, if available, they too will be considered for rehabilitation or demolition. The order in which properties are rehabilitated and occupied will be determined by their availability.

Almost all of the Arch Street properties requiring rehabilitation have 2 or 3 upper floors which could be reused as either residential or commercial space. GNBCDC does not wish to assume residential property management responsibilities, at least during its first few years of operation. Therefore, for each of these multi-story properties, GNBCDC will either need to identify an appropriate upper floor commercial use or to contract with an experienced residential management organization.

The GNBCDC economic development strategy for the Arch Street area was developed to meet the specific needs of this community, as articulated and endorsed by AANA. Should GNBCDC become involved in other New Britain neighborhoods in future years, a similar process of community involvement and endorsement will be followed.
Introduction

The Greater New Britain Community Development Corporation (GNBCDC) was established in 1995, through the efforts of Citizens for Action in New Britain (CANB) and the New Britain Area Conference of Churches (NEWBRACC). GNBCDC's mission is:

"to empower low and moderate income individuals and families to become stakeholders in their New Britain area neighborhoods, by:

1. working with effective coalitions and community organizations that share our mission;
2. creating homeownership opportunities;
3. promoting economic development; and
4. engaging in activities to build harmonious and tolerant communities thereby improving the quality of life in the New Britain area."

GNBCDC recognizes that to achieve this mission it will need to undertake projects and programs that will encourage real estate revitalization, encourage economic development, and create employment opportunities within the New Britain community. GNBCDC retained Urban Partners, a community and economic development consulting firm, to assist the new organization to determine an appropriate range of actions for it to undertake as well as to help prioritize the scheduling and staff/board commitment of its activities.

The GNBCDC has determined that the first focus of its efforts should be the Arch Street neighborhood directly south of New Britain's central business district. This report sets out the strategic plan for economic development developed by the GNBCDC Board of Directors in cooperation with the Arch Street area community and recommends a business plan by which the new organization can begin to undertake plan elements. The Appendix to this report contains the analytic information by which GNBCDC considered potential actions within the Arch Street area and details the rationale for its decision to undertake certain activities and address certain community concerns.
Strategic Plan

The Greater New Britain Community Development Corporation (GNBCDC) has come together as a response to community need--

-- the need of low and moderate income individuals and families for decent housing and employment opportunities;

-- the need of deteriorated New Britain neighborhoods for the revitalization of blighted, vacant buildings and the rejuvenation of dormant commercial corridors;

-- the need of experienced organizations such as CANB and NEWBRACC to have an organization to carry out difficult revitalization projects and programs; and

-- the need of individual board participants to have an effective vehicle through which they can live and work in respect for one another while revitalizing their community.

The needs of the Greater New Britain area are large--much too large to be effectively attacked simultaneously. Therefore, GNBCDC has determined that its initial geographic area of focus will be the Arch Street area, the area generally bounded by Walnut and Chestnut Streets to the north, Franklin Square and Basset Street to the east, Locust Street to the south and Camp Street and Walnut Hill Park to the west (see Map 1). Activities which have been given initial priority by GNBCDC are focused on this area and are consistent with the overall strategic purpose of the organization as with the needs and expectations of the community as expressed through the Arch Street area Neighborhood Association (AANA).

GNBCDC recognizes that the specific programs and projects identified in this strategic plan are designed to respond to the immediate needs of the Arch Street community. However, at a future date, GNBCDC may determine that other geographic areas require its attention. Should this occur, GNBCDC will work with neighborhood representatives to determine the appropriate scope of its involvement and the types of activities it should undertake based on the conditions and needs of those areas.

GNBCDC's strategic plan for its initial activities in the Arch Street area, therefore, is not meant to preclude its involvement in other types of activities in other areas of the city.
Map 1
Arch Street Study Area
Context Map

Scale: 1 inch = 3,000 feet

- Arch Street Area
- - Downtown New Britain
Community Needs for CDC Activity

The apparent needs of the Arch Street area are large:

Income levels are low. The area's average income is three-quarters the New Britain average.

Deterioration is significant. 14% of housing units are vacant. There are 22 vacant commercial structures on Arch Street itself.

There is a need to establish commitment to the neighborhood. Homeownership in this area is 21%, less than half the typical rate for New Britain as a whole.

To be effective in the Arch Street area, GNBCDC must establish a clear sense of priorities for action through this strategic plan. Furthermore, as a matter of principle, GNBCDC requires, in whatever neighborhood it is working, that its priorities also be priorities of the neighborhood. With this in mind, the development of a GNBCDC strategic plan for the Arch Street area was a cooperative effort of GNBCDC and AANA.

A community meeting was held on January 10, 1996, to elicit the concerns of area residents and business interests and to generate a list of issues that community members felt were critical to the revitalization of their neighborhood. Approximately 50 members of the Arch Street area residential and business community participated in identifying the following issues of concern:

- Vacant Buildings -- there are approximately 31 known commercial and residential problem properties in the area
- Lack of Low-Cost Financing for Rental Properties
- Serious Environmental Problems in Many Properties
- Drugs
- Property Break-Ins
- Code Compliance Costs for Businesses
- High Real Estate Taxes

The community identified the following projects and program activities as being necessary for the area:

- Demolish seriously deteriorated buildings
- Cultivate day care resources within the community
- Attract new commercial businesses to the area
- Attract and support entrepreneurial efforts in the community
- Subsidize businesses' start up expenses to encourage their location in the community
- Preserve significant historic properties

At the community meeting, residents and business interests also discussed and agreed to the overriding criteria by which they believed potential revitalization projects undertaken by GNBCDC
should be evaluated and selected.

First, neighborhood participants agreed that GNBCDC should be cost-effective in any housing development activities it undertakes. Should the CDC become involved in housing development or provision, it should take advantage of the currently-depressed real estate market to the greatest extent possible in acquiring properties for development and, possibly, transferring properties to homeowners. Housing development activities should place a priority on the expansion of homeownership opportunities, including ownership in cooperatives and condominiums or where sweat equity is provided by the owner.

Second, community participants wish to attract investors and developers to the area. Therefore, GNBCDC should strive to serve as a catalyst for development by other private and non-profit entities as well as completing development projects on its own.

Third, the community felt that job creation should be a goal of GNBCDC. Any economic development activities considered by the CDC should be those that can provide employment opportunities to neighborhood residents as well as providing services to the community and contributing to the physical revitalization of the neighborhood. Where housing development occurs incidental to economic development activities, such as in mixed use buildings on Arch Street, every effort should be made to emphasize cooperatives, condominiums, and other forms of homeownership participation.

Finally, community members felt strongly that commercial and residential development activities undertaken in the Arch Street area should be planned to attract new residents and business enterprises to the area rather than simply providing replacement housing or duplicating services already available to community residents.
Selection of GNBCDC Focus

In determining the range of appropriate activities for it to undertake in the Arch Street area, GNBCDC has considered these neighborhood concerns as well as completed a thorough analysis of the area's market, physical and economic conditions. This strategic analysis, included as the Appendix to this report, led GNBCDC to conclusions which have guided its selection of priority actions focused on the Arch Street commercial corridor.

GNBCDC has determined that its focus should be on economic development activities that encourage the redevelopment of the Arch Street area's commercial district. GNBCDC has arrived at this focus for the following reasons. First, while the Arch Street area's residential streets have some problem properties, GNBCDC and AANA are in agreement that the blighting influences along Arch Street are more extensive, more concentrated and more visible and, thus, pose the most significant threat to the neighborhood's well-being. Second, the community's concerns about the need to expand the Arch Street area's employment opportunities favors a strategy that focuses on commercial revitalization. Finally, a focus on Arch Street proper will result primarily in new commercial development; however, the character of the buildings involved allows some opportunities for residential development on upper floors.

GNBCDC's identification of Arch Street as its geographic area of focus is not meant to diminish the importance and necessity of housing development activities in the remainder of the Arch Street area. GNBCDC will support the efforts of AANA and other organizations in improving the condition and availability of housing in the Arch Street area.

AANA and community members have expressed concern that GNBCDC be realistic in assessing the likely scope and schedule of its rehabilitation and development activities on Arch Street. Vacant, deteriorated properties should not sit empty (nor should GNBCDC incur large maintenance costs) awaiting rehabilitation in the distant future. AANA and GNBCDC agree that a targeted demolition strategy should be adopted for vacant structures which cannot be rehabilitated in the short-term and the resulting vacant land made available to accommodate either new commercial development or off-street parking that is supportive of the district's other commercial activities.

Finally, this plan is not intended to be the neighborhood plan for the Arch Street area. Through its application for Neighborhood Revitalization Zone status, the Arch Street area neighborhood will develop a comprehensive plan which identifies those actions necessary for the revitalization of the community and the organizations or individuals best suited to carry them out. GNBCDC, AANA and other organizations will all contribute to this process. The GNBCDC strategic plan should be recognized, therefore, as the contribution of one organization to this effort. In developing its economic and physical revitalization strategy for the Arch Street commercial district, GNBCDC has identified the community's economic development concerns. This strategy for addressing community needs should be embedded in the Neighborhood Revitalization Zone application as part of the economic development element of the Neighborhood Revitalization Zone plan.
Strategic Plan Elements

The GNBCDC strategy for the Arch Street area includes the following components:

- Encourage and Support Expansion of Employment Opportunities
- Redevelopment of Arch Street Commercial District
- Demolition of Vacant, Deteriorated Commercial Properties

Encourage and Support Expansion of Employment Opportunities

GNBCDC will encourage and support the expansion of employment opportunities in the Arch Street area through the development and recruitment of businesses and the encouragement of entrepreneurship in the area.

GNBCDC will conduct community outreach activities to identify and attract appropriate businesses to the Arch Street area. The organization will develop and implement a marketing program aimed at encouraging out-of-area businesses to consider the Arch Street area as a second business location. The organization will work with area property owners to present attractive space opportunities to these new businesses. GNBCDC will implement this marketing program through cold calls to identified businesses and through extensive communication with the professional network of realtors, lenders, and technical assistance providers.

GNBCDC will advocate for existing area businesses to assist them to overcome obstacles to their success within the neighborhood. The organization will also identify those existing area businesses interested in expanding employment and will connect those businesses to the financial and technical resources necessary for them to achieve this desired expansion. The organization will work with local financial institutions to improve access to capital for existing and new businesses.

Beyond a focus on existing businesses, GNBCDC will also support the entrepreneurial aspirations of area residents. This involves identification of the entrepreneurial capacity of local residents as well as connecting these potential entrepreneurs to business skills training and other effective technical and financial resources throughout the Greater New Britain area. Ultimately, GNBCDC will need to capture the employment impact of this evolving entrepreneurship by identify appropriate sites on Arch Street for the specific business activities developed by these new businesspersons.

In carrying out these business development activities, GNBCDC will focus on building relationships with the City of New Britain and other organizations in the community which can assist in supporting new businesses in the Arch Street area. These organizations include, but are not limited to:

- Central Connecticut State University
- Central Connecticut Workforce Development Board
GNBCDC will serve as a liaison between local residents and other entrepreneurs interested in the Arch Street area and providers of specific technical assistance and services. The organization will not attempt to deliver technical assistance or operate loan programs internally; rather, GNBCDC will identify appropriate community resources and assist area entrepreneurs to access necessary services.

GNBCDC will measure its success in these efforts through a variety of outcome and process indicators: the number of neighborhood residents that successfully become entrepreneurs; the number of new businesses that open on Arch Street; the number and extent of expansion of existing businesses; the number of businesses securing financing because of GNBCDC activities; and the number of neighborhood residents finding employment within the area.
Redevelopment of Arch Street Commercial District

GNBCDC will focus its real estate development activities on commercial and mixed-used development on Arch Street (see Map 2). Priority attention during the first few years of operation will be given to the revitalization of the zone between 127-232 Arch Street; however other Arch Street properties provide redevelopment opportunities and, if available, they too will be considered for rehabilitation or demolition. The order in which properties are rehabilitated and occupied will be determined by their availability.

Six priority properties within this zone have been identified for potential redevelopment by GNBCDC (see Table 1). Appropriate development strategies have been identified for each of these six properties. In many cases GNBCDC will undertake development of these properties independently; however, there may also be instances where GNBCDC will seek to form partnerships with other development interests/site users or to serve simply as a catalyst to encourage development activity by other entities.

Almost all of the Arch Street properties requiring rehabilitation have 2 or 3 upper floors which could be reused as either residential or commercial space. GNBCDC does not wish to assume residential property management responsibilities, at least during its first few years of operation. Therefore, for each of these multi-story properties, GNBCDC will either need to identify an appropriate upper floor commercial use or to contract with an experienced residential management organization.

Service or office users might be identified for early rehabilitation projects; however, it is likely that some (if not most) of the six projects identified on Table 1 will involve upper floor residential units.

The Weiner Auto Parts complex at 127-153 Arch Street offers the potential for large-scale first floor economic development. Whether rehabilitated or demolished and reconstructed, this site could provide for upwards of 20,000 SF of first floor commercial or light industrial space—an opportunity to locate multiple business ventures there. This potential coincides closely with GNBCDC's other business development objectives.

Taken together, this physical opportunity and GNBCDC's business development focus would suggest the desirability of developing at this 127-153 Arch Street site a small business incubator or other supportive environment for newer businesses. Such a facility would cater to nascent businesses by providing space and supportive services--such as legal, accounting, receptionist, secretarial and faxing/copying services. This facility could develop specialized training programs for tenants having similar needs.

If GNBCDC develops such an incubator facility, it will emphasize those businesses for which Arch Street is a uniquely attractive location. In operating the facility, GNBCDC will avoid duplication of effort with other organizations in the New Britain area by seeking out the participation of other New Britain area organizations to provide technical and financial assistance and business supports at this location. GNBCDC will coordinate these services and provide
Potential Priority Revitalization Properties
1. 127-133 Arch Street
2. 150-150 Arch Street
3. 210 Arch Street
4. 232 Arch Street
5. 389-391 Arch Street
6. 406-412 Arch Street

Map 2
Arch Street Commercial Zone
<table>
<thead>
<tr>
<th>Address</th>
<th>Owner</th>
<th>Occupancy</th>
<th>RE Taxes</th>
<th>Tax Status</th>
<th>Development Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>127-153 Arch Street</td>
<td>Weiner Auto Parts</td>
<td>Commercial - None</td>
<td>$2,648.28</td>
<td>Paid in full</td>
<td>Select one of two alternative strategies: 1) acquire/demolish buildings, develop one-story retail modules in two 140x80 increments for a total of 22,400 SF of retail development, create parking for 40 cars adjacent to new structure, create loading facilities and supplemental parking in rear or 2) rehabilitate existing structure. Select strategy based on cost.</td>
</tr>
<tr>
<td>64 Veterans Drive</td>
<td></td>
<td>Residential - None</td>
<td>$996.66</td>
<td>Outstanding installment due January 1996 for $498</td>
<td>Acquire/rehabilitate property; use first floor (4400 SF) for one or more retail/commercial tenants; use upper two floors (8800 SF) for offices or for 8-12 apartments.</td>
</tr>
<tr>
<td>150-160 Arch Street</td>
<td>Sold Oct. 1995, new owner unknown.</td>
<td>Commercial - None</td>
<td>$4,175.30</td>
<td>Paid in full</td>
<td>Acquire/rehabilitate property (which may have some existing tenants): use first floor (2925 SF) for one or more retail/commercial tenants; use upper three floors (8775 SF) for offices or for 8-12 apartments.</td>
</tr>
<tr>
<td>210 Arch Street</td>
<td>Lucia Palmerino &amp; Nocolina Zaino</td>
<td>Commercial - None</td>
<td>$3,602.22</td>
<td>In Foreclosure; taxes due since October 1991 for $13,907 (Attorney is Kenneth Carifa, 203-225-6464)</td>
<td>Acquire/rehabilitate property; use first floor (2520 SF) for one or more retail/commercial tenants; use upper three floors (7560 SF) for offices or for 6-10 apartments.</td>
</tr>
<tr>
<td>380-91 Arch Street</td>
<td>Clayton &amp; Gloria Chukey</td>
<td>Commercial - None</td>
<td>n/a</td>
<td>n/a</td>
<td>Acquire/rehabilitate property; use first floor (2800 SF) for one or more retail/commercial tenants; use upper three floors (8400 SF) for offices or for 8-12 apartments.</td>
</tr>
<tr>
<td>406-412 Arch Street</td>
<td>Dilattante Enterprises, Carrol Matteo</td>
<td>Commercial - Harlem Barber Shop</td>
<td>$3,466.28</td>
<td>Paid in full</td>
<td>Acquire/rehabilitate property, accommodating existing tenant if possible; use first floor (3050 SF) for one or more retail/commercial tenants; use upper three floors (9150 SF) for offices or for 8-12 apartments.</td>
</tr>
</tbody>
</table>
additional technical supports (office equipment, for instance) that is not readily available from other area organizations.

As businesses grow and develop client bases, their space and administrative needs may grow and their on-call technical needs decline. At this time, they may expand into additional space at the facility or identify alternative larger space elsewhere within the community. The business incubator remains a resource for connecting these alumni businesses to technical assistance. A GNBCDC-developed business incubator facility could provide necessary supports to new entrepreneurial ventures as well as providing a continual flow of tenants for commercial buildings in the Arch Street area which will undergo rehabilitation.

Demolition of Vacant, Deteriorated Commercial Properties

Some of the vacant properties on Arch Street may be inappropriate for rehabilitation and will require demolition and redevelopment. GNBCDC will coordinate the demolition of vacant and deteriorated commercial buildings on Arch Street that are not likely to be rehabilitated in the next few years and the sites of which provide opportunities for redevelopment or as supportive parking. These properties include, but are not limited to:

- 357 Arch Street
- 505 Arch Street
- 519 Arch Street
- 521 Arch Street

GNBCDC actions to support the redevelopment of these properties include coordination of demolition activities with the City of New Britain, assistance in transference of properties to adjacent land owners for private parking, acquisition of properties for additional parking in the Arch Street commercial district, acquisition and redevelopment of the parcels for commercial use or identification of alternative entities to redevelop the sites.
Area Resources for Development

Implementation of the strategic plan described above will require the attention of GNBCDC as well as the assistance of other organizations which may serve as potential development partners, funding sources or carry out other, supportive revitalization activities in the Arch Street area. Area resources include:

Local Resources

The Arch Street area is home to numerous institutions, each of which contributes to the health of the neighborhood and is a potential resource for future development activities in the area. These institutions include New Britain General Hospital, the YWCA, several established churches, and other area non-profit organizations.

New Britain General Hospital is strongly impacted by the community's perception of the Arch Street area, especially the Arch Street commercial corridor which serves as its entrance. While the hospital does not have any immediate space needs which could generate additional activity along Arch Street, it has a long-term interest in the area and such uses may develop over time. New Britain General Hospital could participate in a variety of ways in GNBCDC's activities that it perceives to positively impact its surrounding neighborhood.

Area churches have already expressed their interest in the redevelopment of the Arch Street area through their participation in the New Britain Area Conference of Churches (NEWBRACC) and its involvement in the establishment of the GNBCDC. While the financial contribution any one member organization could make to revitalization efforts is not believed to be great, their joint involvement and support of Arch Street area improvements will be valuable in obtaining resources from other sources.

City of New Britain/Federal Funding

Each year, the City of New Britain receives approximately $3 million in federal funding for housing, community and economic development projects through the Community Development Block Grant (CDBG) and HOME programs. Allocation of CDBG and HOME funds are identified each year in the City's Consolidated Plan. Currently, the City of New Britain allocates the majority of its $2.4 million CDBG funding to youth, senior and employment training programs. This year's CDBG budget includes a $40,000 line item for demolition of Arch Street properties to leverage private investment and development in the area. Additionally, the budget includes $350,000 for spot demolition throughout the city, $250,000 for commercial improvements in the downtown and other commercial districts and $12,500 for job and entrepreneurial clubs. Each of these budget allocations are valuable resources for the GNBCDC's revitalization activities on Arch Street area.
State of Connecticut Neighborhood Revitalization Zone Program

As discussed above, the State of Connecticut has enacted legislation establishing a Neighborhood Revitalization Zone (NRZ) program and the City of New Britain has proposed the Arch Street area's participation in this program. The purpose of this program is to encourage redevelopment activities in blighted neighborhoods by easing federal, state and local environmental, health and safety codes that impact or impede revitalization of the neighborhood. The Arch Street area has been invited by the City to develop a strategic plan in conformance with the requirements of the NRZ program, which requires adoption by the New Britain Common Council. Although it is too early to tell the impact of this program on redevelopment activities in the Arch Street area, it is possible that designation as a NRZ will assist the neighborhood in attracting CDBG program dollars in coming years. The GNBCDC board should continue to monitor the application process to assure that its strategic plan is included as the economic development component of the neighborhood plan created so that GNBCDC activities are eligible for any funds which flow to the neighborhood as a result of this program.

Arch Street Road Improvements

The long-planned reconstruction of Arch Street is scheduled to finally begin in Spring 1996. The inconvenience caused to customers in accessing Arch Street businesses could certainly be damaging to area business in the short term; however, the completed project can benefit the community in the long term. The City plans to complete reconstruction of Arch Street between Walnut Street and Locust Street in four 8-month phases. The first phase will begin at Locust Street. During the construction period, automobile traffic will be rerouted off the affected block of Arch Street. Pedestrian access to the street will be maintained via sidewalk or temporary walkways. GNBCDC's rehabilitation activities, together with street improvements, will generate a positive, new image of Arch Street to the New Britain community.

On-Going Revitalization Activities

Several revitalization projects are planned or are underway in the Arch Street area neighborhood. The Nutmeg Housing Development Corporation, a New Haven-based non-profit housing developer, intends to rehabilitate 97-99 Glen Street -- a property that has long been a source of neighborhood concern -- into two duplex units of sales housing. The Greater Hartford Architectural Conservancy has recently demolished two problem properties (478 and 488 Arch Street) and is rehabilitating 437-447 Arch Street. Private rehabilitation activities are taking place throughout the neighborhood -- at the time of Urban Partners' field survey, both 42 and 99 Prospect Street were being rehabilitated. GNBCDC will serve as a catalyst for the continuing revitalization efforts of other organizations and individuals in the Arch Street area.

In addition to these revitalization activities within the Arch Street area, the development of the new Court House facility just east of the study area could have a significant impact on nearby redevelopment activities. Supportive activities, such as legal offices and related services will seek locations near the new Court House and will likely help shore up vacancies in the Bassett Street and Main Street portion of the study area. As these areas become occupied, available properties on Arch Street will also become more attractive in the regional marketplace.
Business Plan

Implementation of this strategic plan will require a major commitment on the part of GNBCDC. The following section of this report discusses the actions necessary for GNBCDC to achieve its economic development objectives in the Arch Street neighborhood and to develop the organizational structure and strength that will allow the CDC to consider undertaking additional activities in the future.

Organizational Needs

In order to begin implementation of this strategic plan, GNBCDC will require the skills of two professional staff. The first position -- Executive Director/Development Specialist -- will be responsible for the administrative functioning of the organization as well as all GNBCDC development activities. The director will determine the availability of targeted properties, coordinate property transfer, arrange project financing, oversee predevelopment and construction activities and identify appropriate tenants for space developed. As an ancillary responsibility, this staff member will be responsible for coordination of demolition activities which occur on Arch Street. The GNBCDC director will also be responsible for coordinating with the GNBCDC Board in its on-going efforts to obtain operating support for the organization. This position requires administrative skills as well as direct experience in development-related activities. The projected salary level for Executive Director/Development Specialist is $30,000-$40,000, depending on the experience of the applicant.

The second professional position necessary to begin implementation of the GNBCDC strategic plan for the Arch Street area is that of Business Recruitment/Entrepreneurial Support Specialist. The individual filling this position requires an understanding of the needs of community-based entrepreneurs and the ability to develop connections to technical assistance providers and financing resources available to support such small business enterprises. This staff member must also conduct community outreach activities to identify and attract appropriate businesses to the Arch Street area. The projected salary level for Business Recruitment/Entrepreneurial Support Specialist is $25,000-$30,000, depending on the experience of the applicant.

The annual costs of operating GNBCDC, including staff salaries and benefits and office costs, will be approximately $95,000, exclusive of the costs of developing specific physical projects. The GNBCDC board must immediately begin to seek multi-year financial commitments to cover these costs and allow staff to be hired to begin implementation of its strategy. The GNBCDC Board should focus its immediate attention on fundraising activities with the goal of retaining staff within a six-month period. While some portion of the future costs of the Development Specialist may be recouped through development fees, GNBCDC recognizes that the solicitation of grant funds to support its operating/staffing costs must be an on-going function of its board.

The GNBCDC board must also stay actively involved in the Neighborhood Revitalization Zone application process to assure that the community goals articulated in the GNBCDC economic development strategy become embedded in the more comprehensive neighborhood plan developed...
as part of NRZ participation. This will assure that activities identified in the GNBCDC strategic plan will be eligible to receive resources which flow to the Arch Street area as a result of this process.

In developing its strategic plan for the Arch Street area, GNBCDC has intentionally chosen to engage in activities which have been endorsed by the community. GNBCDC has received the community's assurance, through AANA, that this endorsement will be maintained for the duration of GNBCDC's involvement in the Arch Street area and such endorsement is critical to the organization's success. Since development projects take significant energy and, often, much longer periods of time to complete than anticipated, GNBCDC must continue to maintain the community's commitment to its work throughout each development venture. Upon identification of its first development project, and all future projects in the Arch Street neighborhood, GNBCDC will seek AANA's endorsement of its planned activities and will request formal documentation of this endorsement.

As a matter of philosophy, GNBCDC will request similar involvement and endorsement of its activities by community representatives should it become involved in any other New Britain area neighborhoods in the future. As a matter of practice, the organization will not undertake any development project or program activity in any neighborhood for which it does not have enthusiastic community endorsement.

Project Development Needs

The organizational operating budget identified above will be sufficient to allow GNBCDC to begin operation of its business support programs. The implementation of each physical development project will require an additional infusion of funding. Rehabilitation costs for buildings the size and condition of those identified on Arch Street (most of which are approximately 15,000 square feet) will be in the range of $1 million to $1.5 million. GNBCDC will require approximately $50,000-$100,000 in hand to complete the predevelopment work necessary for each of these projects. Predevelopment activities include coordinating site control, developing preliminary architectural plans, arranging project financing, attracting potential tenants and overseeing the selection of project contractors. When sufficient funding is obtained to retain appropriate staff, GNBCDC must immediately begin to solicit the $50,000-$100,000 in funds necessary to begin its first development project.

GNBCDC Work Plan

To assure implementation of the GNBCDC strategic plan, it is necessary to develop a reasonable time schedule by which the GNBCDC board and future staff will complete specific tasks. The following work plans set out achievable objectives for the next six months and year. In the short term, GNBCDC should focus its attention on establishing its programs, developing relationships with other area resources and in completing its first physical revitalization project. However, as development activities can be delayed by numerous circumstances beyond GNBCDC's control, in the longer term,
GNBCDC should establish a broader agenda of projects-in-progress so that it can respond to opportunities as they arise.

Six-Month Work Targets (Organizational)

- Obtain adequate operating support to hire two full-time staff members
- Develop job descriptions and organizational employment policies
- Identify interim office space
- Complete an effective training program for the Board of Directors
- Recruit and retain Executive Director/Development Specialist and Business Recruitment/Entrepreneurial Support Specialist

Twelve-Month Work Targets (Project Development)

- Develop linkages with area technical assistance providers and financial resources
- Begin community outreach and business support programs
- Identify entrepreneurs within the community
- Begin recruiting businesses to area
- Develop acquisition strategy and priority acquisition of available Arch Street properties
- Identify first property for acquisition
- Obtain predevelopment financing for first development project
- Undertake predevelopment work on first rehabilitation project and begin seeking project financing
- Obtain financing to acquire first commercial property for rehabilitation
- Develop relationships with other potential developers of Arch Street properties
Exhibit II

Greater New Britain Community Development Corporation

Framework for Community Economic Development Planning
A Framework
For
Community Economic Development
In
New Britain, Connecticut

Prepared by: Jennifer Van Campen
(860) 827-0495
Fall 1997
The following is meant to provide information and ideas to individuals and groups interested in community economic development in New Britain, Connecticut. It is to provide a framework for considering economic development activities and their potential for a positive impact on the community.

The development ideas presented are only illustrative of possibilities and are not project recommendations. Each idea would need additional feasibility research to determine their viability in New Britain.

The action items, however, are the author’s recommended next steps in the decision making and prioritizing process that should take place prior to commitments to specific projects.

This is a working document and should be viewed as a draft, subject to substantial modifications. This paper, like our City, is as yet still a diamond in the rough.
I. Introduction

You can feed someone for a day by giving them fish or you can feed someone for life by teaching them to fish. But the twentieth century postscript to the story is that what really matters is who owns the pond with the fish (Blakely, 1994).

In an effort to improve neighborhoods, many community organizations have begun to turn to developing strategies that affect their economy. They have asked: How do we get people jobs? How can we get businesses into our city? How do we take our poor neighborhood and make it less so? Each of these questions begs the ultimate question of how do community organizations become involved in “community economic development.”

“Community” economic development is different from traditional economic development in that in addition to creating businesses that are profitable, community economic development seeks to meet additional criteria for success. Some of these criteria include trying to:

- generate employment for particular groups
- gain control over the local/neighborhood economy
- inspire self help and cooperative/group oriented assistance
- operate for the public benefit
- provide an alternative or intermediate sector for economic activity
- promote democratic management and control of enterprises

✓ ACTION ITEM 1: establish development priorities by which projects and strategies can be screened. For example, community economic development priorities might be:
  - provide more jobs and higher quality jobs for neighborhood residents
  - increase the amount of local ownership and thus control of businesses
  - increase the wealth and assets of the community

Example of a community economic screening is attached.

II. The Community Economic Development Planning Process

There are several phases for this type of planning process. They are not mutually exclusive and may be carried out with some overlap. They will also continuously cycle as development activities proceed and new ideas are generated. The phases are as follows:

1. Gathering and analysis of data
   - determine economic base
   - assess current employment structure
   - evaluate employment needs
   - examine opportunities for and constraints on economic development
Which Businesses Make Sense? Systematic Venture Selection

the Venture Development “Funnel”

HUMAN RESOURCE SURVEY

INCOME/CAPITAL FLOW ANALYSIS

COMMUNITY’S INPUT

NATURAL RESOURCE INFORMATION

ANALYSIS OF REGIONAL ECONOMY

20 Ideas

OPPORTUNITY IDENTIFICATION

APPLY VENTURE SELECTION CRITERIA

1ST CUT DECISION: SELECT VENTURES FOR PRE-FEASIBILITY ANALYSIS

PRE-FEASIBILITY STUDIES (“QUICK & DIRTY” ANALYSIS)

2ND CUT DECISION: SELECT VENTURES FOR FEASIBILITY ANALYSIS

FEASIBILITY STUDIES

DECISION: SELECT VENTURE(S) FOR BUSINESS PLANNING

BUSINESS PLAN

FINANCING
• examine institutional capacity

2. Selecting a local development strategy
   • establish goals and criteria
   • determine possible courses of action
   • develop a targeted strategy

3. Selecting local development projects
   • identify possible projects
   • assess project viability
   • community, location, commercial implementation

4. Building an action plan
   • preassess project outcomes
   • develop project inputs
   • establish financial alternatives
   • identify project structures

5. Specifying project details
   • conduct detailed feasibility studies
   • prepare business plan
   • develop, monitor and evaluate programs

6. Overall development plan preparation and implementation
   • prepare project plan implementation schedule
   • develop an overall development program
   • target and market community assets
   • market financial needs

III. Understanding What Makes Business Work

Wealth can only be created in a community when one or two things happen:
1) Goods and services produced within the community are sold outside of the community,
   thereby bringing new or more dollars into it, and/or
2) Goods and services that are sold within the neighborhood (currently imported into the
   community) are substituted by goods or services created within the community.

As ideas for economic development projects and programs are considered they need to be
evaluated by these two wealth generating criteria as well as the other goals aspired to by the
community.
Businesses can only survive and grow when they successfully harness the power of the Three M’s: Markets, Management, and Money.

Markets
Businesses must have a market in which to sell their product or service. To survive they must “capture” enough of a market to warrant the production of their good or service. They can achieve this by establishing a market niche, which is a sub-set of customers within a market. In New Britain an example might be City Blues which serves the subset of inner city youth within the New Britain regional clothing market.

Businesses can also grow their market share by offering a superior product than their competitors. Businesses can also find new markets by offering a new product to their current market or the same product to an entirely new market. For example a refrigerator repair shop could offer additional appliance repairs to their current residential customers or offer refrigerator repair to new customers such as schools, hospitals and other institutions.

Management
History shows, and common sense dictates that poorly managed businesses will fail. Businesses need to have strong management in several areas: financial, human resource, marketing, and technology and innovation. This is an arena in which businesses have several resources available to them such as training programs, mentors and courses. Whether or not the information is obtained by those in most need is undetermined.

Money
Businesses, new or old, need money to buy inventory, meet payroll, rent space, research new products etc. There are two types of money: debt and equity.

Debt financing is a loan. It must be repaid. It can be borrowed from a variety of institutions such as banks, city loan pools or other non-profit funds.

Equity is money in exchange for ownership in the business. This money often needs not be repaid because the equity provider (called an investor) will be taking a percentage of your profit or of your losses. The pay out of profit, in the form of dividends, can be constructed in a variety of ways. Similarly the involvement of the investor in the company can be structured in a variety of ways. Although the profit sharing and ownership structure need to be carefully considered, equity financing is often the most difficult to obtain, but the most important to have because it is “patient,” meaning the investor won’t get paid until you make a profit.

Other factors which are critical to a healthy business and business environment include:
- Transportation - access to highways, airports etc., ability of employees to get to work
- Location - access to the market and as it pertains to transportation costs
- Infrastructure - adequate roads, water, sewage, electricity, public services: policing
- Real Estate - affordable space, cost of taxes, insurance and utilities
- Human Capital - availability of quality labor (skilled, semi-skilled and unskilled).
Availability and access to research institutions which could provide technical assistance as well as trained personnel.

Types of Ownership

Sole ownership – an individual or an organization can be the sole owner of a business. This gives them 100% of the profits and 100% of the risk. If owned by an individual it can be a sole proprietorship or it can be an incorporated company registered as a business in the state. If owned by an organization it is usually incorporated. Incorporation limits how much you can lose personally if the business fails however there may be tax advantages to not incorporating.

Shared ownership / Joint venture – a combination of individuals, organizations or companies can split the ownership of a new company. A joint venture can be structured as an unincorporated partnership (which would have a ‘partnership agreement’ outlining the conditions and rights of each partner) or an incorporated company in which each partner has a specified percentage of shares (units of ownership). In either case a partnership should clearly delineate who is contributing what in terms of cash, resources, equipment, expertise etc. The partnership should also determine who is on the Board of Directors and how many votes they get (usually depends on the percentage of ownership).

IV. Analysis of the Business Environment

In his work on economic development in inner cities, Harvard Professor Michael Porter, suggests that inner cities have three underutilized “competitive advantages.” First, cities have strategic locational advantages – central, access to major transportation hubs, proximity to large populations, institutions and other corporations. Second, cities have the ability to integrate development activities with a “regional cluster.” Porter, defines a cluster as a “unique concentration of competitive companies in related fields,” (Porter, 1997). He notes Boston’s growing medical/education industries as a regional cluster. And third, he suggests that cities have significant unmet consumer demands.

The State of Connecticut has initiated research into regional cluster identification. Furthermore, the regional offices of the State Department of Community and Economic Development have also gathered regional data. Two reports commissioned by Citizens for Action in New Britain identify numerous improvements which local officials feel would improve the New Britain business environment. In short, there has already been substantial research on the New Britain regional economy that needs to be synthesized and analyzed to determine what it suggests for future economic development activity in New Britain.

**ACTION ITEM 2:** synthesize data to identify trends and opportunities
- labor market, industry trends
- reports, other efforts
- infrastructure needs
- potential partners and their purposes / activities
ACTION ITEM 3: revisit community economic development priorities in light of the results of this research and analysis
- Are priorities the same?
- Make any modifications

V. Models of Community Economic Development

Community based organizations (CBO's) have historically sought to influence their economies in the realm of “labor force development.” For example, CBO’s have created programs to improve the literacy of their clients, promoted job training or mentoring programs and other person-oriented activities. CBO’s are increasingly seeking to influence their economies through “economic development.” For example, a CBO could initiate a training program for entrepreneurs, seek financing for neighborhood businesses, operate a for-profit corporation, and clear abandoned buildings for an industrial site or other business-oriented activities.

It is possible for CBO’s to develop strategies that embrace both orientations. It is important, however, to be clear from a project’s outset which is the priority, as it will impact how you proceed and who you will affect.

There are several tools available to CBO’s in their effort to build their economy. The following is a brief overview of the major tools and some examples of their potential in New Britain.

1) Locality or physical development strategy
The purpose of this strategy is to improve the physical environment and make the location more conducive to business development. This can include physical, infrastructure improvements as well as regulation and permit streamlining.

A. Streetscape Improvements
To improve the physical appearance of Arch St. through the use of trees, street lighting, benches, signs. Also possible coordination of a facade improvement program similar to Park Street in Hartford. These efforts could be timely in light of the current construction of Arch St.

B. Office and Industrial Real Estate Development
The purpose would be to create or improve office or industrial space for the expansion of existing businesses or the attraction of new ones. The Arch St. area has an abundance of abandoned and obsolete properties which could be demolished and or redesigned to better suit modern enterprise. The area has a locational advantage to being near downtown and accessible to highways. The most obvious site is the Weiner Auto Parts building. Similarly larger parcels might be available on Walnut and Glen Streets.

C. Enterprise Zones
A geographic area with reduced regulation and financial incentives for firm location. Unclear whether there is any real advantage. Could be successful just because of political will focused on
them. Part of the Arch Street area is an Enterprise Zone. The Arch Area is also a Neighborhood Revitalization Zone, which could potentially be more useful.

2) Business development
These strategies involve a variety of training, facilitation and coordination, which will stimulate and support business. It also involves the identification and support of entrepreneurs. It could also involve the actual ownership of the business by the non-profit.

A. Promotions / Marketing
The use of special events, directories, coordinated advertising to entice people to the area. CANB has experience in directories and special events. This leadership could be tapped and added to by Arch St. merchants for targeted marketing efforts.

B. Merchant Association
The purpose is to organize and represent businesses within the Arch St. area to improve the quality of the street. Some associations, such as the Downtown District, have levied special taxes upon themselves for the coordination of marketing efforts, hiring of security and other activities. CANB has had some success organizing the Arch St. merchants to launch and monitor the Arch St. reconstruction project. A more aggressive strategy could be created around this core leadership.

C. Anchor Development Projects
The purpose would be to create a “draw” to the neighborhood. An anchor store would also be a large and highly visible investment in the neighborhood proclaiming the rebirth of the area. Potential anchors could be created around the already successful antiques industry and/or the Puerto Rican food/entertainment industry.

D. Small Business Incubator
An incubator is a physical space which start-up businesses could lease and have several benefits which can be cost prohibitive in the early stages of a business’s development: affordable space, clerical support, technical assistance, support from fellow start-ups located in the building. Arch Streets proximity to the downtown CCSU facility as well as the hospital makes it a potentially viable location for an incubator. The GNB CDC had reviewed a proposal for a light industrial incubator as well as an artist’s “cooperative” both for the Weiner Auto Parts site. These ideas need to be further reviewed but may be viable projects and could achieve two goals: 1) the renovation of an abandoned site and 2) entrepreneur opportunities for neighborhood residents. In New Britain, Central Connecticut State University IIEET and the CW Group both operate incubators. Additional research is needed to determine the types of businesses incubated, vacancy rates and growth/success rates.

E. Small Business Development Centers
Provide management training, counseling/consulting, and research services. Should work closely with advanced education institutions, though not be part of them. The Municipal Economic Development Agency currently utilizes SCORE (Senior Corps of Retired Executives)
to provide one-on-one counseling to potential entrepreneurs. It is not a formal program nor is it always open.

**F. Women’s Enterprise**
This strategy seeks to specifically identify and support women entrepreneurs. Most programs have a training component, development of business plan, access to loan pool. Hartford College for Women operates an Entrepreneurial Training Program which is primarily, although not exclusively, available to women. The College has worked with CANB in the past to conduct self-employment workshops.

**G. Promotion of Tourism Programs**
Is tourism significant in the region? Connecticut has a growing tourism industry. To be successful tourism programs must have specific themes and a specific targeted population. It is unclear whether central Connecticut could generate significant tourism.

**H. Research and Development**
Local communities must identify their target technology sectors and activities. Investment should be directed toward developing infrastructure to support those new firms. Links can be made between universities, research organization and industrial/business companies. Joint funds can be established for common research and new product commercialization. This effort would require substantial coordination of a diverse group of players. Could be a valuable role for a community group.

**I. Cooperatives**
Companies can be started or restructured to be owned by their employees, owned by the consumers or owned by the community. Cooperatives are a potentially viable way to minimize risk, promote democracy in the workplace and increase local control over business resources. Furthermore, 80% of companies fail when their founder retires. New Britain may have numerous companies whose owner is on the verge of retirement. These companies are likely candidates for cooperative conversion.

**J. Sectoral Strategies**
A sector is a grouping or “cluster” of similar and/or mutually beneficial businesses. For example the insurance industry and related professional services are a sector in the greater Hartford area. The purpose of a sectoral strategy is to identify the forces affecting the sector and develop strategies to bolster that sector and its impact on the neighborhood. An oft-sited example is the creation of special training programs for specialized sectors such as the tool and dye or the shoe manufacturing industries, which have had trouble recruiting new workers. Similarly special marketing, research and development, or financing could be created and coordinated to assist the sector’s growth. Such work has occurred in Waterbury around the screw machine industry, in Bristol around the spring manufacturing industry and could be developed in New Britain around the precision metal products industry.

**3) Human resource development**
There are four general categories of activities:
A. Vocational training and education
Specific training would be developed to meet the needs of businesses in an area. The Central Connecticut Workforce Development Board has this service as their mission. NB General Hospital and Kern Specialty Tool are two neighborhood employers that may be approachable for the development of special training programs for neighborhood residents.

B. Job placement
CBO’s have negotiated “first source agreements” with large employers, which force the employers to consider local people first. As a natural extension many of these CBO’s have created Skill Banks which catalog their clients skills and interests so that they can be quickly referred to job openings. New Britain General Hospital is a likely candidate for a first source agreement.

C. Client-oriented job creation
This strategy involves working with employers to create positions for a specific population, which may have a similar issue, such as a physical disability. The Constructive Workshops has created a large corporation around the provision of jobs to people with disabilities.

D. Job maintenance activities
These strategies include programs that support the employee on the job. They may include mentoring, transportation assistance or other supportive services. The Michigan Organizing Project has worked with their local alliance of churches to create a mentor program for new hires. The mentee is provided clothing and transportation coupons when certain work milestones have been achieved.

E. Local Hiring Campaigns
The purpose would be to utilize all leverage that the City of New Britain has within their contracting processes to hire local firms and to insure that those firms are meeting local and/or minority hiring quotas.

4) Development Finance
The introduction of this economic development tool should be prefaced by the recognition that additional information would need to be gathered to clarify whether in fact financing is an issue for businesses in the Arch Street area. One can assume that it is, however, the type and flexibility of finance needed should be more carefully identified before proceeding with any of the following. In addition to the benefit to the individual business, local financing funds provide a mechanism that allows local people to invest in local businesses.

A. Revolving Loan Funds
The purpose of these funds is to provide debt financing to businesses which are generally unable to obtain loans from banks because they are either too small or too risky. Loan funds generally serve a certain type of borrower, sector or geographic area. The administering of loan funds requires substantial knowledge of industries and markets in addition to the actual capital. The Community Economic Development Fund (CEDF) provides financing to existing and startup
businesses that will have a significant impact on a targeted community. New Britain is one of CEDF’s target communities.

B. Equity Funds
The purpose of these funds is to provide equity to a new or young business. Often called “venture funds” these funds provide money in exchange for an ownership interest in the business. The initial investment is “cached out” at some point in the future. Similar to loan funds, equity funds, which are even more risky, require substantial knowledge of industries and markets. Equity funds are a new type of financing in the community economic development world. Boston Community Loan Fund has created an equity fund.

C. Bank Financing
The purpose of these efforts would be to increase the amount of bank financing for neighborhood businesses. CANB, NHS and the City have had success encouraging local banks to participate in special residential loan programs. Additional research would be needed to identify which banks are even eligible to provide commercial loans and what, if any, special programs they may currently offer.

D. Micro-enterprise
Groups of small businesses (less than five employees) pool their resources to create a peer group loan pool. Based on a model developed by the Grameen Bank in India. Many states have developed similar initiatives and have largely had positive success. However, the numbers are very small (loans are usually $1,000 or less) and the impact had on a community is negligible. Working Capital, a group based in Boston, is beginning a program in Hartford.

5) Technical Assistance
A. Small Business Technical Assistance
The purpose of such assistance would be to increase the management skills of small businesses including all of the issues relevant to businesses discussed earlier: marketing, human resources, financing, business plan creation etc. The assistance can be directly provided and/or facilitated by a variety of resources such as government agencies, universities, volunteer professionals or consultants and community organizations. The assistance can also take a variety of forms such as a series of classes, one-day workshops, or one-on-one counseling. In Connecticut such assistance could come from a variety of sources: Chamber of Commerce, SCORE, local colleges and universities and State agencies. The real challenge is getting the information to those most in need – a potential role for a community organization.

B. Microenterprise Programs
“Micro” enterprise generally refers to sole proprietorships with an initial start up of less than $5,000. These are often home-based businesses. These entrepreneurs generally need substantial guidance and support from the creation of a business plan to production. Many micro-programs utilize a “peer lending” model which has a loan pool available for the peers within the group to loan to each other for the startup and expansion of their businesses. In Connecticut, there are very few micro enterprise programs. Hartford College for Women Entrepreneurial Center, possibly
the larger banks and as mentioned earlier Working Capital is looking to start a micro loan program.

C. Municipal one-stop shops
Many cities and states have complex regulations and permits for starting a business. Often these permits are issued by different city departments, on only certain days at certain times by certain people. The process in and of itself can be an insurmountable challenge for a new entrepreneur. Some cities have “one-stop shops” where an entrepreneur can obtain all of their permits, information on available real estate, financing, technical assistance etc. Additional research would be needed to ascertain whether New Britain could benefit from this type of service.

✓ ACTION ITEM 4: review the various models, brainstorm possible applications in New Britain and select project ideas for further feasibility study

VI. Feasibility Study

The purpose of a detailed feasibility study is to:
1. Identify the critical factors affecting each project’s potential for success,
2. Specify what conditions or requirements are necessary, and
3. Evaluate the possibility of achieving these requirements.

The feasibility study has three main components: Market, Financial and Cost Benefit Analyses. Very simply put, the market analysis looks at the project’s products, the total potential market and the competition. The financial analysis looks at the start-up costs, break-even production level, financial "what if's,” cash flow projections and return on investment. And, the cost benefit analysis examines a proposed project’s net contribution to the community compared to the opportunities lost by committing resources to one project over another.

An important component of the feasibility study is also the preliminary determination of who is best to implement the project. The CBO could play one of many roles:
1) Entrepreneur/developer – owner of the business / project
2) Coordinator - planning and coordination of strategies
3) Facilitator - improve “attitudinal” environment i.e.: zoning, permitting, neighborhood improvements
4) Stimulator - i.e. marketing, packaging land, negotiating or brokering deals etc.

The feasibility study should be used by the group to determine whether or not a project proceeds.

✓ ACTION ITEM 5: conduct feasibility studies of 2-4 project ideas
• Special consideration begins of the role the CBO will play in the implementation of the project
• Compare results of feasibility study to community economic development priorities established and confirmed in Action Item 3.
VII. Creation of Business Plan

A business plan describes the goals of the business and the ways in which those goals will be achieved. A well-researched and articulated business plan will answer the following questions:

a) **What is the industry?**
   - describe the number, size and position of businesses in the industry
   - is the average size of firms rising? What's happening to new entrants?
   - Is the industry capital or labor intensive? Is new technology important? How?
   - What is the normal terms for delivery, payment, mark up or commissions?
   - What is normal in terms of volume, waste, quality and profit?
   - What is the outlook for the industry?

b) **What is the product or service?**
   - What specifically is the product? Size, weight, quality etc?
   - Will you provide a guarantee?
   - Are there government regulations or standards to be met?
   - How will it be packaged? Does it need instructions or installation services?
   - Are there any patents, copyrights, trademarks or franchise agreements to consider?
   - Do you need any special licenses, equipment or knowledge?
   - Why is your product different (more competitive) than your competition’s?

c) **Who are the customers?**
   - Who is buying your product (this may be different than the end-user i.e.: children’s clothing is bought by parents)?
     - age, sex, economic status, ethnicity, lifestyle, education
   - how many potential customers are there in your market area?
   - How much are they likely to buy and when?
   - What are the most important qualities they look for in a product? Price, quality, availability...?
   - What kind of purchasing procedure works best? Will you need to provide credit?

d) **Who is the competition?**
   - Who are your competitors?
   - What price do they charge? What is the quality of their product?
   - Do they offer special services, incentives? What are their competitive advantages?
   - Do they have special equipment and/or a well-paid, well-trained workforce?
   - How do you compare to your competition? Will you be able to attract customers?
   - How much of the market share will you be able to obtain?
A business plan will also contain a marketing strategy, production plan, organizational plan, financing plan and various financial statements including pro forma balance sheets, income statements, and cash flow statements.

- **ACTION ITEM 6:** Create a business plan which answers all of the above questions and:
  - Identifies the role of the CBO and/or entrepreneur
  - Identifies potential financing
  - Establishes a timeline for implementation

**VIII. Conclusion**

It is the assumption of the author that this entire process will be carried out with the full participation of the broader community. To insure lasting success of any of the above possible projects the broader community must fully support and endorse the project. Indeed, it is the community that will benefit and so should be involved in the decision making. Each Action Item presented provides an opportunity to engage the community and shape the action accordingly.

There is no shortage of information, nor any shortage of ideas. What has been the missing ingredient in New Britain is the vision and the will to make things happen.

Visionary corporations do not oppress themselves with what we call the “Tyranny of the OR” – the rational view that cannot easily accept paradox... A visionary company doesn’t seek balance between short-term and long-term, for example, it seeks to do very well in the short-term and very well in the long-term. A visionary company doesn’t simply balance between idealism and profitability; it seeks to be highly idealistic and profitable (Emerson, 1996).
The NED&LC Model of Venture Selection Criteria

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<th>VENTURE OPPORTUNITIES</th>
<th>SELECTION CRITERIA</th>
<th>Employ low-income community members</th>
<th>Requires low start-up costs</th>
<th>Located in the community</th>
<th>Will break even within one year</th>
<th>Does not compete with existing community businesses</th>
<th>Stops leakage of community money</th>
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Key

0 = venture does not satisfy the criterion
5 = venture strongly satisfies the criterion

Note: This model developed by the National Economic Development and Law Centre, 1950 Addison St., Berkeley, California, USA 94704
BIBLIOGRAPHY


Exhibit III

Housing Authority City of Pittsburgh

Request for Proposals
Resident Council Organizational Development
REQUEST FOR PROPOSALS

Technical Assistance for

Resident Council Organizational Development

Housing Authority City of Pittsburgh

Stanley Lowe, Executive Director

Contact Person: Jennifer Van Campen
Housing Authority City of Pittsburgh
Special Projects and Planning
200 Ross Street
Pittsburgh, PA 15219
Phone: 456-5240
Fax: 456-5068

Deadline for Submission: June 13, 1997 (Fax not acceptable)
Queries Deadline: June 6, 1997 (Written queries only - by fax acceptable)

Interview Date (tentative): Week of June 23, 1997
TABLE OF CONTENTS

1. OVERVIEW

2. SCOPE OF SERVICES

3. PROPOSAL FORMAT AND CONTENTS

4. CONSULTANT SELECTION

5. FINANCIAL AND CONTRACTUAL MATTERS
1. OVERVIEW

The mission of the Housing Authority of the City of Pittsburgh (HACP) is to provide safe, decent and affordable housing to low income residents of the City of Pittsburgh. It is also the goal of the HACP to provide residents with the opportunity to become self sufficient through access to employment, education, health care and home ownership. To that end, HACP seeks to provide residents with the information and skills required to build and lead democratic and effective resident councils which can become their voice in the management of their communities.

HACP is seeking a technical assistance provider to develop and implement an organizational development curriculum offered to 100-200 residents representing 10-20 resident councils over a three year period. The training will require centralized group training as well as on-site, on-going training.

The desired end products include:

- 200 resident “graduates” skilled in resident board development and management.
- Training materials to be used by residents as tools for the coordination and management of their resident councils.
- A final report and evaluation of training outcomes.
2. SCOPE OF SERVICES

2.1 Development and Implementation of Core Curriculum

It is anticipated that 50-100 residents will participate in the first round of an organizational development core curriculum. The topics will be presented biweekly to the full group in a central location. Topics to be presented should include:

- Community organizing: why and how to build a democratic organization
- Organizational assessment
- Elections/Creating a 501©(3)
- Board of Directors roles and responsibilities
- Effective meetings
- Financial management
- Goal setting/Organization plan
- Partnerships/Understanding self interest
- Staff development and responsibilities
- Conflict resolution

2.2 Creation of Practice Exercises and On-site Assistance

Each group participant should be given an opportunity to practice their new skill on-site with their fellow residents. The consultant should be available to assist in the completion of these exercises with the resident councils on-site during the off-week.

2.3 Supplemental Elective Training / Review

Each participating Resident Council will be able to receive three additional sessions to discuss topics of their choice within one year of graduation from the core curriculum.

2.4 Project Coordination

The technical assistance provider will identify a central location, maintain attendance records, develop a process for the provision of on-site exercises, develop a participant evaluation for both the core curriculum and the supplemental training. All graduates should receive a certificate of completion. All written materials distributed during class will also be provided to the HACP.

2.5 Deliverables

A final report will be provided to HACP identifying all graduates, results of supplemental training, participant evaluations to be completed after each session, any recommendations for future resident council training.
2.6 **Terms Of Contract**

The consulting contract shall last for a period of two years from the date of inception and may be renewed for a third year. It is anticipated that 50-100 residents will participate in the first round of core curriculum in August 1997. Pending, positive evaluation the second round of core curriculum involving another 50-100 residents will begin in April 1998.
3. PROPOSAL FORMAT AND CONTENTS

3.1. *Five copies of the proposals shall be submitted by the deadline on the cover page and should include:*

Title Page
Cover Letter
Summary of proposed methodology or scope of services in response to this request for proposal.
Schedule of work.
Cost breakdown by task and expense (direct and overhead)
* Note that a budget of $120,000 exists for this project.
Statement of consultant qualifications, including resumes of persons to be involved in the project.
List of Subcontractors, if applicable.
Three References

3.2. *Queries Concerning the RFP*

3.2.1. Only written queries concerning the RFP shall be accepted or answered, and must be received at the HACP by noon of the deadline date shown on the RFP cover.

3.2.2. All queries shall be sent to the point of contact shown on the cover sheet. Unless specifically authorized by the individual named as the point of contact, no other is empowered to speak for the HACP with respect to this RFP. Information from other HACP officials or employees is used at the respondent's own risk and the HACP shall not be bound by any such information. Fax transmittals of the queries are permitted.

3.2.3. To ensure that all respondents have equal information, written copies of all queries and answers will be compiled and faxed to all recipients of the RFP. These queries and answers are considered a part of the RFP and may revise or correct the original RFP.

3.3. *Submission of Proposal*

3.3.1. Proposals shall be sent by certified mail or any other means that guarantees the sender a signed receipt, and must be received by
noon of the deadline date shown on the RFP cover. Faxed proposals are not acceptable.

3.3.2. Proposals received after the deadline shall not be considered.

3.4. *Modification of Proposals*
Respondents may modify their proposals, without prejudice, provided the modifications are received prior to the deadline for delivery of proposals.
4. CONSULTANT SELECTION

4.1. The proposals shall be reviewed by the Department of Special Projects and Planning and other HACP personnel as appropriate. Proposals shall be evaluated according to the following criteria:

1. Demonstrated knowledge and experience with organizational development and community training.
2. Demonstrated knowledge and working with public housing residents.
3. Satisfaction of previous clients.

4.2. Selection Procedure

4.2.1. After initial review and discussion of the proposals, the Department of Special Projects and Planning may interview those consultants that it selects as finalists. Cost incurred for the interview are not reimbursable.

4.2.2. The Department may at its discretion choose to select an awardee without interviews.

4.2.3. Responsibility for consultant selection and project management rests solely with the Director of the Department of Special Projects and Planning.

4.2.4. The Department of Special Projects and Planning reserves the right to dismiss all proposals if deemed unacceptable with regard to this Request for Proposal.
5. FINANCIAL AND CONTRACTUAL MATTERS

5.1. Parties Bound.
The contract shall be between the Housing Authority of the City of Pittsburgh ("HACP"), and the consultant. The contract shall be directed and managed by the Department of Special Projects and Planning.

5.2. Project Financing.
This project is funded principally by the State of Pennsylvania Department of Conservation and Natural Resources Rivers Conservation planning grant.

5.3. Basis of Cost Proposal and Payments.
All cost proposals shall be based and contract payments made on a lump-sum, per-task basis.

5.4. Commencement of Work and Execution of Contract.
The HACP cannot process invoices nor approve payments until the contract has been fully executed by all HACP signatories, a process which normally takes four to six weeks after agreement in principle between the Contractor and HACP Planning. The Department has no legal authority to authorize commencement of work until the contract is fully executed.

5.5. Standard Contracts Not Acceptable.
HACP laws and policies mandate the incorporation of various terms and conditions into all HACP contracts. For this reason the HACP will not sign any respondent's standard contract. The remainder of this section sets forth HACP provisions regarding rights in data, indemnity, insurance, minority and women's business enterprise participation, anti-discrimination, and other matters.

5.6. Rights in Data.
All photographic, graphic, printed, electronic, or other data developed pursuant to this project shall be the property of the HACP, and the contractor shall relinquish to the HACP without further payment all copyrights and other claims to ownership or use of such data.
5.7. **Indemnity.**

The HACP requires all contractors to indemnify the HACP by including the following clause in all HACP contracts:

The Contractor hereby agrees to indemnify, save and hold harmless, and defend the HACP, its officers, agents, and employees against liens, charges, claims, demands, losses, costs, judgments, liabilities, and damages of every kind and nature whatsoever, including court costs and legal fees, arising by reason of: the performance by the contractor of any services under this agreement; any act, error or omission of the Contractor or of any agent, employee, licensee, contractor, or subcontractor of the Contractor; or any breach by the contractor of any of the terms, conditions, or provisions of this Agreement. The Contractor shall indemnify and save harmless the HACP against and from any and all claims and liabilities whatsoever on account of, or by reason of, or growing out of personal injuries or death to any person, including the Contractor and its employees, whether the same results from the actual or alleged negligence of the HACP or the HACP’s agents and/or employees or otherwise, it being the intent of this provision to absolve and protect the HACP from any and all loss by reason of the premises or anything related in any way whatsoever to the contract. The Contractor shall supply evidence of insurance satisfactory to the HACP covering the liabilities and indemnification required by the contract.

5.8. **Insurance.**

The standard insurance coverage required by the HACP for professional services contracts is as follows:

- All insurance must be on an occurrence basis, not a claims-made basis.
- The HACP must be listed as an additional named insured, not merely as a certificate holder.
- Insurance should provide 30 days cancellation notice.
- The contractor shall provide an insurance certificate showing that it meets the requirements.
- The contractor shall have insured its liability under the Pennsylvania Workmen’s Compensation and Occupational Disease Acts. The statutory amounts are $100,000 per occurrence and $500,000 in the aggregate. This requirement does not apply to independent contractors who have executed the appropriate certificate to that effect.
- General liability (including property damage and bodily injury), automobile liability, and professional liability shall be provided in the following amounts:
Each Occurrence Aggregate

Public Liability and Property Damage:

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Professional Liability: $250,000

Where circumstances warrant, the HACP Law Department can grant a waiver or an exception to any of these terms upon written request from the awardee.

5.9. *Minority and Women's Business Enterprise Participation.*

Minority Business Enterprise (MBE) and/or Women Business Enterprise (WBE) participation is requested in all HACP contracts. Such participation may be demonstrated by utilization of MBE/WBE firms through the use of subcontracts with such firms in support services, supplies, etc. Respondent shall include in the proposal a plan on how and to what extent the MBE/WBE participation will be utilized. In order for the proposed MBE/WBE participation to be considered, a copy of a current MBE/WBE certification letter for the respondent or the subcontractor must be submitted with the proposal. PennDOT, County of Allegheny, City of Pittsburgh and the Commonwealth of Pennsylvania Department of General Services are recognized governmental certifications. Certifications from Port Authority of Allegheny County and Regional Minority Purchasing Councils must be accompanied by one of the above mentioned governmental entities.

The goals requested by the HACP for the MBE and/or WBE utilization are 25% MBE and 10% WBE of the dollar volume of the contract.

5.10. *Anti-discrimination*

The Contractor shall not discriminate in its employment on the basis of race, color, religion, ancestry, national origin, place of birth, sex, age, disability, non-job-related handicap, or sexual orientation. The Contractor shall comply
with the applicable provisions the Pittsburgh Code Title 6 (Conduct), Article V (Discrimination), and any amendments thereto. The Contractor shall also comply with the applicable provisions of Title I and Title II of the Americans with Disabilities Act, any amendments thereto and any regulations issued thereunder. The Contractor shall incorporate in any subcontracts which may be permitted under the terms of the Agreement a requirement that said subcontractors also comply with the provisions of Article V and its amendments.
Exhibit IV

Housing Authority City of Pittsburgh
Resident Council Organizational Development
Training Summary
SUMMARY RESIDENT COUNCIL
TRAINING INITIATIVE

September 1997

The consultant, RDP Consulting Services, has been selected to provide organizational capacity building training to approximately ten Resident Councils. The training will be voluntary. The process will begin with a 4-6 week series of meetings with Council representatives to create the curriculum. Training will be provided in two general areas:

1. **Organizational Capacity Building**

   The proposed training will result in a strategic plan which will be used by the Council and appropriate HACP staff as a blueprint for future programs and funding requests.

   Potential topics include:
   - building democratic organizations
   - board of directors roles and responsibilities
   - facilitating meetings
   - negotiations
   - goal setting
   - partnerships / understanding self interest
   - conflict resolution

2. **Financial Management**

   This series of workshops is designed to provide Resident Councils with an understanding of the importance of budgets as a tool for implementing their visions. They will receive computer software and training which will allow them to set up and upkeep a system of accounting.

   Potential topics include:
   - computer set up and training
   - on-site computer modifications and set up of charts of accounts
   - development of an accounting manual, specific to each site, for future reference
   - clean up of back records

HACP will provide/coordinate transportation. Meals will be provided at most of the workshops.

For additional information contact Pat Hairston, Director of Resident Relations, at 456-5079.
Exhibit V

Housing Authority City of Pittsburgh

Draft Family Self Sufficiency Program
WHAT IS THE PROBLEM?
HACP has created and supported an environment which has led to historical institutionalized dependence within our residents. This environment has no systems of support or accountability. Within the environment residents lack awareness of opportunities, success and role models. They are isolated and lack access to education, skills and training. This is compounded by a regional mismatch between resident skills and available jobs and ongoing discrimination.

WHAT IS OUR AMBITION?
To promote self sufficiency among our residents. A self sufficient person will be able to say the following about themselves:

I do not depend on the government for my primary source of income, health care, food and support services. I rely upon myself to provide for myself and my family. I have an internal center of control. I feel that I have choices and that I have the financial ability to act on those choices. I also have the support systems in place to maintain my self sufficiency.

GOAL for 1998
To achieve the Section 8 FSS mandate of 316 households participating in the FSS Program.
To achieve the HOPE VI goal of 250 households participating in the FSS Program.
To enroll 154 HACP households in the FSS Program in the first year.

WHY DO IT?
A) Welfare reform will force people into work which could positively affect HACP rents or destitution which could devastate our income flow
B) Funding for public housing is diminishing. We will need to increase rental income if we are to survive
C) Assisting families to self sufficiency frees up public housing for other poor families

THE STEPS
1. Volunteers will be recruited through direct mail and special outreach efforts will be made to recruit hard to reach clients
2. The program will utilize two motivational factors to determine entrance into the FSS Program: GED completion, and completion of a career self assessment including an entrance essay
3. Upon agreeing to enter the program there will be a self sufficiency contract including timeline for participation and letter of expectation
4. HACP will strive to make child care and transportation available to all participants and will create a “step up” fund to provide access to group and/or personal instruction (academic, vocational, entrepreneurial (job training MUST HAVE 20 hrs at min wage job experience). These services will be provided for by HACP only when all other funding options have been exhausted (ie Welfare Dept.)
5. Participation in FSS will be required to access other HACP programs (ie: resident owned business initiatives)
In general, services will be provided off-site. FSS will seek to fully utilize existing facilities and programs, but will not encourage the further development of programs on-site.

**REQUIREMENTS OF PARTICIPATION**

1. The head of household must uphold their lease
2. The head of household must follow the FSS contract and meet minimum goals. The participant may be removed from the program if they fail to follow through on any three activities or requirements of their plan.

**POLICIES & INCENTIVES**

- escrow account with matching monies
- client has choice of case management agencies
- graduates of FSS obtain a preference on HACP wait list
- The FSS Contract will supplement the TANF Agreement of Mutual Responsibility. It will be critical to coordinate information with TANF and CYS. Participants should sign a release allowing HACP and TANF to share information. The Welfare Office will be asked to not sanction any recipient who is participating in the FSS Program until they speak with the HACP staff.
- The HACP will consistently allow for a child care deduction from income calculations
- It is the opinion of this committee that to become self sufficient, households must be encouraged to utilize resources and programs off-site in their surrounding neighborhoods. To that end programs that are strictly for the benefit and use of public housing residents in public housing communities should be discouraged.

**EVALUATION**

- “self sufficiency” software exists that can monitor:
  - ability to fill slots
  - meeting benchmarks
  - raising incomes of participants
  - reducing dependency on government assistance (all forms)
  - demographics
  - case management

**OTHER CRITICAL ELEMENTS**

- specific job description of case managers
- specific rules and regulations for participation in FSS
- creation of an Advisory Board (HACP Board rep., business community rep) that is truly used to solve problems, think creatively and raise resources - would need to be staffed
  - a computer for every participant who meets goals after first year (or clothes gift certificate...)

**ACTION ITEMS**

- negotiate with Welfare Dept. re: Contract document, process for sharing information, resource sharing
- create Advisory Board
- hire FSS coordinator
- develop internal structure for the coordination of the program
• create job descriptions, contract document, rules and regs of program
• create and/or modify existing escrow process to include community residents
• develop RFP process for case management services
• identify and/or raise funds for case managers, “step up” fund, and performance rewards (such as escrow match, computer donation...)
• hire staff
• establish monitoring/evaluation process
• implement RFP process for case management services
• recruit participants

OUTSTANDING QUESTIONS
• can HUD FSS contract be altered?
• provision of services to Section 8 and community residents → double dipping issues
• should HACP be more involved in the provision of child care
• how does HACP get permission to do an escrow account
HOW?WHO?
1. RFP for case management providers
   ■ must come up with 50% of funds themselves
2. Section 8 mandate of 316
   HOPE VI goal of 250
   HACP community goal of 134
   ■ 700 participants x 50 per manager = 14 managers
   ■ 14 managers x $30,000 (incl. fringe) = $420,000 / 2 = $210,000 HACP need
3. Possible providers (need 3 or 4?):
4. HACP Process/Structure
   ■ FSS Unit: two in Section 8, two in community staff, one is director & coordinator of service providers (with lesser case management oversight)
   ■ Reports directly to ED
   ■ Provides liaison activities to: property management, HUD regs, HACP program coordination and facilitation, also provides ongoing monitoring and evaluation of providers
   ■ Cost to HACP approx. 4 x 30,000, 1 x 40,000 = $160,000
   ■ Step Up Fund @ $300 per participant = $210,000
   ■ Child Care & Transpo Fund @ $1,000 per participant = $700,000

TOTAL COSTS
50% of 14 case managers 210,000
HACP internal staffing 160,000
Step Up Fund 210,000
Child Care & Transp. Fund 700,000
Section 8 admin fee @ $385 (121,660)
HOPE VI contribution @ $400 (100,000)

$1,058,340

700 families who become “self sufficient”
Example Year #1
family of three earning $8 / hour = $16,640 / year
minus child care exclusion (400/mos) - $4,800 / year
minus $200/mos income exclusion - $2,400 / year
equals 9,440
new rent at 30% of adjusted income = $236
minus escrow account - $71
adjusted rental income = $165
x 700 families = $1,386,000 in revenue
= a net gain in rent revenue of $327,660 (assuming current rent = $150/month)

Example Year #2
no income exclusion makes adjusted income = $11,840
new rent at 30% of adjusted income = $296
minus escrow account - $89
adjusted rental income = $207
x 700 families = $1,738,000
= a net gain in rent revenue of $680,460