

# **BUILDING CHANGES**

**END** HOMELESSNESS  
TOGETHER

## **Strategic Business Plan**

2009 – 2011

Adopted: July 24, 2009

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### Executive Summary

Building Changes is a catalyst for ending homelessness in Washington State. Between October 2008 and July 2009, we conducted a comprehensive strategic business plan and organizational development process to define our desired organizational outcomes and key strategies to deploy in 2009 – 2011.

The final plan identifies three desired outcomes and related strategies:

1. End homelessness in Washington by leading a public-private partnership that uses **grantmaking** and **evaluation** to sustain innovative services and promote systems changes;
2. Teach and help public and nonprofit entities define and deploy the most effective means for ending homelessness through **consulting** and **technical assistance**; and
3. Shape political will to end homelessness through **advocacy** and **communication** efforts.

If our strategies are successful by 2011:

- Over \$30M in public and private resources will support the Washington Families Fund activities
- 1,500 families will be permanently housed
- With the certainty of stable housing, 3,000 children will be enrolled and regularly attending school statewide
- 750 families will have increased their economic stability
- 3,000 housing, employment, and service providers will receive training, planning, or consultation services throughout the State
- HIV/AIDS and homeless programs technical assistance staff will coordinate an additional 30 on-site meetings, trainings or conferences across 25 states and U.S. territories

The plan also outlines strategies for Building Changes's organizational stability and establishes protocols for reviewing progress and making revisions to the plan to maintain this as a "living document."

## Background and Introduction

On March 19, 2009, Building Changes announced the expansion of the Washington Families Fund alongside the State of Washington, King, Snohomish, and Pierce Counties; the cities of Seattle, Everett, and Tacoma; and several philanthropic and corporate partners. The highly publicized event represented a turning point for Building Changes and our growing role as a convener, educator, advocate, and leader in ending homelessness in Washington State.

To aid in the success of Building Changes's efforts, the Bill & Melinda Gates Foundation funded our recent business planning and organizational development work. The Foundation is a lead investor in the Washington Families Fund expansion and is committing up to \$60 million over 8 years to the goals of the Fund.

### **Comprehensive Planning Process.**

Between October 2008 and July 2009, Building Changes conducted a comprehensive strategic business planning and organizational development process to clearly define our organizational strategies and develop a plan for long-term financial stability.

Our goal was to replace the 2007-2011 Business Plan and Strategic Approach adopted by our Board of Directors on December 8, 2006. Our last plan guided several key actions and strategies, which have been refined and expanded upon in this updated plan. Specifically, the last plan resulted in changing our name from AIDS Housing of Washington to Building Changes and in changing our organizational emphasis from housing and services for HIV/AIDS to ending homelessness. The plan also seeded expansion of our public-private grantmaking and encouraged the development of advocacy and communications strategies to transform public policy and systems.

**Organizational Development, Strategic Planning, Financial Modeling and Fund Development Audit.** In October 2008, Building Changes engaged consultants Beroz Ferrell and Rose Singer with The Point, LLC, to lead the organizational development and strategic business planning processes. Building Changes also hired financial consultant, John Smith to do in-depth analysis of our past financial position and make financial projections based on market analysis and the emerging business strategy. Insights gained from a fund development audit, performed by Nan Garrison, and Lynn Schrader allowed us to consider, test, and implement operational strategies. During the 8-month planning process, we restructured our staff Executive and Leadership Teams and trained them in results-based management practices. We also improved human resource and organizational finance systems. Organizational development activities will continue through mid-2010. A three-year fund-development plan also will be completed by November 2009.

**The V3 Approach.** Our Strategic Business Plan (Plan) was built using the V3 approach introduced by the consultants. The three V's are:

- Vision:** A concise statement of the overall intent
- Values:** Core beliefs that govern how you run your organization
- Vitals:** Measurable success factors that lead to achieving the vision

## Process

The Building Changes's Strategic Planning Board Committee and the Executive Team consisting of the Executive, Deputy, Finance and Development Directors led the Plan process. The full Board of Directors, two private funders, all Building Changes staff members, and outside constituents were engaged for comments and feedback at various times throughout the process.

### Key Milestones

Date	Milestone/Event	Outcomes
Aug. – Oct. 2008	Released RFQ for business plan and organizational development consultants	The Point and Social Market Strategies (SMS) selected
November 2008	Board Strategic Planning Committee Retreat held with staff Leadership Team	<ul style="list-style-type: none"> <li>• Revised mission</li> <li>• Selected 3 organization values</li> <li>• Developed direction for key Vitals (our goals)</li> </ul>
December 2008	Leadership Team refined Vitals and mapped out action steps with the support of consultants	First version of proposed organizational Vitals developed
January 2009	Board Meeting	Board adopted revised mission statement and organizational values proposed by Strategic Planning Committee
Feb. – May 2009	Board Committee Meetings: Strategic Planning, Fund Development, Finance, and Asset Management	All board committees provided feedback on draft Vitals that incorporated preliminary findings from financial model and fund development reports; second version of Vitals developed
June 2009	Board Retreat to review preliminary financial model and business plan strategy	Full board approved general direction of draft business plan strategy and Vitals
July 2009	Financial modeling completed; Joint Finance and Strategic Planning Committee Meeting held.	Finance and Strategic Planning Committees reviewed financial model and prepared third version of Vitals for recommendation to the full Board of Directors
	Board Meeting	Business Plan unanimously approved by Board of Directors

**Key Board Actions.** Final Vitals were adopted on July 24, 2009. At the January 23, 2009 Board Meeting, members adopted the following statements:

**Our Vision:** End Homelessness Together.

**Our Mission:** Building Changes believes everyone deserves the opportunity for a home, a healthy life, and a good job. We unite public and private partners to create innovative solutions through expert advice, grantmaking, and advocating for lasting change.

**Our Values:** Integrity, Collaboration, and Results

**Future refinement:** The V3 approach includes a series of ongoing actions to regularly reflect on our progress and refine our Vitals and strategies as needed. Next steps and ongoing processes include:

1. Staff and board members prepare individual and team action plans aligned with agency-wide Vitals on an annual basis. In future years, action plans will be developed no later than January 30. Individual, team, and agency performance will be considered in annual employee reviews. Board performance will be considered in an annual review.
2. The Leadership Team holds quarterly “Results Meetings” to review progress, develop quarterly “report cards,” and refine strategies if needed.
3. Board of Directors shall review agency report cards on a quarterly basis.
4. Future year Vitals are reviewed and updated on an annual basis and are aligned with the agency budget.

## Proposed Strategic Direction

Building Changes will deploy three primary external strategies in our efforts to end homelessness.

### 1. Increase Grantmaking and Evaluation

We launched our role as a public-private partnership grant maker when selected by the State of Washington to administer the Washington Families Fund (WFF) in 2004. Since that time, WFF has grown to nearly \$24 million and has 20 investors. By the end of 2009, we will have allocated over \$16 million to over 50 organizations providing over 700 units of housing with services to homeless families throughout the state. Our Plan calls for raising at least \$2 million per year to continue providing our two grant products:

**Moderate-level services grants.** These grants are 10-year commitments to organizations providing services to homeless families residing in transitional or permanent supportive housing. Beginning in 2007, we began prioritizing programs focused on providing employment-related services and children’s services for new WFF funding. Organizations funded in this program provide client-level data back to Building Changes so we can track family outcomes related to housing stability, school and childcare stability, and improved economic or educational advancement including increases in personal savings.

**High-level services grants.** These grants are 5-year commitments to organizations providing services to homeless families with complex needs residing in permanent supportive housing. Complex needs are defined as: families experiencing co-occurring disorders and multiple barriers, such as chronic homelessness, mental illness, and drug addiction. Organizations funded in this program provide client-level data back to Building Changes so we can track family outcomes related to housing stability, improved emotional and medical stability, and changes to economic stability due to increases in income from employment or connection to public benefits. Data collected for this sub-population is included in a comprehensive evaluation that will be completed in 2012 and is expected to contribute to the national best practices for serving homeless families with complex needs.

In March 2009, we entered into a new Memorandum of Understanding (MOU) with 23 public and private partners committed to reducing family homelessness in the State within the next 10 years. We will build on “national best practice” research conducted between 2007-2008 by the Bill & Melinda Gates Foundation to fund a series of systems change pilots in King, Pierce, and Snohomish counties. As a result we will add a new type of grant product beginning in 2010:

**Systems change grants.** Beginning in 2010 we plan to provide grants to entities testing and promoting promising system change in the following five areas: prevention, rapid re-housing, coordinated entry, targeted services, and employment. We expect these grants initially will be limited to planned pilots in King, Pierce, and Snohomish counties. Over time we hope to extend this type of grantmaking to other regions in the State as appropriate resources become available.

The Bill & Melinda Gates Foundation announced their commitment to provide at least \$7 million toward this effort over the next three years. Our Plan calls for identifying over \$18 million in new or repurposed public funding to match private resources committed to systems change grants.

**Evaluation.** Building Changes has a deep commitment to data collection and analysis. We have developed a reputation for using client-level data to demonstrate outcomes and develop best practices. The Plan expands our role to promote effective use of data to drive decision making at the public level. To that end we will work with our County and State partners to determine how their Homeless Management Information Systems (HMIS) can be effectively used to track progress of system change pilots.

## 2. Increase and Focus Consulting and Technical Assistance

For nearly twenty years, Building Changes has been a national leader in providing expert advice to agencies serving marginalized people in their communities. Our portfolio includes developing housing for those living with HIV/AIDS and experiencing homelessness in King County; advocating at the local, state, and federal levels for systems change; and administering a public-private partnership that provides innovative, systems-changing grants to our partner agencies in Washington State.

Through the business planning process, we discovered we would benefit from building an expert advice brand around fewer niche areas. We refined our consulting and technical assistance offerings to these three areas, each of which is fundamental to ending homelessness:

**Long-term housing solutions.** For a person experiencing homelessness, finding a home and keeping it is the first step. Building on our legacy, we will continue to assist our clients with housing stability and access to care. Our training, consultations, and housing plans, including those focused on people living with HIV/AIDS and those experiencing homelessness, provide our clients with the tools they need to increase and sustain housing in their communities.

We are currently under contract with the federal Department of Housing and Urban Development (HUD) to provide technical assistance in more than half of the United States.

We expect our existing contract resources will extend this work through 2011 and we are reapplying for additional contract work for 2011-2013.

We also are a subcontractor to a number of national homeless technical assistant providers for HUD.

**Education and employment.** To prevent and end homelessness more people must find and retain living wage jobs yet housing and employment systems have not been well coordinated. In 2005 with funding from the Robert Wood Johnson Foundation, Building Changes worked in partnership with the City of Seattle to connect housing and employment systems. We have since grown our expertise in supporting nonprofits with the tools they need to provide people experiencing homelessness with jobs and educational opportunities. We are providing strategic planning guidance in four counties in Washington State in 2009. Across 10 counties, we have provided day-long trainings to more than 150 people in 40 organizations. We also provide peer-to-peer learning opportunities and document and disseminate provider successes among our clients. We are among one of the few organizations nationally that bridge the homeless and employment systems. In the coming years, we see a potential for us to expand our activities beyond Washington State.

**Income supports.** Public benefits such as Temporary Assistance for Needy Families (TANF), Medicaid, and food stamps provide income and health support that help many individuals and families to find stable housing, go back to school, and get a job. Our Washington Families Fund evaluation data has revealed that many individuals need assistance applying for and obtaining the public benefits for which they already qualify. Our data has also shown that public benefits are a significant source of income stability. Our public benefits training to organizations receiving Washington Families Fund allocations has been some of the most highly rated for “relevance.” Over the next three years we will grow our expertise in this area primarily through our training program associated with the Washington Families Fund.

We will measure our progress by evaluating our consulting and technical assistance activities. We will measure the extent to which clients have increased their understanding of housing, employment, benefits issues, and have made changes in their agencies based on our advice.

Our consulting and technical assistance work is primarily fee-for-service and an important component in our income diversification strategy. While most of our work focuses on ending homelessness in Washington State, we will continue to offer consulting and technical assistance services to nonprofits and governments operating outside of the state. It is our intention to tap into a larger market with our areas of emphasis and our current, national HOPWA contracts. Training or technical assistance that is grant funded will continue to focus on Washington State recipients.

### **3. Increase Statewide Advocacy and Communications**

Advocacy and communications is our newest strategic focus. For most of our history advocacy efforts have been deployed through memberships in key local, state, and federal advocacy organizations including: Housing Development Consortium of Seattle King County, Washington State Low Income Housing Alliance, National Alliance to End Homelessness, National AIDS Council, Corporation for Supportive Housing, and National Low Income Housing Coalition. Building Changes staff members have served on the boards of these

organizations, and we have supported their advocacy agendas by writing letters of support and testifying on issues when invited.

Beginning in 2007, we received grant support from several private foundations to deepen our advocacy and communications work. With their support, we changed our name from AIDS Housing of Washington to Building Changes, launched an entirely new brand identity and developed a new web site. In 2008, we also hired our own lobbyist and successfully championed our third Washington State Legislative request, which resulted in \$6 million being added to the Washington Families Fund. We also began exploring the areas where additional advocacy expertise was needed in our state and nation.

Over the next three years our plan calls for engaging and influencing the public, nonprofit, and private philanthropy sectors in Washington State. Key components of our advocacy and communications strategy include:

- Identify and promote state level policy changes that will help end homelessness. Our policy efforts will focus on access to employment and training and public benefit changes.

- Use data to influence policy decisions at both the county and state levels. Our efforts will focus on improving the HMIS and publishing Washington Families Fund evaluation data.

- Partner with existing advocacy organizations to pass legislation at state and federal levels.

## **Organizational Stability**

Identifying strategies for long-term organizational stability was a key goal of this business planning process. Highlights of our proposed organizational stability strategy include:

- Transfer ownership of our existing AIDS housing to other nonprofit organizations over the next three to five years. Building Changes has developed and owned over 160 housing units in King County since 1992. Our housing has always been operated and managed by other nonprofit organizations or public housing authorities. In 2007 we made the decision to stop developing new AIDS housing because the need for new units was being addressed by other nonprofit organizations in the region. In 2008 we transferred ownership of the Bailey-Boushay house to Virginia Mason.

- Generate a three-month operating reserve. Building Changes has grown and held reserve accounts for its housing developments, but has never established an organizational operating reserve.

- Limit total administrative expenses to 22% of agency budget and limit fundraising expenses to 11% of funds raised.

- Retain a healthy balance of sources of revenue by meeting earned revenue and individual donation targets. Also maintain healthy balance between restricted and unrestricted grants and public funding allocations.

- Determine and implement a succession plan for Executive Director and other key leadership positions.

## **Conclusion**

We wish to thank the Bill & Melinda Gates Foundation for providing the resources for this thorough business planning process. This planning process, and the systems we are implementing for ongoing refinement and evaluation of our work, will position us to work with our partners to end homelessness in Washington State.