



Chattanooga Neighborhood Enterprise, Inc.

## GOALS and OBJECTIVES

### *BUILDING Powerful Strategic Partnerships*

**GOAL 1: CNE will be considered an effective partner by a wide range of strategic industry colleagues and a trusted and high quality resource by community stakeholders.**

**Objective 1: CNE will identify partners and develop MOU's and partnerships with CDCs, other service organizations, banks and governmental entities to identify and to provide specific services in targeted neighborhoods**

CHA, neighborhood associations, homebuilder associations, Hamilton County, Tennessee Housing and Development Agency, Mortgage bankers, CDCs, NeighborWorks

**Objective 2: A communications plan will be implemented that ensures CNE is continually in relationship with its stakeholders and protects CNE's reputation and credibility.**

**We will do this through:**

- Using specific and customized/tailored messages
- Using specific and customized outreach and 'listening' methods
- Developing an enhanced Website
- Fully leveraging churches, media, neighborhood associations as well as other community relationships.

**Objective 3: All programs, products and services will be of the highest quality and will be customer service focused, achieving at least an overall level of 85% satisfaction on surveys.**

**We will do this the through:**

- Developing and using product and program satisfaction surveys at point of service
- Conducting annual resident surveys in targeted neighborhoods of focus
- Establishing Complaint and Grievance policies clearly articulated and followed (even on the web).

### *BUILDING Financially Stable, Responsible, Professionally Managed Organization*

**GOAL 2: CNE will be a financially stable, accountable and transparent organization with sustainable business lines**

**Objective 1: All business lines and portfolio assets will be financially self-sustaining with clear financial and production metrics and reporting expectations.**

**We will do this through:**

- Developing an approved cost allocation formula for recapturing overhead
- Incorporating administrative fee for any service agreements

**Objective 2: Internal Controls and Financial Reporting will be strengthened**

**We will do this through:**

- Using a Local CPA firm to assess internal controls
- Recruiting a high caliber team for CEO and CFO

**Objective 3: A fundraising/fund development plan will be implemented that diversifies sources of revenue and creating long-term financial strategies.**

**Objective 4: A three-year business plan with financial metrics and production targets will be continually updated at least annually to align with the Strategic Plan.**

**GOAL 3: CNE will have strong leadership at both the staff and board level**

**Objective 1: CNE will implement an executive recruitment plan such that the new Chief Executive Officer has skills, abilities and talents consistent with the requirements of this strategic plan**

**Objective 2: An effective performance monitoring system will be developed and implemented at staff and board level**

**Objective 3: CNE's Board of Directors upholds the highest standards of stewardship, accountability, and leadership and continually engages in self assessment, performance and practice improvement and board development.**

**We will do this through**

- Establishing functional committees
- Requiring high rates of attendance with rules for expulsion
- Implementing a board development plan

**Objective 4: CNE's Board of Directors will be inclusive, representative and diverse in its composition, and will proactively and continuously cultivate and prepare future board leadership**

***BUILDING Stakeholder and Constituency Support for  
Coordinated and Collective action***

**GOAL 4: CNE will align its resources with other stakeholders in  
service to a common vision of revitalized neighborhoods  
and strengthened families**

**Objective 1:** CNE will participate in creating a shared vision for Chattanooga's neighborhood revitalization work with a broad range of stakeholders

**Objective 2:** CNE will target at least 50% of its home improvement loan resources to targeted neighborhoods for existing homeowners to rehabilitate their homes

**Objective 3:** CNE will support code enforcement needs identified by City wide property mapping project

## **Lessons Learned**

### **1. Do one thing well.**

CNE's roots are in the community. Our strengths are in educating and preparing individuals for homeownership. Those we serve will have the opportunity to not only grow personal wealth, but can make lasting change in the neighborhoods in which they live.

### **2. Build on our strengths.**

We almost forgot how important CCDFI was to organizational self-sufficiency. This fund not only provides important education and support for entrepreneurs, but also changes the fabric of our community by providing a diverse mix of businesses and companies that will grow and be sustainable for a long period of time.

### **3. Less really is more.**

We are thankful for the past year which challenged CNE to take a hard look at what our business should look like. We are thankful for the continued support from the City of Chattanooga who weathered this storm with us and stands with us as active partners. Together, we are now well prepared for the future.

## ACCOMPLISHMENTS

- **CNE has leveraged more than \$300,000,000 in lending since 1986**  
CNE second mortgage and rehab loans have leveraged more than \$300,000,000 in mortgage lending in Chattanooga over its 22 year history.
- **CNE has created more than 3,400 Homeownership opportunities**  
With its first loan in 1986, CNE began a tradition of providing down payment assistance to families purchasing their first home. Over the years, lending programs have changed to fit the market conditions and neighborhood needs. Offerings have included incentives, down payment assistance, and principal write down products. The loan portfolio today has over 1000 active customers with an average loan size of \$16,000.
- **CNE has facilitated the rehabilitation of more than 2,800 homes**  
Rehabilitating Chattanooga's aged housing stock has been central to neighborhood stabilization and family strengthening. With average loans of \$40,000 CNE has touched thousands of lives. The primary work of rehabilitation loans is correction of building code deficiencies and the removal of lead hazards which threaten the lives of the occupants.
- **Through Chattanooga Community Development Financial Institution (CCDFI) and Chattanooga Opportunity Fund (COF), CNE has made more than \$6 Million** available to small and minority businesses and to businesses located in lower income census tracts. CCDFI real estate based loans create new jobs, and develop services that reach low and moderate income Chattanoogaans. The Opportunity Fund puts \$1.5 million to work helping small and minority owned businesses to expand and strengthen their young businesses when they may not be able to access bank resources.

**CNE Board of Directors  
May 2008**

**John N. Foy**, CBL  
Chair  
July, 2008\*

**Chief Freeman Cooper**, Chattanooga  
Police Dept.  
Director  
July, 2008

**Irvin Overton**, Retired  
Vice Chair  
July, 2009

**Richard Ebersole**,  
Director  
July, 2009

**Bill McGriff**, Hamilton County  
Treasurer  
July, 2008\*

**Thomas Griscom**, Times Free Press  
Director  
July, 2008\*

**BettyLynn Smith**, Community Impact of  
Chattanooga  
Secretary  
July, 2008\*

**J. Ed Marston**, Chattanooga Chamber of  
Commerce  
Director  
July, 2009

**Bruce Adams**, First Tennessee  
Director  
July, 2009

**Lawrence Richey**, FSG Bank  
Director  
July, 2008\*

**Jack Benson**, City Council District 4  
Director  
July, 2008

**Virginia Ann Sharber**, Miller & Martin,  
LLP  
Director  
July, 2009

**Paul Brock**, RiverCity Company  
Director  
2008\*

**Roger Tudor**, East Tennessee Assoc.  
General Contractors  
Director  
July, 2009

**Larry Buie**, Chattanooga Gas  
Director  
July, 2008\*

**Barbara Wofford**, University of  
Tennessee at Chattanooga  
Director  
July, 2008\*

**Mayor Ron Littlefield**, City of  
Chattanooga  
Ex Officio

**Mayor Claude Ramsey**, Hamilton County  
Ex Officio



## **HISTORY**

Chattanooga Neighborhood Enterprise, Inc. (CNE) was founded in December 1986, as a result of a citywide visioning process and a study conducted by The Enterprise Foundation on the condition of Chattanooga's housing. CNE is a private, non-profit corporation founded to lead a public-private housing initiative. The original CNE mission was to provide all Chattanoogaans the opportunity to live in decent, fit and affordable housing. In 2002, CNE's mission was revised to add the goal of being the City of Chattanooga's leading partner in the use of housing to build healthy, socio-economically diverse neighborhoods.

In 1978, the Lyndhurst Foundation, a local charitable foundation, became interested in fostering and promoting progress in the community. At the same time, Chattanooga's public officials were searching for a way to restore vitality to downtown Chattanooga and to bolster community pride. Those groups came together to lead a community-driven visioning effort called Vision 2000 that sought input from all levels of the community to develop a growth plan for the future. One of the priorities for Chattanooga was the need to ensure decent housing for all Chattanoogaans. At the time, many of Chattanooga's older residential areas were experiencing a decline in home ownership, and housing in general showed increasing signs of neglect. The economic vitality of these neighborhoods, including their tax base, was eroding.

As a result of the Vision 2000 meetings, leaders from the city of Chattanooga, Hamilton County, the Lyndhurst Foundation, and a number of banks, private citizens and corporations joined together to make a long-term commitment to housing. The goal was to eradicate blight, to improve existing housing, to develop new housing and to generally revitalize inner-city neighborhoods. The Enterprise Foundation conducted a study that identified over 10,000 sub-standard housing units in 26 city neighborhoods. Armed with this information, CNE was formed to offer assistance to homeowners interested in improving the condition of their housing.

CNE's initial programs were designed to provide loans that allowed individuals and families to maintain and continue to live in their homes, while retaining the homes on the tax rolls and preventing further deterioration in their neighborhoods.

By October 1987, CNE was completing its first full-scale, substantial, owner-occupied home improvement project. In 1992, CNE absorbed the local NHS affiliate, Chattanooga Community Neighborhood Housing Services, Inc. and became the local affiliate of Neighborhood Reinvestment Corporation (now known as NeighborWorks America) with access to the secondary mortgage markets of Neighborhood Housing Services of America (NHSA).

In 1995, CNE began to focus on neighborhood revitalization in addition to increasing annual production goals for affordable housing. CNE acknowledged that healthy neighborhoods and a vital, thriving economy are hallmarks of a sustainable city, and that

its primary focus on housing was just one of several bricks and mortar elements in a healthy neighborhood. Good neighborhoods also require safe streets, good lighting, sidewalks, trees, green space for recreation, parking for residents, among other real-world necessities.

Of all the exciting things that are in the works in Chattanooga today, none is viewed as more important than the program unveiled in 1986 to make all housing fit and livable. It was important in 1986 for its potential to instill hope. Today, CNE's mission is important not only for the impact it makes on the personal lives of about 800 Chattanooga residents every year, but for the impact it has made on the general quality of life in Chattanooga

The Mission of CNE is to Improve the Lives of Low to Moderate Income Chattanoogaans by Building Strong, Sustainable Neighborhoods, and by Fostering Home ownership.

## VISION

Through CNE's leadership and commitment, we will foster increased neighborhood vitality, tax revenue and an engaged citizenry living in neighborhoods of choice.

In realizing this vision, CNE, working with public and business partners, will be among the strongest resources for low and moderate families in Chattanooga to build wealth and family stability through homeownership.

Our goal is to:

- Be a **trusted resource** for information, credit counseling and education on home buying opportunities for low and moderate income individuals and families;
- Provide access to **homebuyer assistance resources** and programs to qualified prospective low and moderate income families;
- Be the largest provider of **low cost loan resources** and technical assistance to existing low and moderate income homeowners for home repair and rehabilitation;
- Participate in identifying and coordinating significant **neighborhood revitalization** efforts in partnership with others in targeted Chattanooga neighborhoods;
- Increase the number of **code compliant properties** in Chattanooga neighborhoods of focus;
- **Minimize foreclosure** rates throughout Chattanooga;
- Provide strategic, technical and design **advice to private developers** and homebuilders investing in our neighborhoods of focus;
- Challenge our partners, staff and other agencies to be **innovative** and evolutionary in our thinking and approaches;
- Have collaborative and effective partnerships with social service, government, private and non profit developers and neighborhood organizations that **leverage our resources** and achieve our collective targets;
- **Identify new trends** and track emerging trends that will affect the future of our neighborhoods.

Chattanooga Neighborhood Enterprise is Guided by the Following

### **CORE OPERATING VALUES**

**Quality First:** CNE will strive toward excellence—through the resources we provide to customers, by our innovative approaches, and in the visionary leadership we provide.

**Professional Integrity:** We commit to being disciplined, rigorous, and ethical in our work by using fair and sound transparent practices in earning income and pricing services.

**Financial Stewardship:** CNE will strive to be a trusted steward of public and investor funds entrusted to us. Accountability and responsibility go hand in hand with all we do.

**Inclusive and Constituent & Community Guided:** CNE will actively engage the community to guide our work, develop new services, evaluate existing services and programs and govern the organization.

**Communication & Teamwork:** We commit to transparency and accountability in all things, fully communicating our policies, practices and initiatives to all who have interest.

## Quotes from CNE

“CNE has challenged itself to become viable for the future. Over the past year, they’ve made changes to the ways they conduct business and have shown that they are valued and *valuable* to the community they serve.”

Mayor Ron Littlefield

“CNE has faced daunting challenges in recent years, but with a solid Strategic Plan in place, we are filled with optimism for the organization’s future.”

John Foy, Board Chairman

“CNE now has a clear vision for the organization’s future. It is strong. It is accountable and responsible for every facet of its business. But more than that, the model for business adopted by the board and embraced by staff is one that will be sustainable.”

Sandra Williams, Interim Executive Director

“CNE will now be operating in a manner that is transparent and accountable to all we serve. With a strong plan in place for the future, CNE is now prepared to take bold steps that will educate potential homeowners, re-energize neighborhoods and grow wealth for future generations.”

Irvin Overton, Board Vice Chair