

STRATEGIC PLAN

2024-29

Building with
Community





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Dear Board, Partners, and Friends:

For nearly 30 years, Foundation for Homan Square (FHS) has passionately overseen the redevelopment of the former Sears, Roebuck & Co. headquarters. Our work and focus have and continue to be rooted in our relationships in the North Lawndale area and our commitment to all those who live, work, and spend time in this community.

As we look toward the future, we've identified four interconnected engines that drive our mission forward. CONVENE, COLLABORATE, CREATE, and CARE (4Cs). By deepening our relationships in the community, building new partnerships, and pursuing development projects that strengthen community infrastructure, we are positioned for continued growth and greater impact.

FHS is a respected community developer and trusted community convener. Our commitment to authentically listening and engaging with the community, and then implementing what we learn, is where we stand out. The following pages highlight strategic plans for each of the 4Cs, how they come together to ensure long-term success for the Homan Square community, and how developers, public and private investment, and city support are all critical to achieving these strategies. It is the harmonious and codependent operation of the 4Cs that allows for the sustainable operation of FHS and for a purpose-built community where residents can thrive in place.

THANK YOU,

Kevin Sutton, Executive Director
Foundation for Homan Square



STORY OF PLACE



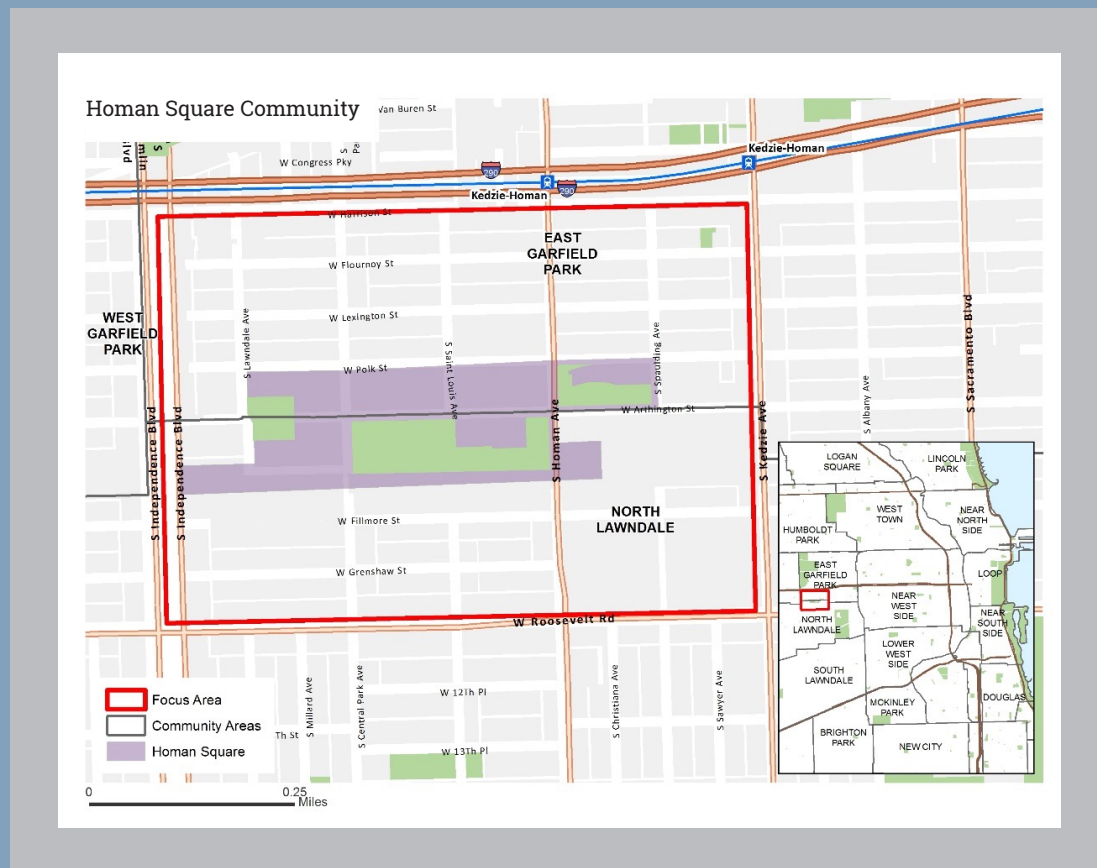
In the 1900s North Lawndale was the economic engine of Chicago's West Side, with large manufacturing facilities providing thousands of jobs to a largely white European population. By the mid-1900s, demographics shifted as Blacks migrated from the South settling in areas of economic opportunity. Discriminatory housing policies, however, restricted Black residents from purchasing homes on Chicago's West Side. Without the ability to obtain a bank mortgage, Black homeownership was only possible through direct contracts with sellers, which included inflated interest rates, excessive down payments, and limited buyer protections. Since the 1960s, an estimated 3,000 homes in North Lawndale were sold on contract to Black homebuyers. The pervasiveness of unfair housing practices like these led Martin Luther King, Jr. to headquarter his first Northern campaign in North Lawndale.

As industry moved out of the neighborhood in the 1970s, culminating with Sears, Roebuck & Co. transferring nearly 20,000 jobs downtown, leaving 55 acres of once vibrant land completely vacant, developer Charlie Shaw and local community leaders designed a plan in 1989 to bring life back to the vacant Sears complex.

Today, the campus—known as Homan Square—is made up of 141 single-family homes, 273 units of rental housing, and 70,000 square feet of facilities on nine acres that house 16 nonprofits, a health care clinic, recreation facility, and K-12 schools. Formed in 1995, FHS functions as campus steward in service to the community and today cares for and maintains these community assets. With a mission and vision for community to self-determine what prosperity and fairness looks like in their neighborhood, FHS is working to build a

collaborative network of stakeholders critical to redressing the perpetuities of discriminatory policies that have altered the Homan Square community.

Homan Square is a distinct neighborhood within a neighborhood. It sits in the north central census tract of North Lawndale on Chicago's West Side. Within this neighborhood, there are over 10,000 residents, 87% of whom are Black. The area unemployment rate is consistent with the city-wide average at 17%, however homeownership is only 23%, which is half the citywide average. Homan Square is a vibrant community of leaders, artists, public service workers, and community associations who are working tirelessly to write an equitable future where Black homeowners can build generational wealth in a thriving community complete with business, schools, jobs, and interconnection. Prosperity must start with place.



Homan Square Campus—is made up of **141** single family homes, **273** units of rental housing, and **70,000** square feet of facilities on nine acres that house **16** nonprofits, a health care clinic, recreation facility, and K-12 schools.

KEY STRATEGIC PARTNERSHIP



In 2017, FHS formed a legal paid partnership with IFF, a community development financial institution (CDFI) and nonprofit developer, to serve as back-office manager and development partner. This approach is unique in that it creates a formal partnership between a community steward and a real estate consultant and developer – both critical for place-based strategies.

FHS convenes community to codify the strategic vision through collaboration, community engagement, and building relationships with local residents, businesses, and other members of the community. FHS coordinates alignment of co-location partners and services, serves as land steward, and represents community priorities and voice.

IFF works to create the physical assets that are critical to its achievement, leading implementation of real estate development projects and providing technical expertise and project management throughout the project lifecycle.

FHS and IFF will continue this partnership with a common goal of strengthening and stabilizing the blocks surrounding the Homan Square campus.



MISSION & VISION STATEMENTS

MISSION:

The Foundation for Homan Square combines asset-based development with community engagement to transform place and empower residents to thrive.

VISION:

In partnership with residents and community leaders, the Foundation for Homan Square strives to build a vibrant and thriving community that empowers residents to explore, thrive, and transform their lives.



THE 4 C's



Our mission is driven by **four interconnected engines** that move the organization forward.

CONVENE and **COLLABORATE** are at the core of Foundation of Homan Square's relationship with both community members and its campus partners and feed the work of **CREATE** by providing community ideas, will, and voice that—combined with real estate development acumen—build a robust pipeline of development projects.

These development projects help to partially sustain the **CARE** pillar.

THE 4 C's

The history and work of FHS is guided by its relationship with the community and area residents. It is the harmonious and codependent operation of the 4Cs that allows for the sustainable operation of FHS.



CONVENE:

Community engagement and direction is at the heart of FHS. As a vital community quarterback, FHS organizes, facilitates, promotes, and convenes the voice of residents and community-based and civic partners to shape its future.



COLLABORATE:

Collaboration is key to FHS' success. FHS is committed to building and fostering productive relationships with area residents, community-based organizations, businesses, community developers, investors, and government stakeholders, to steward the community's self-determined vision.



CREATE:

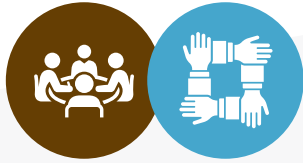
Vibrant places are essential to thriving communities. FHS facilitates the creation of community-driven development projects for residents to live, work, play, explore, and thrive.



CARE:

Stewardship of assets leads to long-term sustainability. FHS manages its commercial and residential real estate holdings and organizational finances to sustain a thriving enterprise.

STRATEGIC SUMMARY



Strategy #1 – CONVENE and **COLLABORATE** will focus on building community relationships and strengthening philanthropic and other nonprofit partnerships.

- » Engage with community members, homeowners, area nonprofit organizations, and local government representatives to form a 'community lens' approach to future development efforts within Homan Square's footprint.
- » Build a larger community table and gather a more specific and wider view of resident challenges, ideas, and future projects, while continuing efforts to build community education and empowerment opportunities.
- » Partner with like-minded individuals and groups to leverage opportunities, explore best practices, and generate transformative impact of the built environment and area services and assets. This includes hosting community-wide events and fairs, community organizing events, and more.
- » Under the leadership of the Executive Director, Kevin Sutton, ensure that the conversations and feedback from the community are included in the implementation of pillar efforts.



Strategy #2 – CREATE will provide a detailed plan and timeline for future projects to expand FHS' footprint and improve FHS' financial performance and standing in the community.

- » Explore alternative affordable rental housing solutions and funding opportunities and use those findings to develop a target construction scope and timeline to drive FHS vacant lot development.
- » Review and adjust plans for a multi-tenant, non-residential Homan Gateway project as well as future commercial development opportunities.
- » Work to improve social impacts resulting from development projects in FHS' target area.
- » Launch Home Sweet Homan Homeownership Initiative, expanding access to single-family homes and inter-generational wealth building opportunities among Chicagoans who live, work, or worship on the West Side.





Strategy #3 – CARE will focus on building future sustainability for FHS' property portfolio and a sustainable financial future for the entire FHS enterprise.

- » Conduct a thorough analysis and review of each commercial property to determine expense saving strategies and opportunities to improve overall financial performance.
- » Coordinate with residential property management company to maximize financial performance to support FHS.
- » Request comprehensive analysis of the Powerhouse/ DRW building to determine market value and explore alternative uses/operators for the building.
- » Develop a thoughtful leadership succession plan for FHS.
- » Evolve FHS' governance structure to maximize community input and provide fiduciary stability.



Our mission is driven by four interconnected engines that move the organization forward.



CONVENE & COLLABORATE



CONVENE and COLLABORATE – building community relationships and strengthening key stakeholder partnerships.

Community engagement and direction is at the heart of FHS. As a vital community quarterback, FHS organizes, facilitates, promotes, and **convenes** the voice of residents and community-based and civic partners to shape its future.

In order to live into the role of community quarterback, FHS engages with community members, homeowners, area nonprofit organizations, and local government representatives to further community development efforts within the Homan Square target area, utilizing an asset-based “community lens” approach.

FHS Board of Directors is a leading group when it comes to convening and collaborating within the community. The Board is comprised of leaders who live and work in the community. Because of this, their commitment and engagement to Homan Square goes far beyond that of most boards.

FHS convenes many other critical community groups, including the Homan Square Leadership Council, which is comprised of more than a dozen campus organizations, partners, and providers; FHS Community Advisory Council (CAC); a core IFF team focusing on asset management, development, resource development, and finance; and local government leaders, ensuring their support can help the community to continue to thrive. Additionally, support from these groups enables the projects and resources under the CREATE pillar.

FHS is committed to building a larger community table—including expanding representation on the Homan Square Leadership Council—and gathering a wider view of resident challenges, ideas, and future projects, while continuing efforts to build community education and empowerment opportunities. This is achieved through partnerships with Elevated Chicago, United Power for Action and Justice, Friends of Sears Sunken Garden, North Lawndale Community Coordinating Council, Holy Family Ministries Community Advisory Council, North Lawndale Employment Network Corporation Support Board, and the School of the Art Institute Community Advisory Committee.

Partnering with like-minded individuals and groups will enable FHS to leverage opportunities, explore best practices, and generate transformative impact of the built environment and area services and assets. Hosting community-wide events and fairs will forge community relationships and provide resources and tools that benefit all. Events will include Community Health & Resource Fairs for campus organizations to connect with area residents, Men's Health and Wellness Events to promote men's health and celebrate men of color, Banking and Finance Fairs to enable residents to access critical banking options, as well as community programs at Homan Square Park and overall improvements to public safety and security.



Collaboration is key to FHS' success. FHS is committed to building and fostering productive relationships with area residents, community-based organizations, businesses, community developers, investors, and government stakeholders to steward the community's self-determined vision.



CREATE

Vibrant places are essential to thriving communities. FHS facilitates the **creation** of community-driven development projects for residents to live, work, play, explore, and thrive.

To implement the next stage of development in Homan Square, a detailed plan and timeline for future projects to expand FHS' footprint and improve FHS' financial performance and standing in the community, is necessary. This plan includes strategically shifting from a comprehensive approach that includes both commercial and residential development to focusing on creating additional affordable housing options for sale and rent. The Home Sweet Homan Homeownership Initiative is one example that will create single-family homes and also enhance the community by providing inter-generational wealth building opportunity for those who live, work, or worship in Homan Square. The Initiative is truly embedded in the community with most of the secured vendors also living in the area.

As outlined in CONVENE and COLLABORATE, FHS will continue to nurture partnerships and collaborate with other developers and community groups to ensure that new housing projects

align with the needs and preferences of the existing Homan Square residents.

In partnership with IFF, five new housing projects are under development:

- » **Single-Family For Sale Housing**
Continued development of 20-30 new construction, modular single-family homes via the Home Sweet Homan Homeownership Initiative.
- » **West Side Village Phase I Recapitalization**
New construction or rehabilitation of 50 existing units owned by FHS to maximize use.
- » **Permanent Supportive Housing**
30 new construction units of scattered site, targeted population, permanent supportive housing designed to provide stable, long-term housing and wrap-around supportive services for individuals or families in one of three key populations: individuals with disabilities, veterans, or youth who are transitioning to adulthood.
- » **Affordable Rental Housing**
54 new construction units of workforce housing for individuals and families who do not qualify for subsidized housing but cannot comfortably afford market-rate housing.

» **Workforce Housing**

90 new construction units of workforce housing for individuals and families who do not qualify for subsidized housing but cannot comfortably afford market-rate housing. Working to identify local anchor institution to bring capital to the project and house their employees.

A meticulous process of lot selection, to identify vacant lots and abandoned buildings, is required and will be monitored over time. Proximity to other ongoing development projects, a thorough analysis of surrounding block makeup and property ownership, identification of funding sources, and assessing lot suitability for construction are all factors under consideration for lot selection. Vacant properties within the Homan Square target area that are currently city-owned or available through the Cook County Land Bank Authority will be prioritized.

Beyond housing, creating a corridor strategy for Kedzie Avenue, on the eastern boundary of Homan Square, will continue to be a priority. Community members desire positive, commercial development in the neighborhood that can create jobs, offer goods and services to residents, and circulate wealth in the local economy. FHS, in partnership with IFF, will continue to look for opportunities to fund projects on Kedzie Avenue and work with community stakeholders to identify and assess potential development opportunities that respond to the expressed needs and gaps raised by community members.





CARE

Stewardship of assets leads to long-term sustainability. FHS manages its commercial and residential real estate holdings and organizational finances to sustain a thriving enterprise.

A key component of FHS' past success and future capacity, and the ability for the elements in the other C's to take form, revolves around the care and sustainability of FHS' existing real estate portfolio.

Over the next five years, FHS will care for its existing property portfolio by building a sustainable financial future for the entire enterprise. This begins with a thorough analysis and review of each commercial property to determine potential income gains, expense saving strategies, and opportunities to improve overall financial performance. Goals include:

- » **Maintaining 6 months of operating cash;**
- » **Annually funding a replacement reserve of 5% of income to maintain campus assets;**
- » **Maintaining operating cash for each property.**

The evolution of FHS' governance structure is also critical to maximize community input and provide for fiduciary stability.

Together, the Homan Square Community Center (HSCC), the historic Nichols Tower and Powerhouse, and Homan Square Apartments affordable housing, strengthen the neighborhood.



Homan Square Community Center

For nearly 25 years, HSCC has provided much-needed resources for Lawndale residents and beyond. Lawndale Community Health Center's (LCHC) clinic has anchored the facility from the start and, five years ago, it expanded to include a dental clinic. Family Focus and the YWCA, also long-term tenants, provide support services for the area's youth and families. HSCC serves as a gathering place for celebrations and community events. FHS will ensure this building remains a community hub.

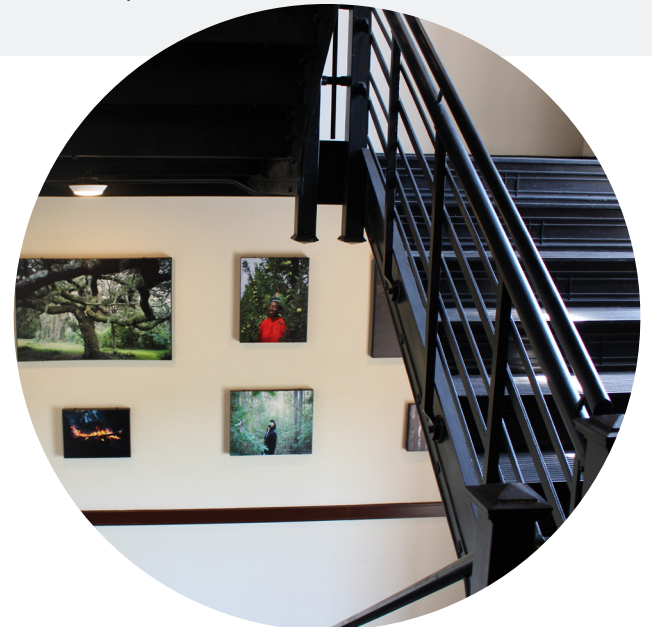
FHS' objective for HSCC is to maintain full occupancy with organizations that closely align with the community's needs and values. Numerous improvements are planned for the next five years in order to care for and maintain the physical property.



Nichols Tower

Since 2015, the historic Nichols Tower has served as intended—a nonprofit hub for the community and city. The property is home to a broad range of organizations offering support services, job training, community organizing, literacy services, art education, and homeownership counseling. As with the HSCC, FHS is dedicated to maintaining and attracting tenants that fit community needs while also operating with a positive cash flow.

Registered as a National Historic Landmark, the Tower requires inspection and upkeep by ordinance in addition to regular maintenance and repairs. FHS is working to manage required facade maintenance and repairs.





CARE

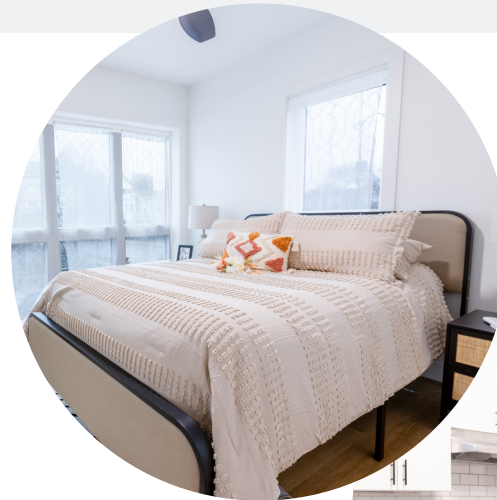
Powerhouse

Home to Noble Network of Charter School's DRW Prep since 2012, the Powerhouse is the second property registered as a National Historic Landmark under the care of FHS. The Powerhouse does not provide rental income sufficient for FHS to fully maintain the facility. FHS is examining options to raise rental income for maintenance, including a new lease structure or selling the building to an operator that can afford upkeep of a National Landmark.

Homan Square Apartments

Comprising 252 units of affordable housing built in four phases beginning in 1994, West Side Village is critical to stabilizing the community and offering well-maintained properties. The occupancy of the apartments is consistently around 97% with a waiting list of hundreds. FHS is dedicated to continued care of these properties so they can serve Lawndale for many more years.

FHS will work closely with the property manager, Realty & Mortgage, to maintain the units in good repair and condition and to look for ways to increase revenue and reduce expenses.



APPENDIX

Financial Forecast

Foundation for Homan Square & Affiliates 5-Year Operating Projection

	2024	2025	2026	2027	2028
REVENUES					
FHS Operating Income	663,656	767,155	913,566	783,627	688,945
Homan Square Community Center Rental Income	492,941	513,551	528,958	544,826	561,169
Nichols Tower Rental Income	333,476	337,373	346,737	356,956	367,484
Powerhouse Operating Recovery Income	767,748	790,780	814,504	838,939	864,107
Total Revenue	2,257,820	2,408,860	2,603,765	2,524,348	2,481,705
OPERATING EXPENSES					
FHS Operating Expenses	536,743	550,739	565,154	580,002	595,296
Homan Square Community Center Operating Expenses	401,578	413,625	426,034	438,815	451,978
Nichols Tower Operating Expenses	308,796	283,851	292,368	301,139	310,174
Powerhouse Operating Expenses	767,748	790,780	814,504	838,939	864,107
Estimated Commercial Property Capital Repairs	290,000	305,725	289,047	331,449	125,093
Total Operating Expenses	2,304,865	2,344,720	2,387,107	2,490,344	2,346,648
Net Effects on Operating Cash	(47,045)	64,139	216,658	34,004	135,057
Forecasted Cash Balance (EOY)					
Operating Cash	746,681	810,821	1,027,479	1,061,483	1,110,777
Cash to cover operational expenses (# of months)	4.45	4.77	5.88	5.90	6.00
Replacement Reserves	498,624	541,170	584,955	623,814	670,246
Investment Account	772,500	795,675	819,545	844,132	955,219
Forecasted Cash Balance	2,017,805	2,147,666	2,431,979	2,529,428	2,736,242

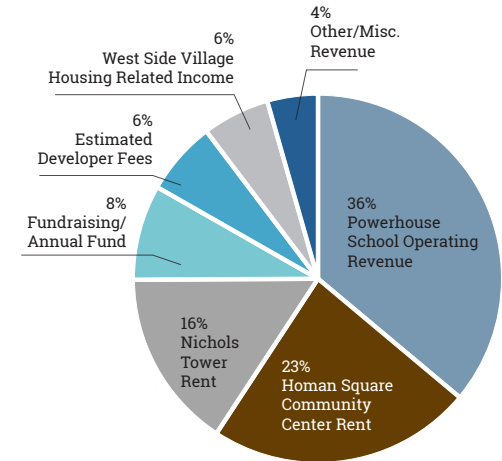
Revenue Assumptions:

To better serve our tenant community partners, generally FHS assumes a 3% increase annually to rental income within the commercial properties. The strategic plan's operating projections expect developer fees to increase over the next 5 years as development projects are completed. FHS expects annually each housing phase operation produces a positive cash flow result, the excess cash flow is considered a distribution to FHS. The forecast expects FHS to be able to raise \$75k each year to support FHS' Executive Director as a convenor of community. The financial forecast also includes the annual fund which will raise \$100k each year.

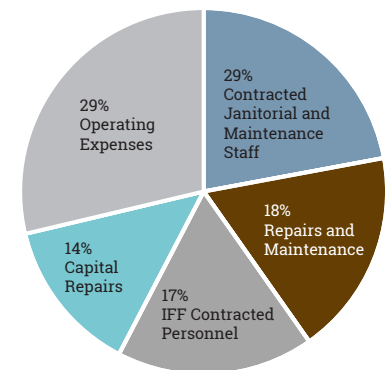
Expense Assumptions:

Expenses are constant for the most of our 5-year forecast. The forecast includes an inflation adjustment of 3% each year in the base case scenario. FHS expects Homan Tower to receive a full real estate tax exemption in the 2nd half of 2024. This will create an annual savings of approximately \$75k. Operating expenses in the Powerhouse are offset against income paid by Noble. Capital repairs will be ongoing and critical to the preservation of FHS campus.

BUDGETED 2024 REVENUES



BUDGETED 2024 EXPENSES





Foundation for Homan Square

Nichols Tower

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