

# 2025 Financial Management Conference

## Challenges of Rapid Growth

**Moderator: Peter Fitzgerald**, Vice President, Housing Partnership Network

**Leah Evans**, Chief Executive Officer, Homeport

**Cindy Louie**, Chief Financial Officer, Chinatown CDC

**Dana Moore**, Principal, Compass Advisors

Sept. 18, 2025

**STRENGTHMATTERS**<sup>®</sup>



# Continuing Professional Education (CPEs) Requirements for CPAs

- Please find the **SESSION HOST** to **SIGN IN** at the beginning and **SIGN OUT** at the end of every session. We use that attendance log to verify your participation for CPE credits.
- Please **submit all conference evaluations**. Evaluation links are emailed to registrants daily. The session host monitoring the sign-in process has paper evaluations if you prefer.
- For more information on CPE credits, contact Lindsay Wells at [consult.lwells@gmail.com](mailto:consult.lwells@gmail.com).

# Agenda

- Introductions
- Review **Learning Objectives**
- Overview of session plan and timing
- Q&A
- Wrap up

# Learning Objectives

Discuss the challenges that organizations may face during periods of rapid growth

Evaluate tools and strategies for managing and supporting a high-growth environment in an organization

Review the pros and cons of certain approaches with real life examples from the panel

# Questions

- We will pause during presentation and again at the end for Q&A
- We will have several polling questions throughout the session and will begin with one as we get started

# Polling Question 1

- *Is your organization in the midst of a rapid growth period? By show of hands.*
  - A. Yes
  - B. No
- *Has your organization just emerged from a period of rapid growth?*
  - A. Yes
  - B. No

# Objectives



Planning for sustainable growth



Understanding issues before they arise and proactively addressing



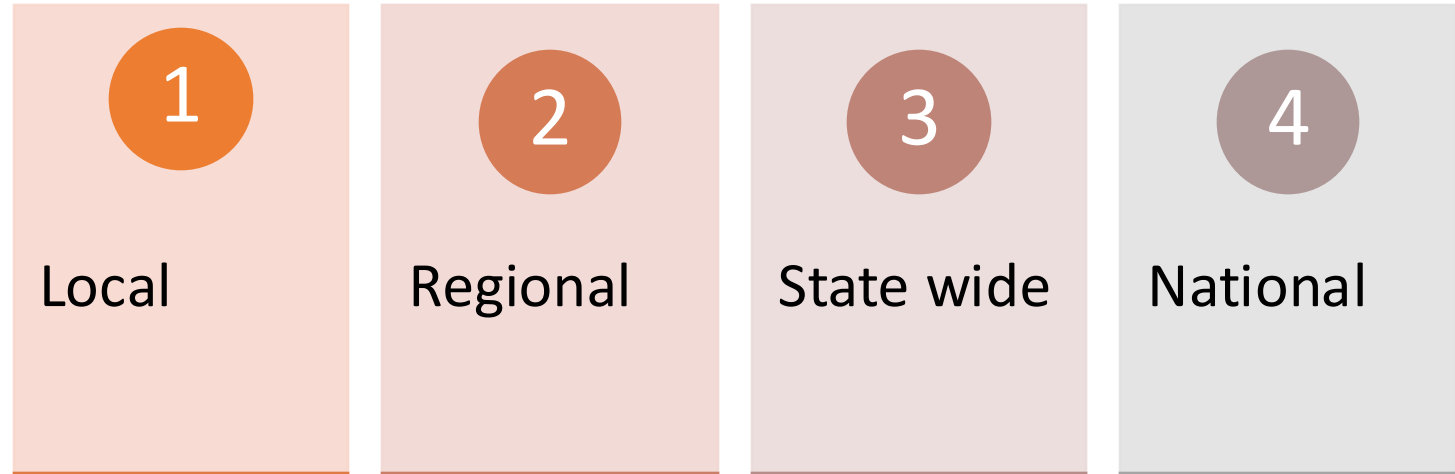
Incorporating concepts into business plans



CCDC Plan Elements

# Growth Stages

- Geography
- Operating Budget
- Total Assets
- # of Staff
- # of units
- Self Sufficiency



	<u>Local</u>	<u>Middle Market/Multi Office</u>	<u>Regional</u>	<u>National</u>
Geography/ Locations	Single geography	Single geography Multiple office locations	Single large state/Multiple States	Multiple states
Operating Budget	<\$5MM	>\$5MM but <\$7.5MM	>\$7.5MM but <\$10MM	>\$10MM
Total Assets	<\$25MM	>\$25MM but <\$50MM	>\$50MM but <\$250MM	>\$250MM
# of staff	<25	>25 but <50	<50	>50
# of units	<250 units	>250 but <500 units	>500 but <2,500 units	>2,500 units
Self Sufficiency			>1.0x	>1.0x

# Inflection Areas



Governance



Human  
Resources



Operations



Line of  
Business



Financial



Capital

# Governance

Term Limits:	No Term Limits	Term limits
Expertise:	Friends and Family Board	Diverse membership and expertise
Composition:	Diverse (NWA)	Active recruiting and training
Oversight:	Reporting vs. Questioning	"Working Board" with active oversight
		Contribute to fund raising
Structure:	Some Committees	Evolved Committee Structure

# Human Resources

Accounting:	Controller	CFO
Management Team:	CEO/ED	Established Executive Team
	Key Performers	and Sr Leadership Team
	Key person dependencies	Depending on staff size HR
Staff Development:	Limited due to resources	Robust and planned for
	informal	Coaching and mentoring
Succession Planning:	Limited	Robust

# Operations

Lines of business (diversified income)	Single lines of significant earned revenue	Diversified income stream in place by
		LOB or by virtue of size of properties/ pipeline
Systems	Not all compatible or integrated; may still have manual processes; spreadsheets	Compatible; integrated; robust
Data	ga[s]/not always reliable/manually accessed	Accurate and reliable data easily obtained financially, impact metrics, etc.
Documentation	Inconsistent written policies and procedures	Appropriate policies and procedures in place with regular updating

# Line of business growth– New Lines

Lines of business	Earned revenue concentration within a line of business	Multiple diverse and countercyclical lines of business providing earned revenue and generating surplus
Research and Development	Inability to fund	Process and funds for new investment opportunities
Criteria	Criteria and strategy under consideration	Established investment criteria in place
Equity/Capital	Capital constrained	Ability to invest "risk based" and "growth capital" in support of expansion

# Financial Condition

Current ratio	0-1.0x	1.5x +
Days cash	0-60 days	120+ days cash
Growth in net assets (adjusted for noncash)	in at least 1 of last 3 years	consistent yr over yr growth in net assets
Diversified revenue stream	limited sources of revenue/ lumpy def fee dependent	diversified revenue streams
Diversified lenders	may be dependent on single lender or CDFIS	commercial banks and other lender and investors no single dependencies

# Capital

Working Capital	constrained by working capital	Internally available working capital along	
	supported by small LOC		with established lines of credit
			size of org allows for more flexible borrowing
Investment Capital	deal based	deal based/funds might be accessible	
Risk Capital	typically subsidies provided by	subsidy plus internal funds now available for	
	NWA or others		cross subsidization
Growth Capital	limited access	Multiple lines plus internally generated capital	
			asset sales and other cash out refis

		Local	Middle Market/Multi Office	Regional	National
Definition/Criteria:	Geography/ Locations	Single geography	Single geography Multiple office locations	Single large state/Multiple States	Multiple states
	Operating Budget	<\$5MM	>\$5MM but <\$7.5MM	>\$7.5MM but <\$10MM	>\$10MM
	Total Assets	<\$25MM	>\$25MM but <\$50MM	>\$50MM but <\$250MM	>\$250MM
	# of staff	<25	>25 but <50	<50	>50
	# of units	<250 units	>250 but <500 units	>500 but <2,500 units	>2,500 units
	Self Sufficiency			>1.0x	>1.0x
Culture	Description	Informal, mission focused, blurred lanes Strongly identified with Executive Director	Emergence of subcultures by office by dept. Still dominated by ED	Potential conflicting cultures, redefinition in light of growth	Corporate Structure - formal communication Mission and Earning Focus Lanes defined and clear
Governance:	Term Limits: Expertise: Composition: Oversight:  Structure:	No Term Limits Friends and Family Board Diverse (NWA) Reporting vs. Questioning  Some Committees	Starting to add expertise Diverse Questioning  Some committees in place	Starting to add independent members Diverse Questioning and advising, fund raising, governing  Committee structure in place	Term limits Diverse membership and expertise Active recruiting and training "Working Board" with active oversight Contribute to fund raising Evolved Committee Structure
Staffing:	Accounting:  Management Team:  Staff Development:  Succession Planning:	Controller  CEO/ED Key Performers Key person dependencies  Limited due to resources informal  Limited	Director of Finance  CEO/ED with CFO or COO Key Performers Key person dependencies  Limited	CFO  Established Executive Team developing sr leadership team Depending on staff size HR  Formal development plans Training and opps for advancement  Emerging	CFO  Established Executive Team and Sr Leadership Team Depending on staff size HR  Robust and planned for Coaching and mentoring  Robust

Operations:	<p>Lines of business (diversified income)</p> <p>Systems</p> <p>Data</p> <p>Documentation</p>	<p>Single lines of significant earned revenue</p> <p>Not all compatible or integrated; may still have manual processes; spreadsheets</p> <p>gaps/not always reliable/manually accessed</p> <p>Inconsistent written policies and procedures</p>	<p>A:I</p> <p>Systems integrations limited gaps in capacity</p> <p>Access inconsistent across offices inconsistent filing and standardization</p> <p>Developing more robust P&amp;P - gaps still exist in certain LOB</p>	<p>Vertical integration to support LOB - real estate, asset management, property mgmt, resident services inconsistent performance across these activities</p> <p>Defined plan in place to address systems integration, staffing training, and to provide needed MI to Mgmt.</p> <p>Focus on data has emerged. Working on standardizing and utilizing for business decisions.</p> <p>Procedures and policies in place - still developing consistency, monitoring, and enforcement.</p>	<p>Diversified income stream in place by LOB or by virtue of size of properties/ pipeline</p> <p>Compatible; integrated; robust</p> <p>Accurate and reliable data easily obtained financially, impact metrics, etc.</p> <p>Appropriate policies and procedures in place with regular updating</p>
Lines of Business	<p>Lines of business</p> <p>Research and Development</p> <p>Criteria</p> <p>Equity/Capital</p>	<p>Earned revenue concentration within a line of business</p> <p>Inability to fund</p> <p>Criteria and strategy under consideration</p> <p>Capital constrained</p>	<p>Lines of business emerging that are income positive. Not all have clear business plans.</p> <p>Jumping in or forced to play by City</p> <p>Some analytics in place not as robust as needed</p> <p>Ability to fund some predevelopment with internal funds</p>	<p>Emergence of recurring income from various LOB. Not just developer fee dependent.</p> <p>Evaluating new investments and programs before engaging or piloting</p> <p>Criteria being established to govern investments</p> <p>Growth capital constrained. Tension mission and financial risk still unclear.</p>	<p>Multiple diverse and countercyclical lines of business providing earned revenue and generating surplus</p> <p>Process and funds for new investment opportunities</p> <p>Established investment criteria in place</p> <p>Ability to invest "risk based" and "growth capital" in support of expansion</p>
Financials:	<p>Current ratio</p> <p>Days cash</p> <p>Growth in net assets (adjusted for noncash)</p> <p>Diversified revenue stream</p> <p>Diversified lenders</p>	<p>0-1.0x</p> <p>0-60 days</p> <p>in at least 1 of last 3 years</p> <p>limited sources of revenue/ lumpy def fee dependent</p> <p>may be dependent on single lender or CDFIS</p>	<p>1.0x - 1.2x</p> <p>60-90 days</p> <p>in at least 1 of last 3 years</p> <p>limited sources of revenue/ lumpy def fee dependent</p> <p>several lenders and investors not large enough for flexible loc</p> <p>High dependence City (inherent risk)</p>	<p>1.2x-1.5x</p> <p>90-120 days</p> <p>in at least 2 of last 3 years</p> <p>more diverse sources of revenue/not solely dependent on dev. Fees for op surplus</p> <p>commercial banks and other lender and investors no single dependencies</p>	<p>1.5x +</p> <p>120+ days cash</p> <p>consistent yr over yr growth in net assets</p> <p>diversified revenue streams</p> <p>commercial banks and other lender and investors no single dependencies</p>
Capital:	<p>Working Capital</p> <p>Investment Capital</p> <p>Risk Capital</p> <p>Growth Capital</p>	<p>constrained by working capital supported by small LOC</p> <p>deal based</p> <p>typically subsidies provided by NWA or others</p> <p>limited access</p>	<p>working capital supports some growth enhanced by LOC</p> <p>deal based</p> <p>typical subsidies provided by NWA or others</p> <p>limited access - Endowment ?</p>	<p>sufficient working capital limits need for LOC size of org allows for more flexible borrowing</p> <p>deal based/funds might be accessible</p> <p>subsidy plus internal funds now available for cross subsidization</p> <p>Multiple lines plus internally generated capital asset sales and other cash out refis</p>	<p>Internally available working capital along with established lines of credit size of org allows for more flexible borrowing</p> <p>deal based/funds might be accessible</p> <p>subsidy plus internal funds now available for cross subsidization</p> <p>Multiple lines plus internally generated capital asset sales and other cash out refis</p>

# Polling Question 2

- *Does your organization struggle with the tension between mission-driven objectives and achieving financial outcomes?*
  - A. Yes
  - B. No

# Polling Question 3

- *What have been some of the impediments to growth? Raise your hand for all that apply.*
  - A. *Internal cultural tensions*
  - B. *Investment in internal systems (IT, HR, Training & Development, etc.)*
  - C. *Ability to access capital*
  - D. *Alignment of Board, Management and Staff*

# Polling Question 4

- *What capital supported your growth? Show of hands for all that apply.*
  - A. *Needed to borrow additional funds*
  - B. *Growth managed through internal cash reserves*
  - C. *Funding through grants and other soft sources*
  - D. *Asset sales*
  - E. *Combination*

# Evaluation Reminder

- Please submit all conference evaluations.
- Look for the electronic evaluation link in your email.
- Contact [consult.lwells@gmail.com](mailto:consult.lwells@gmail.com) if you do not receive the link.

# CONTACT INFORMATION

**Peter Fitzgerald**

fitzgerald@housingpartnership.net

**Cindy Louie**

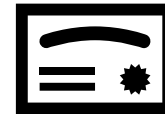
Cindy.Louie@chinatowncdc.org

**Leah Evans**

leah.evans@homeportohio.org

**Dana Moore**

mdanamore@compassadvisorsllc.com



**Lindsay Wells**

*(CPE credit contact)*

[consult.lwells@gmail.com](mailto:consult.lwells@gmail.com)

