

The weak/moderate/strong market matrix is offered to help stimulate thinking and spur discussion among CLT practitioners. Obviously many factors enter into a CLT’s strategic planning when deciding how to serve most effectively in different markets and in different times.

Weak Market	Moderate Market	Strong Market
Size of Service Area/Mix of Products & Programs		
Larger service area required, spanning multiple communities with a variety of political and economic conditions		Service area may be large, medium, or small.
Develop several lines of business that can be turned off and on more easily		Concentrate on one or two strong lines of business
A rural, urban & suburban service area may provide a broader base and greater security for the CLT		May want to specialize in rural, urban, or suburban target areas
Development Opportunities		
<ul style="list-style-type: none"> • Contract the organization, shrink the development pipeline, and hold on for better times • Adapt to changing conditions to survive until conditions improve 		<ul style="list-style-type: none"> • Expand the portfolio and grow to the organization’s strengths • Take maximum advantage of every development opportunity
Need to move beyond a single type and tenure of housing as the development focus.		Portfolio can be steadily expanded, pursuing a single type of development for which there is strong demand.
Smaller-scale projects – perhaps purchase/rehab/for-sale		Specialize in new construction or rehab

Weak Market	Moderate Market	Strong Market
Assemble land for future development of larger –scale projects that might become possible as market conditions improve		Larger scale projects on regular basis
Land banking as a primary focus		Fewer land banking opportunities
Take over projects and receive assets from weak or overextended developers		Partner with the most productive for-profit and nonprofit developers to take full advantage of high-demand environment
LIHTC conversions		LIHTC conversions
Sources of Project & Operational Funding		
Stewardship fees; modest developer fees		Stewardship fees; substantial developer fees
Variety of federal and state project funding sources (more than one PJ)		Variety of federal and state project funding sources, perhaps from a single PJ
LIHTC LIHTC, NMTC, RIF, FHLB-AHP, USDA, others		LIHTC LIHTC, NMTC, RIF, FHLB-AHP, USDA, others
Dedicated funding (internal & external) for stewardship of homes & homeowners		Dedicated funding (internal & external) for stewardship of homes & homeowners
Fundraising for operations becomes critical.		Fundraising for operations becomes less critical as earned developer fees rise
Earned fees for other services		Earned fees for other services
Partnership Development Model or Self-Reliance?		
Self-development		Self-development
Alliances with other nonprofits and like-minded partners (CDCs)		Alliances with other nonprofits and like-minded partners (CDCs)

Weak Market	Moderate Market	Strong Market
<ul style="list-style-type: none"> For-profit partners as important. Cultivate relationships with for-profit developers with deep pockets & ride w/ them. 		<ul style="list-style-type: none"> For-profit partners as important. Cultivate relationships with for-profit developers with deep pockets & ride w/ them.
<p>In weak markets, other nonprofits may be so focused on survival that competition increases for funding, projects, and constituencies</p>		<p>In strong markets, collaboration and division of labor with other nonprofits may become more likely, since there are more resources to split.</p>
<p>Merger may be necessary to survive.</p>	<p>Diversification of business lines</p>	<p>Specialization may become possible.</p>
<p>Strategic alliances and cooperative opportunities that arise out of changing conditions</p>	<p>Strategic alliances and cooperative opportunities that arise out of changing conditions</p>	<p>Strategic alliances and cooperative opportunities that arise out of changing conditions</p>
<p>Strategies to More Closely Link CLTs with Existing Programs - Institutionalization</p>		
<p>Link CLT with Inclusionary Zoning (IZ) programs - monitoring L-T affordability & receiving regular funding to support these responsibilities</p>		<p>Link CLT with Inclusionary Zoning (IZ) programs - monitoring L-T affordability & receiving regular funding to support these responsibilities</p>
<p>Link CLT with colleges, hospitals, military bases and other employers (large and small) that employ low- & moderate-wage workers, especially those that experience turnover. These allies can provide a pool of potential homebuyers & organizational support.</p>		<p>Link CLT with colleges, hospitals, military bases and other employers (large and small) that employ low- & moderate-wage workers, especially those that experience turnover. These allies can provide a pool of potential homebuyers & organizational support.</p>
<p>Partner with special needs organizations & others that require a permanent inventory of affordable housing for clients</p>		<p>Partner with special needs organizations & others that require a permanent inventory of affordable housing for clients</p>

Weak Market	Moderate Market	Strong Market
Be acquired by (or partner with) a CDC or other like-minded non-profit.		Acquire like-minded organizations to strengthen the portfolio and diversify the funding for the CLT.
		The larger the inventory & the more public funds invested & preserved - the more the CLT becomes an important institution in the community for long-term affordability = demanding support. Too important to fail.