



Business Plan

2017 - 2018

Helping Families ~ Improving Neighborhoods

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Approved by the LaCasa, Inc. Board of Directors Nov. 22, 2016

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Business Plan 2017-18

I. History

LaCasa began in 1970 as a community initiative to improve the housing conditions of migrant workers in Goshen, Indiana. Concerned individuals and churches organized in response to this need and grass roots support and community partnerships continue to be critical to LaCasa's success in Elkhart County. While LaCasa has evolved into a community development corporation with a strong housing development component, the organization and the community continue to place a high value on providing a unique mix of educational and social services. We believe that the community, LaCasa, and our clients benefit from the long-term relationships that often develop from the continuum of services and opportunities we offer low- to moderate-income persons.

LaCasa is strengthened by its ties to state and national organizations and became a member of the NeighborWorks Network in 1999. In 2000, LaCasa completed Arbor Ridge, a 72-unit apartment community and in 2001 collaborated with area lending institutions to offer financing services, originating mortgages for Elkhart County families. In 2004 LaCasa became a member of the NeighborWorks Campaign for Home Ownership, and received certification as a HUD Counseling Agency. LaCasa was recognized in 2007 as a NeighborWorks Home Ownership Center, providing full service lending to a six county region.

In 2005, in recognition of LaCasa's neighborhood development success, LaCasa was included in the NeighborWorks Community Building and Engagement Initiative. To support a growing inventory of rental property for low- to moderate-income families, LaCasa sought membership and was accepted into the NeighborWorks Multifamily Initiative in 2006.

In 2008 LaCasa assumed a significantly expanded role in Elkhart City, completing Water Tower Place (52 units of new construction senior housing), Roosevelt Center (35 apartments and commercial space) and acquiring 169 State and 516 S. Main (20 apartments and commercial space). LaCasa's Elkhart community outreach worker became a full time position in 2014 to support expanded initiatives in South Central neighborhoods.

Recent multi-family real estate developments include Lincoln West and Westplains Apts. in Goshen and a Chapman St. duplex in Elkhart, providing 34 apartments for persons who were homeless and experiencing mental illness. The Hawks, a low income residential community for artists and entrepreneurs, (35 apartments on the Goshen mill race) was completed in April, and 100% leased by June 2015. LaCasa has also partnered with Elkhart County to administer a blight elimination program which will demo and repurpose 111 properties by 2017.

A staff of 30 administers a range of programs including: Home owner assistance with home repairs, new housing development, acquisition/rehab and resale of older homes, financial capabilities classes and coaching, home buyer education, lending, pre- and post-purchase counseling, foreclosure counseling, reverse mortgage counseling, neighborhood development, affordable rental housing, immigration counseling, individual development accounts and real estate development. All LaCasa programs are designed to assist low- to moderate-income families regardless of race, age, color, religion, sex, disability, national origin, ancestry, or status as a veteran.

II. Mission and Background

LaCasa works with individuals and community partners to create opportunity for personal growth, family stability and neighborhood improvement.

LaCasa, Inc. is dedicated to the continual development of a healthy community. Accordingly, we are committed to focus our resources on:

- I. Providing asset building and educational opportunities for individuals and families, with the expected outcomes that:
 - A. Residents build and retain assets through homeownership.
 - B. New residents are welcomed and connected to the community.
 - C. Residents gain practical financial skills and develop asset building behaviors.
 - D. Residents gain leadership skills to actively participate in their community.
 - E. Residents are familiar with and utilize community resources.

- II. Partnering with neighborhoods and local government to support the development of vibrant and healthy neighborhoods, with the expected outcomes that:
 - A. Neighborhoods are physically appealing with safe, functional and affordable housing that meets the needs of a diverse population.
 - B. Neighbors are able to communicate to address issues of safety and property upkeep.
 - C. Neighborhoods are places where people are willing to invest time, money and energy.
 - D. Neighborhoods welcome new residents and are able to address cultural differences.

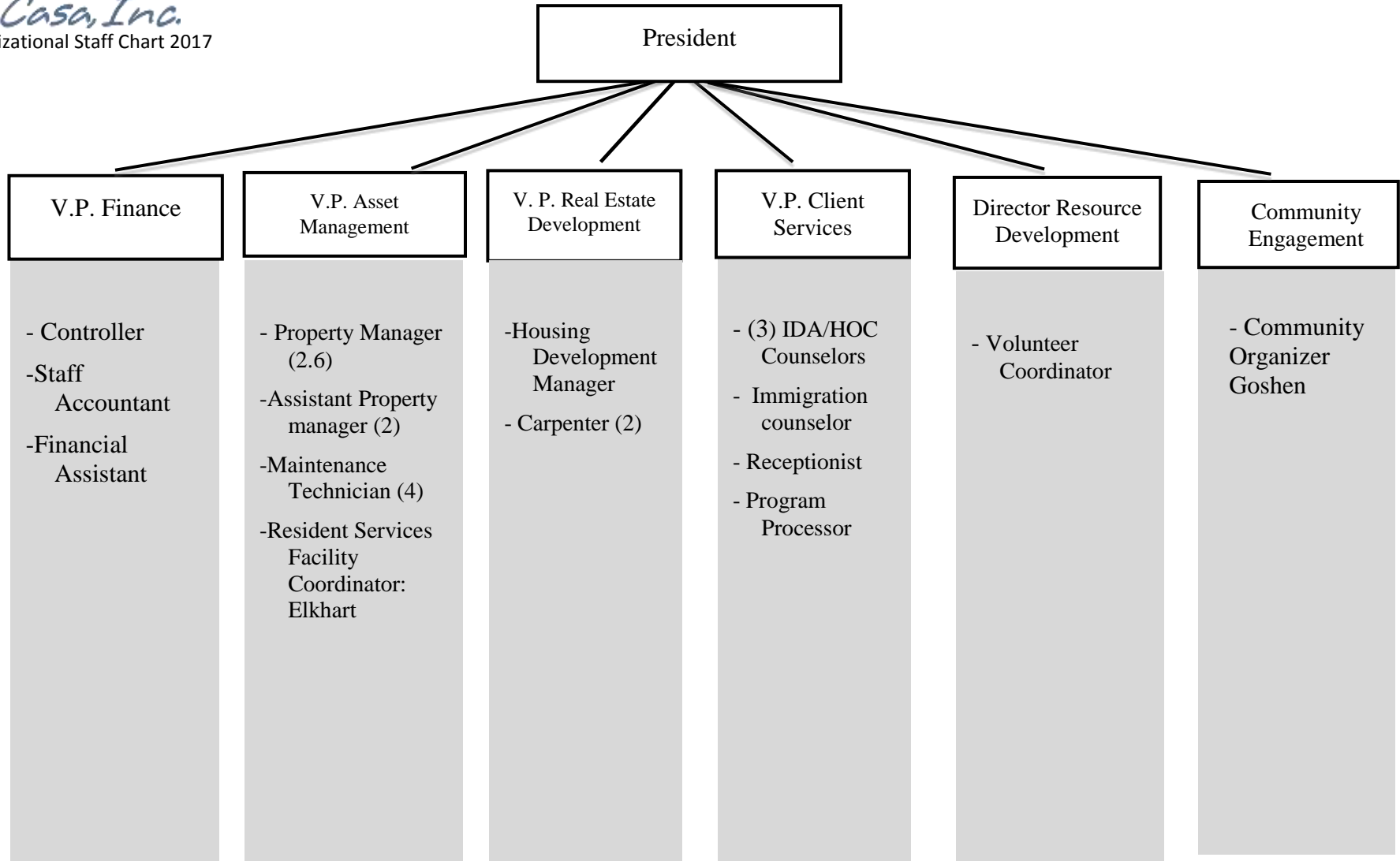
Lines of Business

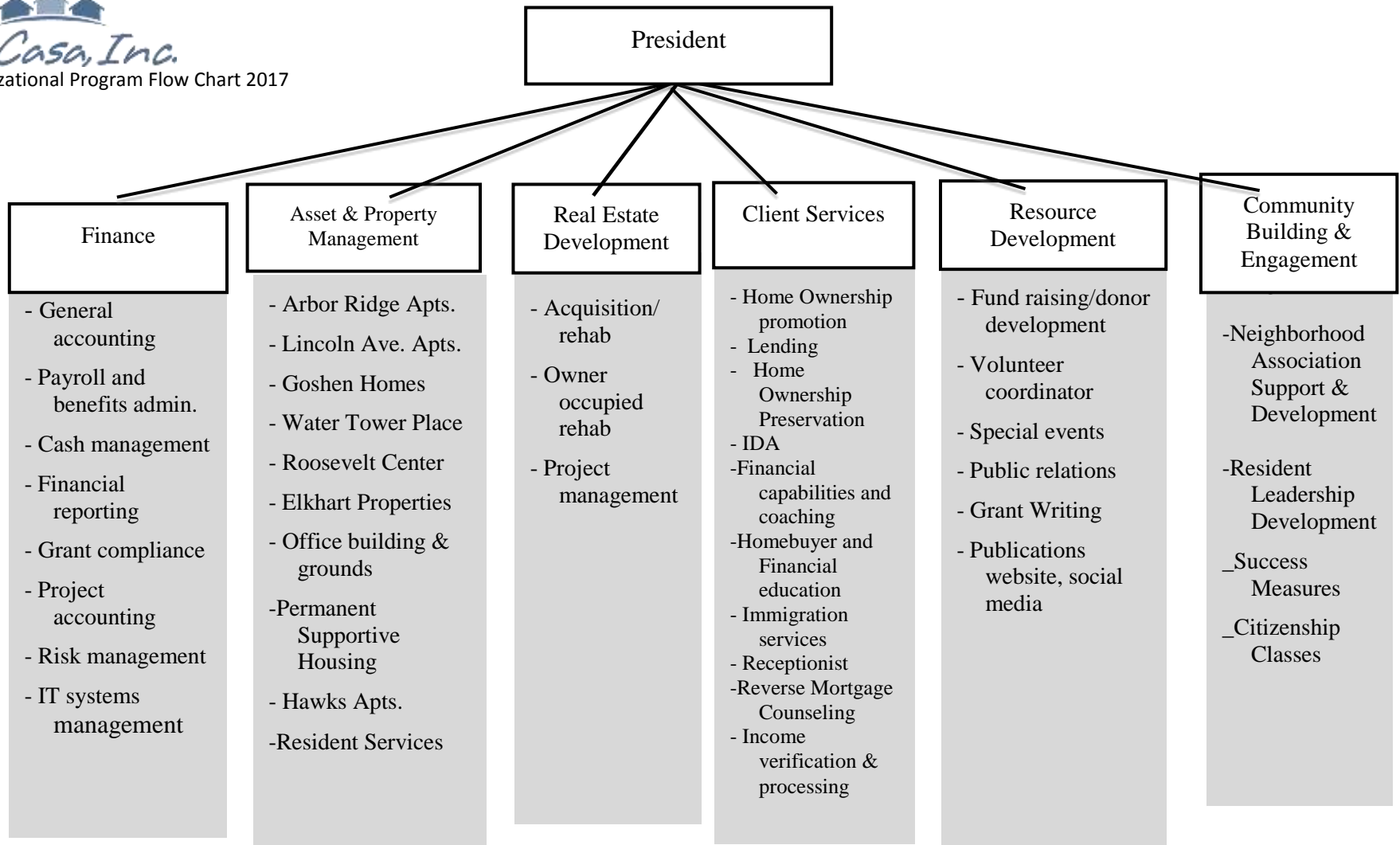
LaCasa offers programs and services to the community organized under six lines of business:

- Financial Empowerment Center (includes Home Ownership Promotion, and Preservation, Individual Development Accounts, Financial Education and Coaching),
- Community Building and Engagement,
- Asset and Property Management,
- Real Estate Development
- Immigration Services.

The following chart shows how the various lines of business support the accomplishment of our mission.

	Provide asset-building and educational opportunities for individuals and families					Partner with neighborhoods and local government to support the development of vibrant and healthy neighborhoods				
	Residents build & retain assets through homeownership	New residents are welcomed & connected to the community	Residents gain practical financial skills and behaviors	Residents gain leadership skills to actively participate in their community	Residents utilize community resources	Neighborhoods are physically appealing with attractive, functional standards for housing	Neighbors are able to communicate to address issues of safety and property upkeep	Neighborhoods are places where people are willing to invest time, money & energy	Neighborhoods welcome new residents and address cultural differences	
Home Ownership Center										
Individual Development Accounts, Financial capabilities classes and financial coaching. Home Buyer education, Loans & Grants. Post Purchase, Foreclosure Prevention and Reverse Mortgage Counseling	X	X	X		X	X		X		
Community Building & Engagement										
Development of Neighborhood groups, Leadership skill development and Neighborhood promotional events		X		X	X	X	X	X	X	
Asset & Property Management										
Intake, leasing & rent collection, property maintenance, referral to LaCasa & other community services		X			X	X	X		X	
Real Estate Development										
Concept development, Property acquisition, Construction management, Home repairs (Help-A-House), Home selection & Rehab management, Volunteer supervision	X					X		X		
Immigration Services										
Immigration counseling, document preparation, translation, and advocacy		X			X				X	





III. Program Report/Performance Update

A. An assessment of factors that influenced, or are expected to influence, organizational production and performance in FY 2017

LaCasa operates on a calendar fiscal year, so we are 10 months into our fiscal year as we provide this update. We have enjoyed stability in most management positions and a smaller, but very engaged board over the past 12 months. Chris Kingsley, a five year employee, replaced Bonnie Martin as Director of Development. The board responded to an opportunity to establish an endowment fund for Help-A-House, LaCasa's owner occupied rehab program. Board leadership gifts and additional gifts from LaCasa's Business Advisory Committee attracted matching Community Foundation funds to establish the fund prior to a year end fundraising campaign.

Elkhart County, has finally recovered from the great recession and demand for rental housing as well as homeownership is strong. Families are still impacted by lower wages, depleted savings and damaged credit. September year-to-date, LaCasa received 177 referrals for foreclosure counseling, down 33% over previous year-to-date. While the unemployment rate has returned to a healthier 4-5%, area median income remains below the 2009 level of \$33,200. Elkhart County still has a high percentage of low skill / low wage and part-time jobs.

Restructuring of the Homeownership Center has improved efficiency and provided a clearer path to homeownership starting with financial capabilities training, coaching, access to individual development accounts and credit building opportunities. The shift in emphasis to financial capabilities addresses the needs of our clientele and will, along with an unprecedented access to matched savings accounts, result in a return to 40 plus homeowners per year in 2016. New homebuyers for 2016, Sept. YTD, are running 42% of 2015 YTD. For 2017, a pilot program with LaCasa's Property Management Team and the assistance of United Way, will offer a credit building program for tenants who aspire to homeownership. LaCasa will report timely rent payments to the credit bureaus for tenants enrolled in this program.

A partnership with Goshen College resulted in a successful grant from Assets for Independence. As a result, LaCasa will manage a \$706,000 IDA program which will provide tuition assistance for 151 students. LaCasa will manage eligibility and enrollment, manage savings accounts and provide financial counseling.

Leveraging LaCasa's financial capabilities curriculum and strong housing programs, we have become a primary recipient of United Way funding and expect this partnership to continue to evolve as United Way focuses on ALICE (assets limited income constrained employed) families. United Way will be focusing their funding for at least the next 5 years on financial education, housing and childcare services for families in the 130-200% of poverty range. LaCasa has taken a leadership role in helping plan United Way strategy related to financial literacy and housing.

In the real estate development arena, The Hawks, a 35 unit loft style residential community for artists and entrepreneurs, exceeded expectations. This Goshen development came in on budget, on time, and was leased up and fully occupied within 2 months of opening. The development has broad community recognition for its impact on downtown revitalization and its potential for economic development. A planned expansion of this model (23 additional lofts and 8 single family lease purchase homes in Goshen) has received strong local support. LaCasa is planning, with our service provider partner, an additional 10-12 unit permanent supportive housing development in Elkhart for persons who are homeless and experiencing mental illness.

LaCasa continues to build on a very popular and highly visible owner-occupied rehab program, Help-A-House, which celebrated its 26th year in 2016. Local fundraising exceeded \$120,000 in 2016. Our approach to expanding the Help-A-House appeal in 2017-18 includes a highly visible \$1.3 million renovation of 5 highly visible distressed multi-family properties resulting in significant neighborhood improvement and the addition of 20 apartments to LaCasa's rental portfolio. Rehab of these properties will require extensive fundraising. Secured funding includes: The Community Foundation of Elkhart County for \$250,000, IHEDA \$260,000, a private individual pledge of \$125,000, Goshen City \$15,000 and various smaller donations. Other requests are in process.

LaCasa was awarded the contract for blight elimination for Elkhart County in 2015. While initial roll out of this program by the state was slow, the pace has picked up in 2016 and the program has been extended into 2017. In addition to administrative fees, selected lots will be retained for future development and LaCasa Real Estate Holdings, LLC has been set up to hold these properties.

Immigration Services, a small line of business that has been offered as a community service for 40 years was redesigned in 2014 and for the first time in our history, has operated in the black for the past two years. A close working relationship and cross marketing with LaCasa's homeownership center has also generated referrals for financial capabilities training and hopefully, future homebuyers. The current political climate has created uncertainty regarding future eligibility for various programs, but we continue to anticipate strong demand for counseling services.

The recent addition of citizenship classes has been very popular and a waiting list exists for this service. LaCasa was also able to add a resident services coordinator to assist tenants in Elkhart access services and improve utilization of commercial and tenant use of Roosevelt Center.

III: Assessment of Organizational Capacity

A. Technical capacity of the Organization and its staff

LaCasa is a full service community housing development organization serving Elkhart County and drawing clientele from a neighboring five county area. The organizational challenge is to be responsive to a range of community development needs with a very lean organizational structure, but adequate scale to be efficient and effective. LaCasa maintains the following lines of business: real estate development, asset management, homeownership promotion, homeownership preservation, community building and engagement and immigration services. The skill set and tenure of LaCasa's management team is a significant strength of the organization. LaCasa's CEO and 4 V.P. positions have served in their current capacities from 5 to 15 years with many additional years of related experience. The Director of Development has 6 years of experience with LaCasa, 1 year in the director role. The organization's location in a college town, high visibility, broad community support and 46 year history all contribute to an ability to attract the best local talent. LaCasa is committed to staff training, extensive utilization of NeighborWorks resources, other national, state and local training opportunities as well as cross-training within and across departments.

While some staff turnover is expected in any year, Lacasa is currently fully staffed with no planned turnover during 2017. An expansion of the IDA program, a reduction in demand for foreclosure counseling, and implementation of a "financial empowerment center" model will require additional training but should be manageable with current homeownership staff.

IT services are contracted with a very competent and service oriented local firm. In 2015 we made the decision to lease all of our computers and servers from our IT service which allowed us to upgrade all hardware and better plan our expenses going forward. Also upgraded in 2015, a new phone system improves connectivity with remote sites, provides voice mail messaging linked to e-mail and improves customer service.

As LaCasa has grown in size and complexity over the past 15 years, we found that our local audit firm that had served us well for many years, no longer had the depth of personnel, particularly related to tax credit entities, that we felt was needed. LaCasa made a change for the 2015 audit selecting DOZ, a nationally established firm based in Carmel, IN that has a specialty in affordable housing. While this change came at an increased cost, we feel the reduced risk and the firm's connections in the housing industry will add additional value. This also provides more backup should we ever experience a vacancy in the CFO position.

B. Management capacity and structure of the organization

LaCasa's management team focus on mission and achievement of the organization's strategic goals, their combined skill sets, experience and team spirit have served the organization well. We anticipate that planned transitions and the organization's growth and success will necessitate

changes over the next few years. Factors that will necessitate growth and restructuring of responsibilities include:

- Increased focus on development including grant writing and donor development. The President will continue to invest time in linking donor relationships to the Director of Development
- Planned continued growth of asset management as additional properties are added to the portfolio.
- A time-intensive strategic planning process to be completed prior to May 2017.
- Finance will add one position that will have the potential to serve as backup for the CFO position.

Some additional resources will need to be added or contracted to accommodate these factors.

LaCasa's CEO is approaching retirement age in the next 2 years. While there are no specific plans, this reality is discussed very openly with board leadership and the intent of all parties is to manage this transition very strategically with a minimum of a one year plan. Executive transition process whether planned or unplanned is spelled out in detail in Board governance Policy IV.E. Succession / President Selection and Transition and has been reviewed by the board within the last year. Updating LaCasa's strategic plan in 2017 is seen as a precursor to a future transition plan.

C. Board Governance Systems and Practices

The LaCasa Board has adopted governance policies that are periodically reviewed and updated. Target composition is 9-12 members and board recruitment, while somewhat limited by CHDO requirements, is strategically targeted with consideration given to constituency representation, skill sets, leadership potential and commitment to the organization required for effective governance. Current priorities for board recruitment include: A lawyer with HR experience, representatives from Elkhart and Goshen Community Schools, and an Elkhart neighborhood leader.

Board members may serve three consecutive three year terms. Officers include: board chair, vice-chair, secretary and treasurer. The chair, vice-chair, secretary and past-chair serve on the Board Development Committee charged with ensuring the health and effectiveness of the board, including board recruitment. This committee leads the annual board self-assessment process, as well as the evaluation of the CEO. The tradition is for officers to serve a two-year term and progress from secretary to vice chair to chair. This provides for continuity of leadership. Other committees include:

- Finance – recommends policy changes related to finance; monitors cash flow and budget; educates the board about the finances of the organization; recommends an auditor to the board and meets with the auditor.
- Resource Development – evaluates the resource plan annually and proposes changes to the board. Promotes board involvement in actively pursuing donor development. Provides representation to the Help-a-House fundraising committee.
- Asset Management – advises the board's strategic plan related to asset management, reviews the performance of LaCasa's portfolio and advises on the acquisition and disposition of property.
- Client Services – This committee is planned to be added in 2017 to advise on program design / development related to LaCasa's intent to develop model service, a "financial empowerment center" and "resident services".

LaCasa by-laws allow for non-board members to serve on board committees. This allows for additional specialized expertise beyond board membership and also serves as an orientation/recruitment potential for future board members.

A NeighborWorks provided board training in 2013 helped transition the board to be more actively engaged in fundraising. In 2014, the board accomplished a stretch fundraising goal matched by NeighborWorks. Board goals include board participation in a NeighborWorks NTI or CLI event annually. The strategic planning process planned for 2017 will require an additional time commitment for board members.

IV. Organizational Strategic Goals and Work Plan– Lines of Business and Support Services

A. Financial Empowerment Center

Staffing: 5.75 FTE

Vice President Client Services	Rocio Arevalo Espinosa	.75 FTE
IDA/HomeOwnership Counselor	Jessica George	1 FTE
Financial Capabilities Counselor	Joel Zwier	1 FTE
Homeownership Counselor	Tessie Molina	1 FTE
Administrative Program Processor	Natanael Fontan	1 FTE

Programs and Services

Individual Development Accounts (IDA)

Individual Development Accounts are matched savings accounts designed to encourage low-income families to save for the purchase of an asset. The Indiana IDA program was established in 1997 in an effort to assist in the fight against poverty and build more assets for Hoosiers around the state. Indiana is recognized as a leader in the field as it became one of the first states to legislate and implement IDAs and provide funding from the state budget for support. LaCasa, Inc. has been an ongoing partner with the Indiana Housing and Community Development Authority providing IDAs since 1999.

As an integral tool for asset generation, IDAs create asset opportunities for low-income households by providing financial incentives and extensive training to save for the purchase of a home, invest in post-secondary education or capitalize a small business.

LaCasa has three Individual Development Account programs:

State IDA Program:

LaCasa partners with the Indiana Housing and Community Development Authority every year, participating in a state-funded IDA. IHEDA uses state funds plus federal funds through their own application through the Assets for Independence. In this regard, guidelines for this program match those of LaCasa's AFI, plus an additional layer of compliance to satisfy the state's goals.

Accounts are held at First State Bank of Middlebury where participants open two separate savings accounts, one designated for participants to deposit their own regular savings; the other designed to receive earned match savings. These accounts are custodial accounts that can only be utilized with the express consent of LaCasa and only for one of the three allowed purposes.

As of 2015, State IDA accounts are being targeted more specifically but not exclusively for post-secondary education and business development. From time-to-time LaCasa may open a State IDA for homeownership.

The savings goal for participants is \$300 per year. The match rate is 3:1. The maximum number of years that can be matched is 4, though participants have an additional year to purchase their asset.

Participants must be at or below the 175% of the Federal Poverty Level to be able to qualify. No Asset test is necessary for participants.

Assets for Independence IDA Program:

In 2014 LaCasa's wrote its largest application for IDA through the Assets for Independence program, being approved in October of 2014 giving the opportunity to open 90+ accounts in the following 3 years, all designated for homeownership. This program requires participants to save \$1,600 in order to become eligible to receive the full match in the amount of \$4,000. Participants are required to establish a pattern of constant and regular savings for a minimum of 6 months. In this regards participants may be eligible to earn their maximum match if and when they deposit their full contribution and if at least 6 months have passed.

Accounts are held with First State Bank of Middlebury. Unlike state accounts, AFI only requires participants to open one participant account designated to receive their monthly savings. Every month as they fulfill that month's deposit, the corresponding match is automatically obligated but it remains in a Master Account. All savings protocol, including allocation of match and interest is tracked through Outcome Tracker, an IDA-database that is connected to First State Bank through daily automatic uploads. Outcome Tracker provides live information to both the agency as well as the participants.

Assets for Independence has an income limit at or below 200% of the Federal Poverty Level and it does require participants to not exceed \$10,000 in assets prior to qualification.

Assets for Independence Education Program:

In 2016 LaCasa in partnership with Goshen College, an accredited private liberal arts institution of higher education to offer IDAs to students from low-income households. This program is called IDEA, Individual Development Education Account and is expected to assist 151 students obtain needed funds to pay for higher education. LaCasa is the project implementing partner. These accounts are provided at a match rate of 8:1, requiring participants (students) save \$500 dollars to become eligible for \$4,000 of IDEA monies.

Accounts will be held with First State bank of Middlebury. The processing of these accounts mirrors AFI IDA for homeownership in terms of how funds are distributed to the participant account, and how LaCasa will process withdrawals for tuition payment. This program follows the same income and asset restriction as the IDA AFI for homeownership.

Tax Credit IDA Program:

Every year the Indiana Housing and Community Development Authority launches a state-wide competitive application for Tax Credits for the Individual Development Account program. LaCasa has successfully obtained a considerable amount of tax credits every year, being able to sell them locally. This success depends on the participation of LaCasa's Development Department and its timely promotion of such credits to individual donors.

Funds collected through this program are then utilized to provide an additional match to enhance AFI accounts. The amount provided as an enhancement for AFI accounts is \$4,000.

Currently funds raised through the tax credit IDA program are held at InTerra Credit Union.

Financial Capabilities

LaCasa's Financial Capabilities Program encompasses three important areas of focus:

- **Money For Life.** This is a 10 hour in-person training that's provided on a monthly basis in two different settings, one being a series of 4 classes held weekly, or a 2 Saturday series. Our locations include Goshen and Elkhart. Classes include interactive, behavior-changing activities focusing on: money management, developing budgets, becoming credit smart, identity theft, and responsible banking. Money For Life is required for all IDA participants and select grant or down payment recipients. Additional funding has been secured from United Way to offer this course to businesses, churches and other organizations who would like to make the training available to employees and constituents. Currently LaCasa is partnering with four other local non profits to bring on-site trainings to their clientele, greatly expanding the program's impact on the community.
- **Money Pro Club.** Participants who complete Money For Life are given the opportunity to join the Money Pro Club. On a quarterly basis LaCasa offers topic-specific seminars on finance, investments, collections, income tax, and other personal finance related topics with the expectation that participants will gain confidence in finances and further their personal financial goals.
- **Financial Coaching.** This is a client-lead service that allows both the coach and participant to track progress on pre-selected financial goals. Financial coaches connect with clients every three months providing encouragement and channeling information to incentivize participants to not lose focus of important financial goals. Coaching is offered regardless of the type of goal selected so these goals could be to reduce debt, increase savings, clean up credit report history, etc.

Own Your Home Now Program.

This program provides a comprehensive pre-purchase counseling that encompasses a wide-ranging analysis of client's financial and credit situation, provides support and education, and assists in the mortgage application and successful closing of a home.

This program is the preferred pathway to take clients from prequalification to closing in the shortest amount of time possible, preferably in no more than one year. A comprehensive fee of \$199 dollars is charged, with only \$50 required to be paid upfront to contribute to the cost of client's personal credit report and home buyer education. The remainder can be paid upon successful closing of their loan.

The program encompasses two steps.

1. **Pre-Purchase Counseling.** This is a comprehensive analysis and review of client's personal financial information which includes but is not limited to the review of income and debt, expenses, credit readiness, affordability exercises, savings and mortgage readiness. Counselors collect all documentation necessary to meet standards utilized in the lending industry to assess client's ability to obtain a mortgage, and determine the length of time necessary to be pre-approved. Clients are provided a personalized Action Plan that meets HUD requirements for housing counseling.

If clients are deemed not credit or mortgage ready, clients do NOT follow the Own Your Home Now Program and are rather invited to move to the Financial Capabilities Program where they'll participate in Money for Life and Coaching until they get closer to becoming credit ready to obtain a mortgage.

2. Home Ownership Training. This educational component is designed to teach skills necessary to become a savvy consumer in the home-buying transaction and instill the philosophy of becoming a successful homeowner after the loan has closed. Students are taken through the home-buying process step by step. This includes: deciding whether homeownership is right for them, shopping for a house that meets their needs, obtaining a home mortgage, closing the sale, and successfully handling their mortgage obligation. Students are taught their rights as consumers and are instructed in various ways to avoid predatory lenders.

Classes are provided on a monthly basis and are available in English and Spanish. The class builds on the Money for Life curriculum focusing on families who are closer to becoming credit and mortgage ready. Participants are invited to shop for a loan using forms from the CFPB, Consumer Financial Protection Bureau to compare interest rate, fees and other loan terms. Counselors provide one-on-one assistance, answering questions and becoming a liaison to the preferred lender in instances where additional assistance may be necessary. Counselors work with the homebuyer through the entire process, including closing. Counselors will apply for down payment assistance through the Federal Home Loan Bank of Indianapolis on those instances where clients fulfill the income and credit requirements, and if and when funds are available.

Foreclosure Prevention Counseling Services.

This program is available free of charge to our clients. Counselors help individuals and families with their questions regarding notices they have received and explain the importance of consistent contact with their mortgage servicer. LaCasa specialists will screen the client to determine whether they are eligible for a non-HHF workout solution (considered an IFPN client) or if a client is a viable candidate for HHF.

- **Indiana Foreclosure Prevention Network (IFPN)** – Counselors help formulate a budget to determine whether clients can afford their home. Counselors will develop an action plan and workout plan along with the clients and will assist them in communication/negotiation with the mortgage lender. The communication between the counselor and client will continue until a successful workout with the lender has been achieved.
- **Hardest Hit Funds (HHF)** – A specialist will assist the client to collect and process all documentation required to submit a completed application and information packet to the Indiana Housing & Community Development Authority (IHCDA). The U.S. Department of the Treasury recently approved changes which have broadened borrower eligibility to include involuntary and substantial reduction in employment income due to divorce or death of a household member; significant expenses related to non-elective medical procedures or emergencies; military service. The program also provides assistance for eligible homeowners with unaffordable mortgage payments who obtain a short sale or deed-in-lieu of foreclosure from their lender and leave their home in a saleable condition. Elkhart County is one of 46 counties in the State of Indiana that have been classified as “hardest hit” making residents eligible for a larger amount of assistance than homeowners residing in other counties.

The Foreclosure Prevention program includes a foreclosure prevention workshop - This workshop provides a thorough introduction to LaCasa's Foreclosure Prevention Services. It also provides an overview of the loss mitigation climate, potential workout options and covers the Indiana Foreclosure timeline. In addition, the program offers document review sessions designed as a quick check-up opportunity for all clients, regardless of program, to verify that the information they'll need will be

available upon participation in HHF or IFPN. Clients may have as many document review sessions as needed until they are able to satisfy the program requirements.

Post Purchase Training

LaCasa's post purchase non-delinquency workshop teaches homebuyers skills to maintain homeownership. Students review the need to budget and save for emergencies and unexpected repairs. Home safety and energy saving tips are also discussed. This is a 3 hour class scheduled once per year targeting applicants in the Help-A-House program. Instructors include staff from Real Estate Development as well as Financial Capabilities Program.

Post Purchase Counseling

Individual post purchase counseling is available on request to help individuals and families with budgeting needs, questions regarding their particular refinance needs, escrow, and home rehab planning.

Loan Products and Grants

- **HOP (Homeownership Opportunities Program)** – Funds from the Federal Home Loan Bank of Indianapolis provide down payment assistance for families throughout Elkhart County. Recipients of this program are first time homebuyers under 80% AMI. Funds are limited and generally complement LaCasa's other lending products.
- **AMP (Accessibility Modifications Program)** - Funds from the Federal Home Loan Bank of Indianapolis to help senior homeowners and homeowners with disabled family members at or below 80% of area median income (AMI) with modifications to their homes to accommodate aging in place or permanent disabilities. Up to \$10,000 per household may be requested by a member with no match requirement.
- **Neighborhood Impact Program (NIP)** – Funds from the Federal Home Loan Bank of Indianapolis provide rehab assistance for families throughout Elkhart County. Recipients of this program are existing homeowners under 80% AMI and generally use these funds in coordination with local CDBG funds for owner-occupied rehab.

Owner-Occupied Rehab (HAH)

LaCasa's Help-A-Housesm program assists residents with rehabilitation costs related to their primary residence. Applications for the Help-A-Housesm program are dependent on Goshen City CDBG funds. HomeOwnership Center processes the client's program application through a comprehensive review and analysis of client's income, credit, equity and other requirements that may have been established by the CDBG contract. HomeOwnership Center is responsible for following HUD's guidelines in post-purchase non-foreclosure counseling. LaCasa's Real Estate Development staff conduct inspections and create a scope of work. Estimates are developed and in the case of loan financing, approval is obtained from LaCasa's loan committee. Financing is structured as a combination of loan, lien or grant depending on the source of funds used and the recipient's income. Volunteers, staff and contractors are used to complete owner-occupied rehab projects.

Homeownership Center / Financial Empowerment Center

Strategic Goal A

Promote Own Your Home Now program as a counseling as well as a consultation product for all Elkhart County residents.

Objective

To make LaCasa's Own Your Home Now program available to a greater number of people by actively engaging business partners and other LaCasa's LOBs.

Action Plan

1. Elaborate a marketing campaign to promote these services.
 - Marketing materials will comply with the new identity guide that will be provided by Development Department. Upon approval of Identity Guide, Client Services Department will recruit a small committee formed by members of this department as well as Development for completion and evaluation of the materials. These will be finalized by October of 2017.
 - Marketing materials will be available in paper and electronic formats, and will be posted in LaCasa's Website for easy reference.
 - All new marketing materials will be distributed to Asset Management, Immigration and CB&E LOBs. These brochures will be made available in all LaCasa's locations.
2. Elaborate a list of at least 5 business partners and 5 other important contacts in our community that should on a regular basis be updated on program news/updates.
3. By March of 2017, finalize a fee-for-service chart that will clearly identify the services available to all those families and individuals hoping to buy a property. This chart will include fees for credit reports, 1:1 counseling, 1:1 consultation, homebuyer education. This chart will also clearly identify a fee waiver structure for extremely low income clients.
4. Promote services through radio spots at the local Latino Stations to increase and attract new customers.
5. In partnership with Development Department, strategize the number of partner banks that may potentially participate in person in Own Your Home Now workshop as a way to increase funding opportunities and expand the scope of knowledge offered in the workshops.
6. By January of 2017 LaCasa will include in its website an online link to complete homebuyer education. Reference will be made to eHome America as well as Framework in an effort to clearly state the options that can assist homebuyers with educational tools to comply with lending underwriting requirements.
7. In partnership with Development Department, LaCasa's website will update the Homeownership Section by March of 2017 and then again once the visual identity guide is finalized, to include OYHN program, promote the requirements to participate, and ways to contact and schedule 1:1 appointments with housing counselors.

Strategic Goal B

Apply for a new Assets for Independence grant specifically for Home Ownership.

Objective

To gain access to additional match savings resources to open new accounts that would assure the continuity of IDA homeownership clients.

Action Plan

1. Utilize \$100,000 of funds already deposited at LaCasa to be utilized as part of the match funds for a new AFI application.
2. Work in partnership with Development Department and the rest of Management Team to use the \$100,000 of 2016 IDA Tax Credit funds to be used as part of the match funds for the AFI application.

3. Coordinate with Development Department the completion and submission of the new AFI IDA application in the spring (April/May 2017) AFI grant cycle. This new AFI IDA for Homeownership LaCasa will utilize \$200,000 of non-federal funds to request an equal amount of AFI federal funds creating a new project in the amount of \$400,000. By Fall of 2017 this project could bring \$60,000 in administrative support and will produce 85 new AFI IDA accounts.

Strategic Goal C

Assist economically vulnerable families in Elkhart and surrounding counties with counseling or consultation services necessary to help them avoid foreclosure.

Objective

Help economically vulnerable families who are facing foreclosure proceedings connect to the Hardest-Hit Program, or process them through the Indiana Foreclosure Prevention Network to avoid losing their homes. For families who no longer qualify for either of these State-based programs, offer the opportunity to process their loss mitigation packet through a consultation path with LaCasa's foreclosure experts.

Action Plan

1. Work with IHCD, according to the parameters established in the HHF and IFPN contracts to attract, process and submit potential beneficiaries of these programs. The Foreclosure Counseling program will process 200 referrals, and cure 80 mortgages.
2. By April 2017, LaCasa's Foreclosure program will have elaborated a fee-for-service consultation path for those families or individuals who are facing foreclosure and who need assistance navigating the process, but do not qualify for either of the state-based programs. The process and fees in this program will be similar to those that IHCD establishes in their contracts. LaCasa will also establish a fee waiver protocol for extremely low income families. Program processes and procedures will be elaborated and completed by April of 2017.

Strategic Goal D

Implement Assets for Independence for Post-Secondary education with Goshen College

Objective

151 Goshen College students will gain access to the AFI IDA accounts reducing their dependence on student loan debt, providing access to financial education and access to one-on-one financial coaching services.

Action Plan

1. Educate the entire IDA team that would be actively participating and partnering with Goshen College in the details of the IDEA Project. Designate two primary contacts at LaCasa, who, in partnership with the Admissions and Financial Aid offices will be responsible for contacting students, opening, processing, and closing accounts.
2. Follow the Activity Timeline established in the Project Description to meet project milestones.
3. By November 2016 have a well-established regular meeting schedule with LaCasa's IDA team and Goshen College key staff.
4. Submit monthly reports to Goshen College on the financial status of the project as well as the level of student engagement. Submit both PPR and Financial Reports through GrantSolutions as mandated by AFI authorities.

Strategic Goal E

Research further AFI for Post-Secondary Education through the National Pilot

Objective

Increase the opportunity not just to potentially attract new educational institutions to post-secondary savings accounts but to simplify program processes and procedures that would make partnership with LaCasa and the AFI model more attractive and self-sustainable.

Action Plan

1. Participate in the conference calls, or in-person meetings with the Leadership of Earn-to-Learn staff in order to stay informed, up-to-date and determine feasibility of success.
2. Actively engage key staff at Goshen College to strengthen collaboration and determine possibilities of continuing IDA model through the National Pilot rather than standard-AFI grant application.

Strategic Goal F

Research opportunities to provide Small Dollar Lending to residents of Elkhart County.

Objective

Engage families already identified by United Way as ALICE (Asset-Limited, Income-Constrained but Employed) avoid usage of predatory payday lenders by giving them access to small dollar loans that are affordable, meet their immediate need and potentially expose them to financial counseling and coaching services.

Action Plan

1. During the spring of 2017 meet with IACED to research the possibility of developing an Elkhart County small dollar business model.
2. Before October 2017 meet with at least 2 local financial institutions to explore partnership possibilities and gauge the level of interest for these partners to fund a revolving pool of capital to launch this service in Elkhart County.
3. Actively research other opportunities through the Corporation for Enterprise Development (CFED) that may be offered at the national level that would allow us to gain access to other sources of capital and/or efficient business models.
4. By March 2017 present a plan to Management Team about the processes needed to apply and obtain accreditation through the Indiana Department of Financial Institutions. This information will be key for Management Team to determine the key factors and responsibilities for the development of this small dollar lending program.

Strategic Goal G

Adopt the Financial Empowerment Center as the main umbrella under which all HomeOwnership Center services are offered.

Objective

By moving our services under the Financial Empowerment Center umbrella we can better communicate the reality of our services, the impact that our programs have in our community, and enhance the messaging to our clients and funders. This will allow us to align to national initiatives that aim to reach broader audiences and further increase financial stability in the most vulnerable populations we serve.

Action Plan

1. Coordinate with Finance Department the division of activities that fall exclusively under homeownership from those that fall under IDA. This will allow LaCasa to better identify and track anticipated growth with IDA (post-secondary education, financial education and coaching).
2. Work closely with Development Department in identifying the visual identity guide that will be utilized as the foundation for the design of all new Financial Empowerment Center materials.
3. A strategic plan will be elaborated by the end of April 2017 that will include information such as but not limited to,
 - Definition of activities that fall within Financial Empowerment
 - Guide to Client Services team that would clearly identify the language to be used when promoting the Financial Empowerment Center,
 - Suggestions/comments of potential changes/updates to stationary
 - Proposed marketing campaign to launch the Financial Empowerment Center
 - Timeline for full adoption of the Financial Empowerment Center across the agency.
4. Utilizing the visual identity guide (summer/fall 2017), create or update program brochures such as,
 - Money for Life
 - Own Your Home Now Workshop
 - Own Your Home Now Program
 - IDA for homeownership
 - IDA for post-secondary education
 - Foreclosure Counseling/Consultation
 - Financial Coaching
 - Down payment opportunity programs
5. In partnership with Development Department (summer/fall 2017), update LaCasa's website to reflect the Empowerment Center. This will entail things like, but not limited to,
 - Update all pages related to the aforementioned programs
 - Definition of what the Financial Empowerment Center offers to the community
 - Links throughout the various LOB to connect potential clients back to the Financial Empowerment Center homepage.

Strategic Goal H

Create Personnel Development Plans for each member in the Financial Empowerment Center to clearly identify accreditation and training needs.

Objective

Over the past 5 years, since the implementation of the Dodd Frank Act, federal and local authorities have evolved and created different educational and certification paths for homeownership and financial counselors, and class instructors. It is expected that HUD will publish the final rule on Counselor Certifications in 2017 that would require every counselor working for a HUD counseling agency (whether or not working in homeownership) to pass an accreditation exam. Additionally national intermediaries with whom LaCasa has strong relationships are becoming much more rigid in their educational requirements. For this reason, staff must have a well-planned, well elaborated development plan to track the attainment of accreditation, and to guarantee that enough CEUs are earned on a yearly basis to maintain accreditation.

Action Plan

1. By January 2017 establish an Outlook calendar of training events that would allow the entire team to review the National Industry Standards, HUD’s Counseling Handbook, NeighborWorks Training Division, Indiana’s Education and Licensing Procedures and Standards (INHELPS). This Outlook calendar will be presented to all Financial Empowerment Center staff by December 2016. The calendar will include strategic training sessions on a monthly basis.
2. Based on each counselor/coach job description, determine which certifications are required for his/her job.
3. By the end of March 2017, develop an individualized chart and plan that would outline the minimum requirements needed to maintain each certification needed, identify those certifications already attained and those that need yet to be achieved, as well as the list of courses/activities needed to both keep and attain certifications. This chart and plan will clearly identify the number of CEUs needed to maintain each certification, and the timeframe under which it will be expected for each staff to achieve them.

B. Community Building and Engagement

Staffing

1.0 FTE

Neighborhood Organizer – José Elizalde

1.0 FTE

Strategic Goal A

Residents of neighborhoods will be sufficiently knowledgeable, capable and confident to solve problems and build on the strengths of their neighborhoods.

Objective

Host residents at the annual NeighborWorks Community Leadership Institute where they will attend professionally led workshops and learn best practices for neighborhood revitalization. They will return to their local neighborhoods to complete a project.

Action Plan

1. Identify neighborhood leaders able to participate
2. Make travel arrangements and escort participants to the CLI conference
3. Guide participants in the process of creating and implementing their project

Objective

Share resources and host Neighborhood Leadership events to provide training and networking opportunities.

Action Plan

1. Host two Neighborhood Leaders’ Brunches
2. Update LaCasa, Inc. website and use it as a resource center for Neighborhood Associations

Objective

Encourage and strengthen Shanklin Millrace Neighborhood Association

Action Plan

1. In conjunction with City Departments address community concerns such as blight, crime and safety
2. With the assistance of the neighborhood association leaders revisit the organizational structures and create community building activities
3. Conduct a leadership training course

Objective

Assist East Lincoln Crossroads Neighborhood Association to be attractive to new homebuyers and be a neighborhood of choice.

Action Plan

1. In conjunction with the Neighborhood Association, other LaCasa, Inc. lines of business and stakeholders create a strategic plan to change negative community perspectives
2. In conjunction with City Departments address community concerns such as blight, crime and safety
3. Establish neighborhood baseline measures using “Success Measures” survey tools

Strategic Goal B

Leadership teams in Neighborhoods that LaCasa partners with will reflect the ethnic/racial diversity within the association’s boundaries.

Objective

With the assistance of a IUSB senior intern, provide opportunities for intercultural engagement via the Maple City Cultural Festival

Action Plan

1. In conjunction with neighborhood associations, City of Goshen Community Relations Commission and local community businesses create a working committee
2. Guide the creation and implementation of the festival

Objective

Build trust and empower the Latino community to greater civic engagement via Citizenship Classes

Action Plan

1. Conduct three Citizenship Classes per calendar year serving a total of 45-50 students
2. Establish a peer support group via Facebook
3. Promote the full range of LaCasa, Inc. services to participants

Objective

Serve as the Latino cultures and intercultural dialogue expert

Action Plan

1. Encourage neighborhood associations to think about their diverse population as they create and implement community events
2. Provide written materials to neighborhood leaders to embrace cultural competence

Objective

Build trust and empower the Latino community by offering a Business Readiness workshop

1. In conjunction with the Latino business community create a working committee to recommend curriculum
2. Guide the planning and implementation of the workshop

Strategic Goal C

Chamberlain Neighborhood will be attractive to new homebuyers and be a neighborhood of choice.

Objective

Support neighbors in the implementation of the Marketing Plan.

Action Plan

1. Create one beatification project on North Main Street
2. Create one welcome to Chamberlain Neighborhood sign

Objective

Support neighbors by continue to work with the City of Goshen and stakeholders to address social issues.

Action Plan

1. Address issues related to crime in cooperation with the Goshen Police Department
2. Assist the neighborhood to address issues of safety and upkeep of properties
3. Support efforts of stakeholders willing to invest time and energy in the neighborhood

Objective

Conduct a final assessment of the Marketing Plan impact in the Chamberlain Neighborhood.

Action Plan

1. Survey and complete the Success Measures report
2. Analyze data and distribute final report

Strategic Goal D

Staff will work with neighborhood associations to develop or confirm established impact measures to document neighborhood improvements for CB&E/neighborhood partnerships

Objective

Confirm measurement criteria valued by neighborhood residents and conduct baseline measures.

1. Pilot a review of success measures with the East Lincoln Crossroad Neighborhood Association
2. Conduct the housing condition survey by April 2017 with Real Estate Development staff
3. Conduct the door to door resident survey by May 2018

C. Asset and Property Management

Staffing 9.6 FTE

Vice President of Asset Management – Alan Greaser	1 FTE
Property Manager – Carole Hoel - Elkhart	1 FTE
Property Manager – Danielle Acker - Goshen	.6 FTE
Property Manager – Drew Perkins – Goshen	1 FTE
Assistant Property Manager – Betsy Martinez	1 FTE
Leasing Assistant – Vilma Smole	1 FTE
Maintenance Technician – Kevin Morris	1 FTE
Maintenance Technician - Eric Stoltzfus	1 FTE
Maintenance Technician – Blaine Messick	1 FTE
Maintenance Technician – Bill Lehman	1 FTE
Resident Services/Facility Coordinator – Pam McGregor	1 FTE

Programs and Services

LaCasa’s rental program provides the Goshen and Elkhart communities with quality, affordable rental housing. LaCasa continually works to maintain all our rental properties at a standard that contributes to our tenant’s quality of life and neighborhood appearance. The portfolio includes:

- **Roosevelt Center** (35 Units)

- 215 E Indiana, Elkhart. Opened in November 2008. 1, 2 & 3 bedrooms with rents from 30% AMI to Market.
- **Water Tower Place** (52 Units)
320 LaSalle St, Elkhart. Opened May 2008. 1, 2 & 3 bedrooms Senior Apartments with rents from 30% to Market.
 - **Lincoln Ave Redevelopment** (28 Units + Commercial Space leased to ADEC, Inc.)
112 & 210 East Lincoln Ave, Goshen. Opened May 2007. Efficiency, 1 & 2 Bedroom Apartments with rents from 30% - 60% AMI.
 - **Arbor Ridge Apartments** (72 Units + Commercial Space leased to CCYC)
Arbor Court, Goshen. Opened in July 1999. 1, 2 & 3 Bedroom Apartments with rents from 50%-60% AMI.
 - **Elkhart Properties** (24 Units + Commercial Space: 1 at 516 S Main, 5 at Roosevelt Center West Wing – Current tenants include Bashor Homes and MyHoodNeedzMe.
516 S Main, 169 State St. Acquired in Dec 2008. 1 & 2 Bedroom Apartments with rents from 50%-60% AMI. 4 Scattered Site addresses.
 - **Scattered Sites** (36 Units)
32 Goshen addresses. 50% AMI and Market
4 – 1 bedroom and 2 Efficiency units at 412 E Lincoln, Goshen. 50% AMI
 - **Permanent Supportive Housing** (31 PSH Units + 2 Resident Manager)
 - Lincoln West Apartments, 1101 W Lincoln, Goshen. Acquired 2010. 0 & 1 Bedroom Apartments with Shelter+Care Rental Assistance
 - Westplains Apartments, 1775 Westplains, Goshen. New Construction CofO January 2014, 0 & 1 Bedroom Apartments with Shelter+Care Rental Assistance
 - Chapman Ave Apartments, 114-116 Chapman Ave, Elkhart Rehab CofO June 2013
 - **Hawks Arts and Enterprise Center** (35 Units)
215 W Madison, Goshen. Opened April 2015. 1 & 2 bedrooms artist live/work apartments with rents from 30% to Market.

Strategic Goal A

Meet or exceed portfolio performance targets for: Operating Expenses, Turnover, Occupancy and Collections

Property Management Monthly Board Metrics: _____

2017	Expenses % of Budget	TURNOVER Move-outs/total units			OCCUPANCY			COLLECTIONS*		
		Property	YTD	Month	YTD Actual	Budget ytd/# units	Month	Goal	YTD	Month
Hawks										
Arbor Ridge										
Lincoln Ave.										
Roosevelt Center										
Water Tower Place										
Scattered Sites										
Elkhart Properties										
PSH Combined										
Weighted Ave.										

Objectives

1. Communication

Action Plans

- Distribute accurate and timely data to team members weekly, monthly and quarterly
- Weekly team meetings to coordinate activities, set goals and explain actions
- Bi-weekly meeting between VP and Property Managers to look specifically at individual portfolio and staffing situations
- Include NeighborWorks quarterly MFI results in the Monthly Board Report following its completion highlighting Bin results for target areas

Quarterly NeighborWorks Bin Rating

2017	EXPENSES: Per Unit Per Year		TURNOVER		Ave Days Vacant		VACANCY LOSS		COLLECTIONS		Debt Service Coverage	
	PUPY	BIN	MO's	Bin	ADV	Bin	YTD	Bin	YTD	Bin	DSC	Bin
Weighted Ave.												

The number of Bin 1's (good) vs. Bin 4's (bad) compared to same quarter last year

2Q16 – 12 Bin 1's and 15 Bin 4's (out of 56 total scores)

2Q15 – 10 Bin 1's and 22 Bin 4's (out of 49 total scores)

Review progress toward budget and management goals with special attention to watch list properties or critical situations monthly with Asset Management Team and Management Team

2. Implementation

Action Plans

- Engage in necessary marketing activities to support occupancy goals
- Maintain adequate and appropriately trained staff to support targets

- Modify or adjust course as necessary given market conditions or changes encountered beyond our control

Strategic Goal B

Asset Management staff will participate in and support the Real Estate Development (RED) team in its development of additional affordable housing units and prepare for marketing and leasing activities in 2017-18 (RED timeline will dictate timing of activities)

Objectives

Incorporate units into portfolio that follow existing protocols and preferences with sensitivity to energy efficiency and low maintenance goals

Action Plans

1. Vice President of Asset Management will participate in preliminary planning and decisions regarding unit design, amenities and grant commitments
2. Maintenance staff will be consulted when considering specifications for new buildings or when doing major rehab of existing properties
3. Property Managers will provide input to development team based on leasing, inspection experience and tenant feedback

Create a tenant investment plan and special needs agreements that meet grant requirements and maximize benefits and opportunities for tenants

Action Plans

1. Determine grant requirements and expectations
2. Solicit MOU's or other documentation from sister organizations that collaborate goals, objectives and covenants

Lease all available units as soon as possible and in accordance with all grant compliance requirements

Action Plans

1. Create and execute a marketing plan within budget and in line with construction completion dates
2. Utilize existing networks and develop new contacts to better engage the target tenant population

Strategic Goal C

Analyze and implement Asset Management Line of Business processes that position us for growth and higher performance

Objectives

Create a staff development plan that puts LaCasa in a position to manage 450 units by December 2019

Action Plans

1. Create a calendar of events for individuals, sub-groups and whole team trainings and team building
2. Conduct annual performance reviews from which employee specific goals and objectives are drawn

Transition to new property management software

Action Plans

1. Make decision on new product by December 2016
2. Plan and implement transition to new software in coordination with Finance Department scheduling

Strategic Goal D

Explore the development of a Resident Services Program for LaCasa in Goshen

Objectives

Coordinate connectivity between LaCasa Financial Empowerment Center and tenants in LaCasa properties

Action Plans

1. Implement rent reporting to credit bureaus as an option for our tenants
2. Implement “your last rental” or similar program to connect interested tenants to home ownership options and IDA accounts with LaCasa
3. Promote Financial Capabilities classes to tenants

Develop a clear understanding of what a Resident Services Program does and does not provide to LaCasa tenants

Action Plans

1. LaCasa staff involved in Resident Services will attend NeighborWorks convening
2. LaCasa staff involved in Resident Services will participate in Technical Assistance activities benchmarking other NWA organizations with Resident Service Programs

Strategic Goal E

Participate in the 2017 Permanent Supportive Housing Institute as preparation for a 2018 project in partnership with Oaklawn and Elkhart City

Objectives

Be awarded 1 of 7 slots for the Training Institute

Action Plans

1. Meet with representatives from ihcda and Oaklawn in preparation for completing the application Date TBD by ihcda
2. Assemble team, complete and submit application by December 5, 2016
3. Selection to be announced on January 27, 2017

Successfully complete requirements of institute resulting in a funding ready project

Action Plans

1. Team will attend five 2 day institute sessions in March, April, May, June and August
2. Determine best project location and secure site by July 2017
3. Complete assignments and prepare project documents to be used in funding application

D. Real Estate Development

Staffing: 4 FTE

Vice President of Real Estate Dev. – Brad Hunsberger	1 FTE
Housing Development Mgr. – Aaron Lehman	1 FTE
Carpenter - Mark Morris	1 FTE
Grounds – Shane O’Connell	1 FTE

Programs and Services:

Real Estate Development includes conceptualizing the project, selecting and acquiring property, managing design, arranging financing and overseeing construction. A wide range of projects move

through this line of business from concept to completion of construction. Properties held by LaCasa will, at completion: transfer to Asset Management as rental stock, be sold through LaCasa's HomeOwnership Center, or be sold on the open market. Projects managed, but not owned by LaCasa include properties developed for other organizations or rehab projects for homeowners.

STRATEGIC GOALS

Strategic Goal A

LaCasa will complete the rehabilitation of 5 multifamily buildings in Goshen's East Lincoln corridor and we will develop 20 units of affordable rental housing in these buildings by June 2018.

Objectives

1. Manage the rehabilitation of multifamily buildings in Goshen's East Lincoln corridor to provide quality affordable housing, support city revitalization efforts and stabilize neighborhood housing values.

Action Plan

- **May 2016** Received a HOME grant for the rehabilitation at 408 E. Lincoln
- **September 2016** Received release of funds from IHCD
- **October 2016** Begin construction on 408 E. Lincoln
- **October 2016** Complete winterization work on 410 E. Jefferson
- **November 2016** Develop full scope of work for 418 S. 7th St. Begin work on flipping units.
- **November 2016** Complete roof replacement on 114 S. 7th and 418 S. 7th St.
- **January 2017** Develop full scope of work for 213 S. 7th St. and 410 E. Jefferson
- **March 2017** Complete 5 units at 408 E. Lincoln and release to asset management
- **May 2017** Complete work on 3 units at 418 S. 7th St.
- **June 2017** Begin rehabilitation on 213 S. 7th St. and 410 E. Jefferson
- **May 2017** Begin rehabilitation of 114 S. 7th
- **November 2017** Complete construction on 410 E. Jefferson St.
- **December 2017** Complete construction of 213 S. 7th St.
- **February 2018** Complete construction on 114 S. 7th St.
- **April 2018** Complete the project with 20 occupied high quality downtown units.

Strategic Goal B

Utilizing Low Income Housing Tax Credits, complete the north part of the Hawks building in Goshen into 23 units of artists live work housing. An expansion of our very successful Hawks South project completed in 2015.

In addition to the Hawks building we will construct 8 lease purchase single family homes on infill city lots. The project, completed by December 2018, will be comprised of 31 total units split between the two facets of the overall project.

Objective

Submit a winning project application that maximizes functionality, tenant appeal and sustainability of the project long term. Provide all construction management, volunteer leadership, on time and on budget to assure completion.

Action Plan

- **October 2016** Finalize grant application including architect drawings
- **November 2016** Submit application for funding to IHEDA on Nov 1st
- **February 2017** Award announcement in late February
- **March 2017** Apply for AHP funds from Federal Home Loan Bank
- **July 2017** AHP award announced
- **August 2017** Release architect and engineer to develop full construction documents
- **Sept-Oct 2017** Finalize construction bidding on both facets of the project.
- **Sept- Nov. 2017** Complete the Due diligence review process with our equity partner.
- **December 2017** Close on equity and complete the transfer of all properties.
- **December 2017** Begin construction on the North end of the Hawks building
- **March 2018** Begin construction of the 8 single family houses
- **November 2018** Complete construction of the North side of Hawks building
- **March 2019** Complete construction of the 8 single family houses

Strategic Goal C

LaCasa Real Estate Development team will support the preservation of home ownership and neighborhood stability by facilitating the repair of 10 owner occupied homes with the most efficient use of financial, community and natural resources by December 31, 2017.

Objectives

Manage and complete 10 Owner Occupied Rehab project for Goshen City homeowners under the Help-a-House program using City CDBG funds, donations and volunteer labor.

Action Plan

1. In cooperation with LaCasa Home Ownership and Development staff the Real Estate Development team will coordinate home rehab and repairs for qualified clients.
2. Supervise volunteer contractors and helpers to maximize value to homeowners and volunteers.

Strategic Goal D

Real Estate Development staff and volunteers will support Asset and Property Management throughout the year with capital projects and apartment unit flips.

Objectives

Assist Asset and Property Management with projects that fall outside of the typical maintenance activities for occupied units.

Action Plan

1. Maintain good scheduling communication with the Asset management team
2. Coordinate the use of volunteers when feasible
3. Produce quality units for rent

Strategic Goal E

Manage the Elkhart County Blight Elimination Program throughout the acquisition/demolition/ and property disposition process.

NOTE: All indications from IHCD and discussions with other BEP programs indicate that this program will be extended from the original end date of 12/31/17 to a date in the future TBD but most likely 2019 or 2020. More details to follow as they are learned.

Objectives:

1. Complete the acquisition and demolition of 50 properties in Elkhart County in conjunction with the City of Elkhart and Elkhart County by March 31, 2017
2. Acquire and demolish an additional 20 properties in Elkhart County by the end of 2017
3. Develop disposition plan for completed demolitions in preparation for expiration of IHCD mortgage 12/31/17

Action Plan

1. Complete the demolition of the 40 properties acquired in late 2016 by March 31, 2017
2. Work with partners to acquire 20 more properties for demolition in 2016
3. Coordinate the disposition of the resulting vacant lots to the identified end user
4. Retain selected properties in LaCasa Real Estate Holdings LLC for future LaCasa production pipeline.

Strategic Goal F

Develop an application for HOME grant funds from IHCD to produce a multi-family building in Elkhart County.

Objective

Submit a winning project application that maximizes functionality, tenant appeal and sustainability of the project long term. Provide all construction management, volunteer leadership, on time and on budget to assure completion.

Action Plan

- **November 2016** Convene the Development team and process potential sites
- **December 2016** Decide on location and program for selected project
- **January 2017** Achieve site control of selected property and begin zoning process
- **January 2017** Hire architect and complete pre-development work
- **March 2017** Finalize pre-development work in preparation for grant application
- **April 2017** Complete grant application and submit for HOME funds
- **May 2017** HOME award announced
- **July 2017** Receive release of funds from IHCD
- **July 2017** Release architect and engineer to develop full construction documents
- **Sept-Oct 2017** Finalize construction bidding on the project.
- **October 2017** Begin construction
- **March 2018** Complete construction.

Strategic Goal G

Update Real Estate Development procurement and compliance policy.

Objective

Develop procurement and grant management compliance policies that adhere to funding sources established policy requirements. Develop project management policies that address coordination, scheduling, and financial monitoring.

Action Plan

- **December 2016** Lay out the outline for the modification
- **April 2017** Convene the team to discuss existing policies and modifications
- **June 2017** Present draft revised policies and new policies to support objective
- **September 2017** Complete project and present to IHEDA for approval per CHDO regs

Strategic Goal H

Establish partnership with MDC Goldenrod for the development and ownership of real estate to support their mission

Objective

Partner with MDC Goldenrod to re-develop their existing real estate portfolio with a variety of funding sources and program requirements.

Action Plan

- **November 2016** Sign consulting contract with MDC to provide our services
- **November 2016** Participate in a design charrette process with MDC and Troyer Group
- **January 2017** Proceed with requisite survey work and site plan development.
- **March 2017** Present plan to City of Goshen for re-zoning/PUD development
- **June 2017** Develop plan for funding, schedule, clientele

Strategic Goal I

Reach out to leaders of Middlebury and Nappanee and offer our services for the development of affordable housing in their jurisdictions.

Objective

Develop affordable housing in either Middlebury or Nappanee as needed and desired by leaders of each community.

Action Plan

- **December 2016** Reach out to meet with the leaders of Middlebury and Nappanee
- **January 2017** Explore opportunities in each community as desired.
- **March 2017** Select site and plan that best fits needs of community
- **June 2017** Develop plan for funding, schedule, clientele to be served
- **August 2017** Gain site control on selected property/properties to be developed
- **Fall 2017** Develop application for funding for 2018 cycle
- **2018** Apply for funding for select project.
- **Late 2018** Receive funding and begin full development

Strategic Goal J

Partner with Elkhart County Government for the provision of safe drinking water to the Prairie Creek Neighborhood in Elkhart.

Objective

Provide project management and grant support for the project.

Action Plan

- **January 2017** Engage Elkhart County Government officials for project
- **February 2017** Convene stakeholders in the project including residents.
- **March 2017** Develop a plan for funding the required work
- **August 2017** Apply for funding in cooperation with Elkhart county and Anne Mannix
- **March 2018** Receive funding and begin project
- **2018** Apply for funding for select project.
- **Late 2018** Receive funding and begin full development of project.
- **2019** Complete project.

Strategic Goal K

Capitalize on opportunities for acquisition of property thru Sherriff's sale and tax sale

Objective

Support neighborhood stabilization by addressing delinquent properties and bringing them to productive use.

Action Plan

1. Throughout year review sheriff's sale offerings and bid on the acquisition of selected sites.
2. Review tax sale properties and present a plan for bidding on selected properties.
3. Work with the city of Elkhart and Goshen on the tax deed process for properties not claimed during public sale.

D. Immigration Services

Staffing – 1.50 FTE

Immigration Counselor	Karen Viveros	.75 FTE
Front Desk	Carol Laxton	.50 FTE
Vice President of Client Services	Rocio Arevalo Espinosa	.25 FTE

Programs & Services

1. File Immigration Documents:

Clients will be informed of the filing process and must agree to the terms of representation in order to begin the application preparation process. Counselors will screen all individuals for eligibility. Forms will be completed accurately and thoroughly, paying special attention to detail. LaCasa will maintain records of all cases filed with United States Citizenship and

Immigration Services (USCIS) and will provide a copy of the packet to the client. LaCasa counselors also stay abreast of current filing fees and procedures. LaCasa accepts various types of cases for filing with USCIS including:

- Naturalization – When filing applications for Naturalization, counselors screen clients for eligibility and determine whether any red-flag issues exist which need to be addressed before filing the form. Naturalization clients may be represented by an immigration counselor who provides Form G-28 (Notice of Representation) to USCIS, allowing the counselor to contact USCIS on the client's behalf should the need arise.
- Family Petitions - Representation will be provided to individuals filing an Immediate Relative petition. Individuals filing other types of petitions will be advised and assisted in completing the form in order to file a completed packet, Pro Se.
- Temporary Protective Status (TPS) - Due to the nature of this temporary status, LaCasa counselors stay informed of relevant registration and re-registration periods. Each time USCIS extends status for another term to current TPS holders, LaCasa counselors file re-registration packets for interested individuals. If new registration periods are opened for other countries, counselors will likewise provide services to eligible individuals. TPS holders will be formally represented by a LaCasa counselor before USCIS.

2. Translate Documents

Spanish translation services are provided to LaCasa clients, as well as to other individuals when time allows. All documents provided to USCIS must be translated into English. For those documents provided by clients in Spanish, LaCasa counselors provide certified translations to accompany application packets submitted to USCIS. Translated documents may include birth, death and marriage certificates, as well as divorce decrees, passports and driver's licenses. Individuals seeking translations for other purposes are charged a fee for certified translations. Clients providing documents in any other foreign language will be referred to the MIX (Multicultural Information Exchange) at the American Red Cross to obtain certified translations.

3. Question and Answer Appointments

LaCasa immigration counselors provide consultation services to individuals seeking information on the immigration process. LaCasa counselors provide accurate and up to date advice on immigration related questions. When an answer cannot be immediately provided, counselors agree to research the topic and follow-up with the client at a later date or the client will be referred to another accredited organization or attorney's office for a more in-depth case analysis.

Strategic Goal A

LaCasa's Immigration Program will generate a more intentional and deliberate partnership with other lines of business.

Objective.

Enhance the presence of our Immigration Counseling services to other LOB that may have access or regular contact with our immigration community.

Action Plan.

1. The immigration department will set up quarterly meetings with other members of various LOB, such as but not limited to Community Building and Engagement, Asset Management, Financial Empowerment Center and Development Department. During these meetings we will share news happening in the immigration community as well as talk about possible ways to enhance relationships and the potential transfer of clients among LOBs.

2. During the Citizenship Classes, one member of the Immigration Department will assist with the introduction of LaCasa's Immigration Services, speaking about the processes when filing Naturalization Paperwork, and talk about the dangers of using unaccredited immigration services.

Strategic Goal B

Our Immigration Department will meet with 500 clients.

Objective.

It is only through the active One-on-One meetings and Q&A sessions that we can identify eligibility of potential cases that can be handled by our Accredited Staff. 500 Q&A could generate approximately \$15,000 in revenue for the department

Action Plan.

1. Both our Accredited Counselor and our Front Desk Assistant will regularly coordinate the appointments calendar to maintain an active and consistent flow of available Q&A appointments.
2. Front Desk Assistant will regularly send messages, emails and/or phone call reminders to all clients that have an appointment with our immigration services for the first time.
3. Accredited Counselor will keep track of all the appointments she schedules in the LLX database and will report on those on a monthly basis.

Strategic Goal C

Our Immigration Department will select process 250 cases before USCIS and/or the Department of Justice.

Objective.

Allow families that meet the requirements for adjustment of status or who may qualify for any other immigration assistance fully obtain the maximum benefits allowed by law. Each process brings different amount of funds to the department, but it is estimated that solid cases throughout the year could generate between \$60,000 to \$72,000 dollars in revenue. The immigration department will process cases that follow under these categories:

1. Deferred Action for Childhood Arrivals
Naturalization
2. TPS (Temporary Protective Status)
3. Adjustment of Status
4. Employment Authorizations
5. Petition for Fiancé(e) Visa

Strategic Goal D

The immigration department will partner with other local community leaders who are actively advocating for the betterment of our immigrant community.

Objective

Augment and promote the presence of good, reputable immigration services in our community, through strategic partnerships with not-for profit and for-profit immigration agencies and representatives, to better promote authorized immigration services.

Action Plan

1. Our immigration department will actively participate with the Michiana Immigration Coalition at least 6 times throughout the year in the delivery and promotion of high-quality, reputable immigration services.
2. We'll work in partnership with other not-for-profits in the support of local and/or national initiatives to support the expansion of immigration benefits to vulnerable populations.

Resource Development

Staffing: 2.2 FTE

Director of Development	Chris Kingsley	1 FTE
Volunteer Coordinator/Development Assistant	Kate Irelan	1 FTE
President/CEO	Larry Gautsche	.2 FTE

Background and Summary

LaCasa's Resource Development line of business maintains and cultivates LaCasa's relationships with stakeholders from the philanthropic, government, and business communities, as well as the community at large. It does this through donor relationship cultivation, philanthropic fund development, coordinating and hosting volunteers, public relations, marketing, and communications.

All efforts in the department will be focused on creating stable and sustainable philanthropic funding both in the near-term and the long-term. Activities related to agency visibility, public awareness, and relationship cultivation support the agency's ability to successfully solicit philanthropic support. Specific fund raising campaigns, strategies and techniques help meet the agency's current needs from the philanthropic community.

Departmental Activities

1. Donor cultivation and fund development

LaCasa's efforts to cultivate relationships with donors seek both to further LaCasa's mission and to serve the interests of philanthropically-motivated individuals, businesses, churches, foundations, and other entities. The relationship between a donor and a nonprofit includes a values exchange. The elements of this values exchange vary. A strong relationship allows this exchange to be fully realized.

LaCasa's donor relationship cultivation includes email and print communications, thank you letters and calls, donor appreciation events, and face-to-face visits. LaCasa has not had an organized plan for conducting and monitoring relationship cultivation. This is a current priority.

There are four major annual fund raising campaigns, which are (in order): 1) Help-A-House, 2) Neighborhood Assistance Program Indiana Tax Credits, 3) Individual Development Account Indiana Tax Credits, and 4) Year-End Campaign.

Help-A-House's visibility makes it particularly well-suited to business and church sponsorship. These sponsorships make up a large part of this campaign's results. As such, sponsorship structure and communicating results and value are key strategic considerations.

Both Tax Credit programs support programs operated by the Home Ownership Center. Donors receive a credit on their Indiana tax liability equal to 50% of their donation. All donation funds contribute to important LaCasa programs. However, much of these funds pass through to LaCasa clients and are unavailable for funding operations. The programs are attractive to financially-savvy philanthropists who appreciate the opportunity to leverage their donation's gross impact on funding important

programs, while minimizing its net impact on their personal finances. There is high demand for this program and credits are quickly claimed. A significant number of tax credit donors do not make other donations to LaCasa. Strategically, securing non-Tax Credit donations from this group would benefit LaCasa.

The Year-End Appeal is LaCasa's one unique annual fund campaign. It is a segmented appeal to LaCasa's donor base for general contributions to the agency. It consists of a direct mail appeal with follow up phone calling. Strategically, it is a high priority to do more work with donors throughout the year to secure the annual fund and decrease reliance on the competitive fund raising season at the year's end.

Many LaCasa donors make donations throughout the year, often in response to newsletters. These tend to be loyal, long-time donors. LaCasa also applies for grants throughout the year to garner financial support for programs through corporate foundations.

2. Volunteer Coordination

LaCasa has a mission that is shared by many in the community. Facilitating volunteer involvement in completing the mission gives stakeholders an experience that more deeply connects them with the agency. People who volunteer at LaCasa may also choose to donate money. General research shows this correlation to be strong. LaCasa's volunteer coordination program works to facilitate donations of time and skill in a way that furthers the agency's mission.

Because of the limited FTE available for volunteer coordination efforts, LaCasa focuses its efforts on the two volunteer profiles that most impact the mission. These are: 1) volunteers with willingness to volunteer on a recurring basis and skills that further aspects of LaCasa's mission, and 2) volunteers who have capacity to give financially and/or make connections to others who may give, but for whom a concrete interaction with LaCasa's work will help inspire this engagement.

LaCasa is well-suited to host volunteers at construction and landscaping sites, in governance and steering capacities, in joint educational efforts, and in professional capacities when there is a significant commitment to recurring contributions of time. LaCasa's featured volunteer event is the Help-A-House Community Work Day, which has traditionally been held on the second Saturday of May. Frequently, groups from churches, businesses, and colleges are hosted at LaCasa construction or rental sites.

3. Public relations, Marketing, and Communications

LaCasa's ability to positively impact individuals, families, and neighborhoods is tied to the public's awareness and perception of the agency. Public relations, marketing and communications, present and articulate LaCasa and its work to the broader community. LaCasa works to promote awareness at a low cost. Tactics include: maintaining LaCasa's website, media press releases, print communications, email newsletters, presence and activity on social media, and occasional advertising through radio.

Print newsletters are sent three times per year to a distribution list of more than 2,000 recipients. LaCasa subscribes to Constant Contact, which enables us to do manage an email distribution list and send periodic e-newsletters. This is new and will be a growing channel for LaCasa communications. Every March, LaCasa creates an annual report that summarizes the previous year's results and recognizes supporters in a concise, attractive format. This is released at LaCasa's Annual Meeting, which is another important publicity and public relations activity. This meeting typically hosts 200 or more LaCasa supporters for a luncheon where they can hear updates on LaCasa and success stories

from recipients of LaCasa's services. This meeting has done well attracting LaCasa's business partners and is conducive to sponsorship. Going forward, we aim to increase attendance of individual LaCasa donors.

LaCasa's programs and services are newsworthy and we seek to keep the media informed of our activities. Events like Help-A-House and the Annual Meeting typically generate good media coverage. Activities in the Real Estate Development line of business are also well-suited for media coverage. Ground breakings and ribbon cuttings are good opportunities for visibility and awareness.

LaCasa has not invested significantly in advertising. There are opportunities to advertise through Google (Adwords) and Facebook at low costs and these will be explored going forward. At times, LaCasa may use traditional advertising outlets for specific visibility and brand-building campaigns.

Websites are increasingly the front door for businesses and agencies. LaCasa seeks to have a website that welcomes further engagement and informs of activities, programs, services, and opportunities. LaCasa's work on the website will focus on creating attractive and compelling first impressions and inviting concrete actions. Concrete actions include: 1) e-newsletter sign-up, 2) donation, 3) inquiry, 4) enrollment in services, and 5) expression of interest in volunteering.

Finally, LaCasa makes an effort to be present and visible at community events. Often, this includes setting up a table at an event where LaCasa representatives are available to talk about our programs and services.

Strategic Goal A

LaCasa donor relationships will be thoughtfully cultivated to invite growth in giving and involvement.

Objective

Ensure that relationships exclusively owned by President are passed on to the Director of Development or someone else on the Management Team.

Action Plan

1. Identify these relationships through examination of current significant donors
2. Set a schedule for joint meetings with 20 such donors in 2017.
3. Create donor profile notes in DonorPerfect at the time that these meetings take place.
4. Hold a series of 4 donor appreciation events in the fall of both 2016 and 2017 in which donors meet and hear from the Director of Development and one or two other MT members

Objective

Create and implement a donor cultivation plan that allows donors to connect more deeply with the agency's work and take steps to advance their levels of impact through giving or strategic volunteerism.

Action Plan

1. Hold above-mentioned donor appreciation events in 2016 and 2017. 2016's appreciation events will kick off the Director of Development's initial cultivation campaign.
2. Launch a cultivation campaign encouraging face-to-face meetings with donors where they can have a chance to talk about their connection with the agency and their dreams for its work and impact going forward. LaCasa's Director of Development will seek to meet with 60 donors over 3 months as part of this initial effort.

3. Define donor “touches” (meaningful contacts, including emails, calls, events, visits, meetings, etc.) and seek 7-10 touches for each of the top 200 current LaCasa donors in 2017.
4. Begin tracking donor face-to-face visits by the Director of Development, President, or other LaCasa spokesperson, as a key performance indicator for the department. We will aim for 10 such meetings per month in 2017.

Objective

Create a “moves management system” for categorizing donor relationships on a spectrum of engagement and strategically invite movement toward deeper engagement.

Action Plan

1. Define 4 – 6 categories of engagement for LaCasa donors, with the final being a major gift.
2. Move at least 30 donors into a higher category in 2017 through segmented communications that invite deeper engagement.

Strategic Goal B

The Resource Development Department will increase its contribution to LaCasa’s operational revenue. This contribution is defined as the net of Resource Development-generated operational revenue and costs associated with the line of business’s operations. Progress will be measured against the previous three years’ running average.

Objective

Increase revenue for the Annual Meeting by \$5,000

Action Plan

1. Increase table sponsorship cost from \$280 to \$500, while keeping the seat cost at \$35
2. Seek out a \$3,000 – \$5,000 event sponsor (or joint sponsorship)
 3. Board, management, Larry and Chris will make personal follow up calls to top 150 LaCasa donors and invite them to attend and bring a friend, increasing attendance and revenue

Objective

Maintain stable non-Help-A-House grant revenue relative to the 2013 – 2015 average.

Action Plan

1. Apply in October 2016 for a United Way of Elkhart County Grant to support The Home Ownership Center, CB&E, and Resident Services.
2. Apply in January or July of 2016 to the Wells Fargo Foundation for a \$10,000 grant to support the Homeownership Center.
3. Apply in early 2017 to the Old National Foundation for a multi-year grant of \$10,000 per year supporting Home Ownership Center services.
4. Apply in early 2017 to the PNC Foundation for a \$7,500 grant to support CB&E activity in the E Lincoln Corridor.
5. Apply in Early 2017 to the JP Morgan Chase Foundation for a \$15,000 grant to support Financial Capabilities
6. Apply in September of 2017 to the Walmart Foundation for a \$25,000 grant to support the Home Ownership Center.
7. Apply in October 2017 for a United Way of Elkhart County Grant to support The Home Ownership Center, CB&E, and Resident Services.

8. In December, 2016, research possible opportunities with other corporate foundations with local footprints: Chemical Bank, Staples, Verizon, AT&T, AEP, Starbucks, NIBCO (Martin Family Foundation), etc. for operational or capital gifts.

Objective

Raise \$115,000 for Help-A-House, representing an increase over the 2013 – 2015 average of \$104,182

Action Plan

1. Apply in October 2016 for \$20,000 grant from State Farm
2. Apply in November 2016 for \$10,000 Goshen Hospital Foundation grant
3. Apply in January 2017 for \$5,000 grant from NIPSCO
4. Apply in January 2017 for \$10,000 Community Foundation of Elkhart County grant
5. Finalize membership of 2017 HAH committee in November 2016, including at least one new member with connections to an unreached network
6. Raise at least \$70,000 from businesses, churches, and individuals through the committee's efforts

Objective

LaCasa will retain donors through prompt and segmented donation acknowledgment, appreciation events, and cultivation strategies cited in Goal A.

Objective

LaCasa will acquire new donors through events and volunteer fundraising efforts.

Action Plan

1. Individual donors will be recruited for attendance at the Annual Meeting and encouraged to bring a friend with them. This will possibly include an incentive.
2. The Help-A-House Committee will have at least one new member that will open up new business sponsor and individual donor possibilities.
3. The Director of Development will research successful peer-to-peer fundraising examples and platforms and assess costs and benefits of launching a pilot effort.

Objective

LaCasa will make an effort to educate donors about potential match opportunities through their employers, resulting in increased revenue from employer matching gifts. The baseline for comparison is \$3,500.

Action Plan

1. LaCasa will do preliminary research on local employers with employee gift matching opportunities and compile a list of known participating employers.
2. We will assess the cost benefit and potential financial benefits of incorporating a DonorPerfect feature that facilitates identification of employer match opportunities and provides specific employer forms.
3. LaCasa will feature employer matches as a content piece in an email newsletter and, on the website, on online donation forms, and in gift acknowledgments.

Strategic Goal C

LaCasa will raise \$125,000 in gifts and/or grants in 2016, 2017, and 2018 to support the East Lincoln Crossroads Revitalization Project and fully obligate an anonymous \$125,000 matching pledge challenge.

Objective

Secure \$10,000 in 2016, \$25,000 in 2017, and \$25,000 in 2018 from corporate foundation grants that do not cannibalize grants supporting operations.

Action Plan

1. Mutual bank application for three years at \$10,000 per year, beginning in 2016 is pending response.
2. Apply to PNC for \$7,500 toward capital expenses in early 2017 and 2018.
3. Secure at least \$7,500 in additional corporate foundation capital support in both 2017 and 2018.

Objective

Raise \$60,000 in individual capital gifts over 2017 and 2018.

Action Plan

1. In face to face meeting with donors, present this project as a current area of impact and the matched gift opportunity.
2. Create a gift range chart and corresponding campaign strategy.

Strategic Goal D

LaCasa's volunteer coordination program will focus on best serving two distinct volunteer profiles: 1) skilled, recurring labor, and 2) capacity to personally give or connect others to give financially. Other volunteer profiles will be accommodated depending on current needs for unskilled labor and ease of facilitating the labor.

Objective

Recruit and retain an active roster of 5 volunteers who give skilled, recurring labor to LaCasa, resulting in 1,000 skilled recurring labor hours in 2017.

Action Plan

1. LaCasa's volunteer portion of the website will feature a profile of a volunteer who gives skilled, recurring labor.
2. LaCasa's volunteer coordinator, in conjunction with Real Estate Development, Asset Management, and Client Services, will create five sample volunteer job descriptions and use these as the basis for more personalized job descriptions for ongoing volunteers.
3. There will be at least one newsletter feature and three Constant Contact stories featuring these types of volunteers, with calls to action.
4. LaCasa's volunteer coordinator will meet with five church representatives to discuss ongoing volunteer opportunities.
5. LaCasa lines of business will create wish lists for tasks that are important and could further their work, but that they have trouble getting to. These will form the basis for internship possibilities. When internship inquiries come, this will allow us to already have a start at facilitating the opportunity.

6. LaCasa's volunteer coordinator will research Vista and AmeriCorps and present a brief report to management team about the program to see if it would be a worthwhile opportunity to pursue.

Objective

Create and implement a plan for intentional screening of volunteer donation capacity. This will correspond with a moves management plan that includes attention to the experience, acknowledgment, and next involvement/engagement.

Action Plan

1. Use a simple set of screening questions to estimate a prospect's capacity to give financially or connect LaCasa with individuals or groups with this capacity.
2. Define 3 – 5 levels of volunteer engagement that lead toward deeper involvement in the forms of personal financial giving and/or facilitating relationships with others who may have interest in getting involved and eventually giving financially to LaCasa.
3. Create and implement a volunteer cultivation plan that tailors acknowledgements and actions to the volunteer's current engagement level, with invitations to engage at a higher level.

Objective

Identify companies who tie philanthropic giving with employee volunteerism and create appropriate volunteer opportunities for employees from these companies. LaCasa will facilitate volunteer participation from representatives of at least three such companies in 2017.

Action Plan

1. Compile a working list of companies we know to tie giving with employee volunteerism (NIPSCO, State Farm, large banks) and seek to expand this list, particularly researching larger companies with a local presence (utilities, phone/cable, hospitals, insurance, realty, etc).

Strategic Goal E

LaCasa's brand and visibility will be strengthened and clarified in the community. LaCasa will stay on the forefront of our stakeholders' consciousness.

Objective

LaCasa will present a consistent and clear brand.

Action Plan

1. LaCasa will contract Sties Design to refresh LaCasa's visual identity and create a brief guide that will keep LaCasa's visual identity consistent in all forms of communication, marketing and public relations efforts.
2. LaCasa will launch a brand awareness campaign that will correspond with the finalizing of the strategic plan in the middle of 2017. This campaign will seek to clarify and simplify LaCasa's position in and benefit to the community.

Objective

LaCasa's website will be consistently improved to facilitate meaningful actions from increased visitors.

Action Plan

1. LaCasa's Development Assistant will communicate on a monthly basis with the lines of business to make changes and updates to their portions of the website.
2. All updates will be done with thought given to the way in which they will help further the desired action-outcome of that page.
 - a) LaCasa website traffic will be analyzed with attention to overall quantity and quality. Quantity will be measured by volume of traffic and quality by desirable visitor behavior.

Objective

LaCasa will increase its email listserv and use Constant Contact to provide more frequent news, updates, and invitations to deeper engagement for stakeholders.

Action Plan

1. Constant Contact will be used to send out 1 – 2 LaCasa communications per month to LaCasa stakeholders.
2. Email content will be designed to drive traffic to LaCasa's website and promote opportunities for further engagement in LaCasa's mission. LaCasa will track website traffic that is generated from email communications as a performance indicator.
3. The email listserv will grow from 670 to 1,000.

Strategic Goal F

To facilitate data-driven continuous improvement, Resource Development's outputs, outcomes, and key performance indicators will be presented accurately, regularly and in context.

Objective

Reporting on the financial results of the department's efforts will be accurate.

Action Plan

1. To provide better information and analysis, Resource Development will report financial results based on information provided by the finance department, rather than Donor Perfect.
2. LaCasa's management team will determine which sources of revenue will be attributed to the department's efforts (regardless of the line of business for whom the revenue becomes income) and will begin tracking a new set of key performance indicators that help us understand the current state of our efforts and assess our performance moving forward.

Objective

Resource Development will track performance with increased rigor and transparency.

Action Plan

1. In conjunction with the finance department, a basic set of financial metrics that are conducive to trend analysis will be developed for ongoing tracking. These will also be retroactively tracked for trends over an agreed upon period of time.
2. A set of non-financial outputs that are clearly tied to the achievement of the above goals will be tracked monthly.

E. Financial Management

Staffing: 5.0 FTE

Vice President of Finance/CFO - 1 FTE

Title TBD (train to succeed CFO position) – 1 FTE

Controller – 1 FTE

Staff Accountant – 1 FTE (will retire by 12/31/17)

Financial Assistant – 1 FTE (future status to be determined)

Programs and Services

The Finance team performs a variety of roles for the organization, sometimes in a leadership position and other times in a support capacity for the operating lines of business. Leadership activities include cash management, financial reporting, risk management, short/long-range financial planning, payroll administration, financial relationship management, process management and data management. Support activities include grant preparation along with claims administration/compliance reporting and project tracking. The team serves a variety of internal and external stakeholders including LaCasa service clients, donors, vendors, financial institutions, various government agencies, the Board of Directors and other lines of business/staff members.

Strategic Goal A

Assure the Finance function has the core competencies, technical skills and headcount to support the current and future needs of the organization.

Objectives 2017-2018

Develop 5-year staffing and development plan for Finance function by 12/31/17.

Action Steps:

1. Evaluate organizational needs as defined by the 2017 strategic plan.
2. Identify skills, competencies and headcount required to support the identified needs.
3. Develop functional organization chart and job descriptions.
4. Hire new staff to train as ultimate CFO successor by 4/1/17.
5. Determine adjusted Financial Assistant role and make appropriate changes by 7/1/17.
6. Hire replacement for retiring Staff Accountant by 7/1/17 to assure 6-month training overlap.
7. Create personal development plan for all Finance Dept. staff by 12/31/17.

Strategic Goal B

Complete all periodic financial reporting on a timely and accurate basis.

Objectives 2017-2018

Complete the month-end financial close for all operating companies and distribute all related reporting, analysis and graphing to appropriate management and Board members by the end of the 8th business day of the following month.

Action Steps:

1. Reserve appropriate staff time to assure timely completion of the closing process.
2. Follow existing monthly closing process and timeline.

3. Solicit Board Finance Committee feedback at least once per year to identify potential improvements in Board information packet.

Complete the 2016 LaCasa, Inc. and Tax Credit subsidiary annual audits with no significant adjustments or findings and secure Board approval by 3/28/17.

Action Steps:

1. Develop audit timeline for interim and year-end audit procedures by 9/16/16.
2. Review and update Accounting Policies & Procedures manual by 10/14/16.
3. Complete on-site interim audit fieldwork: October - LaCasa, December - TC subs.
4. Complete 2016 Tax Credit audits by 1/31/17.
5. Complete 2016 LaCasa audit by 3/10/17.
6. Present audit results to Board on 3/28/17.

Strategic Goal C

Complete all compliance reporting on a timely and accurate basis.

Objectives 2017-2018

Develop and maintain a financial/grant compliance calendar that tracks all required reporting, a copy of which will be provided to the President for review on a monthly basis.

Action Steps:

1. Develop tracking worksheet to identify all compliance requirements by project/grant including identification of actual results.
2. Incorporate management of this tracking activity into the normal monthly closing process.
3. Identify information required by operating staff and provide checklists to assure timely collection and communication to Finance Team.
4. Incorporate record retention activities into grant tracking process.

Complete all quarterly operational and financial reporting required by Tax Credit subsidiary partners by their respective due dates and in no case later than the end of the month following the quarter-end.

Action Steps:

1. Include this activity in the compliance calendar referenced above.
2. Include development of required data into the monthly closing process for Tax Credit subsidiaries.

Complete all quarterly operational and financial reporting required by NeighborWorks America and other financial/grant partners by their respective due dates and in no case later than the end of the month following the quarter-end.

Action Steps:

1. Include this activity in the compliance calendar referenced above.
2. Include development of required data into the monthly closing process.
3. Identify information required by operating staff and provide checklists to assure timely collection and communication to Finance Team.

4. Perform periodic follow-up review of NeighborWorks America summary report to review LaCasa performance and identify necessary changes to improve future reporting.

Complete all periodic federal, State, local and private grant compliance reporting and/or audits by their respective due dates with no significant findings or violations of grant terms and conditions.

Action Steps:

1. Include this activity in the compliance calendar referenced above.
2. Include development of required data into the monthly closing process.
3. Identify information required by operating staff and provide checklists to assure timely collection and communication to Finance Team.

Strategic Goal D

Develop and maintain an appropriate financing structure (including cash, line of credit facilities and intermediate/long-term debt) to assure all operational and project requirements are adequately funded.

Objectives 2017-2018

Develop a plan by 12/31/17 to transition LaCasa to an enterprise-level financing structure.

Action Steps:

1. Complete analysis of NWA Strength Matters materials related to enterprise-level financing by 3/31/17.
2. Develop a proposed financing structure by 6/30/17 for review with the Finance Committee and full Board.
3. Initiate discussions with current LaCasa bank partners by 9/30/17 to determine interest in and capacity for participation in the proposed financing structure.
4. Initiate discussions with prospective social investor partners by 9/30/17 to determine interest in participation in the proposed financing structure.
5. Finalize a plan by 12/31/17 for the purposeful transition to the enterprise level financing model including a timeline, required action steps and targeted partners.

Update the cash expectations worksheet and review with the Board Finance Committee on a monthly basis.

Action Steps:

1. Update the cash expectations worksheet and review with the Management Team on a weekly basis
2. Identify potential shortfalls in projected cash and clarify size/timing of cash needs.
3. Integrate cash expectations reviews into operational decision-making to assure corrective actions are taken to address potential cash shortfalls.

File all grant claims within four weeks of related closing or activity (2 weeks for receipt of all invoices, 2 weeks for completion of claim).

Action Steps:

1. Integrate claims process into grant compliance worksheet referenced above.

2. Incorporate management of this process into the normal monthly closing process.
3. Identify information required by operating staff and provide checklists to assure timely collection and communication to Finance Team.

Strategic Goal E

Develop and support the financial resources necessary to execute identified Real Estate Development pipeline activities.

Objectives 2017-2018

Finance and track the activities related to the Blight Elimination Program by 12/31/17.

Action Steps:

1. Assure grant claims are filed on a timely basis to assure all project payments are made on time.
2. Provide monthly financial tracking summaries to Management to assure the program expends funds within required time deadlines.

Support the funding applications for the Hawks North project by 12/31/17.

Action Steps:

1. Create Hawks North project development and operating budgets and all related financial information for the tax credit application by 10/30/16.
2. Participate in the completion of the related HOME/CHDO (10/30/16)/FHLBI (3/31/17) and private grant (2017 - TBD) applications.
3. Lead the negotiation process with potential mortgage funders.
4. Participate in the negotiation process with potential equity partners for equity closing by 12/31/17.

Finance and track the activities related to the East Lincoln Corridor properties.

Action Steps:

1. Participate in additional private grant applications (ECCF, NWA, etc.) to fund the project.
2. Update project sources/uses and operating budgets as information becomes more clear.
3. Track project expenditures vs. scope of work to assure adherence to plan.
4. Manage construction loan draws and subsequent repayments from other funding sources.
5. Negotiate permanent financing to support the remaining financing needs after utilization of all grant funding.

Track and complete the HOME grant for 408 E. Lincoln Ave. by 12/31/17.

Action Steps:

1. Assure construction-period loan draws and HOME grant claims are filed on a timely basis to assure all project payments are made on time.
2. Provide monthly financial tracking summaries to Management to assure the project remains on-budget.
3. Complete all required HOME grant construction-period and closing compliance and reporting by 12/31/17.

Support the HOME grant application for Elkhart-based multi-family project by 6/31/17.

Action Steps:

1. Create development and operating budgets for the project.
2. Participate in the development of other grant application related materials.
3. Complete all grant management activities as noted in Objective #4 above if grant application is successful

Support the development/implementation of Real Estate Development project management functionality.

Action Steps:

1. Participate in the identification of the project management toolkit by 12/31/16.
2. Develop the appropriate financial tracking/monitoring reports by 3/31/17.
3. Develop a review process/timeline for periodic status review of RED projects by 3/31/17.
4. Incorporate tracking metrics into standard Management Team reporting by 6/30/17.

Strategic Goal F

Develop and support the financial resources necessary to execute organizational transition from Homeownership Center to Financial Empowerment Center

Objectives 2017-2018

Support the implementation of the Goshen College AFI IDA partnership.

Action Steps:

1. Establish required financial policies and procedures by 12/31/16.
2. Establish required banking operations with First State Bank to support client activities.
3. Establish and maintain required Outcome Tracker and related financial spreadsheet tracking and accounting by 12/31/16.

Support the evaluation/implementation of additional AFI IDA applications/operations

Action Steps:

1. Earn to Learn model - to be determined
2. Develop budget and review AFI application for LaCasa homeownership funding by 5/31/17.

Support the evaluation/implementation of Community Lending functionality.

Action Steps:

1. Participate in the evaluation of the Community Lending business model including the back office requirements and return on investment opportunity by 12/31/16.
2. Participate in the decision to participate as a satellite of the existing model or independent franchise by 3/31/17.
3. Develop the financial policies and procedures to support Community Lending.
4. Establish the banking mechanisms required to support the program financing and client lending activities.

Strategic Goal G

Develop and support the financial resources necessary to execute other organizational goals/objectives.

Support the development/implementation of a new Resource Development performance monitoring system.

Action Steps:

1. Determine the metrics to be tracked by 12/31/16.
2. Develop the tracking functionality and reporting templates by 3/31/17.
3. Incorporate tracking metrics into the standard Management Team reporting by 6/30/17.

Develop a long-term plan for the assessment, replacement and/or integration of all organizational software systems.

Action Steps:

1. Complete a comprehensive review/documentation of all software systems currently in use by 6/30/17 (such as CounselorMax, Outcome Tracker, MIP, YARDI, DonorPerfect, LawLogix, etc.)
2. Complete a search for any ERP (enterprise resource planning) options available to assess alternatives for software integration (such as accounting/donor management or accounting/property management) by 9/30/17.
3. Conduct an evaluation of other NW organizations and how they utilize software across their organization by 9/30/17.
4. Develop a plan for software selection, implementation timing, acquisition funding, etc. by 12/31/17.

E. Board Governance

Strategic Goal A

The LaCasa Board will secure resources adequate to sustain the mission and provide dynamic leadership for community development.

Objectives 2017-18

1. At least one LaCasa board member will serve on the Help-A-House fundraising committee.
2. Board members will introduce 3 new potential donors to LaCasa each quarter.
3. All board members will make a personally significant gift to LaCasa each calendar year.

Strategic Goal B

The LaCasa Board of directors will maintain a high level of community visibility and effectively promote the LaCasa brand.

Objectives 2016-17

1. Increase the size of the board from the current 6 members to 9 members by November 2017.
2. Supplement skill sets needed by Board Committees with non-board committee members, as needed to maintain fully staffed committees for Finance, Asset Management and Resource Development.
3. At least one board member will represent the board at all LaCasa public events.

Strategic Goal C

Board members will be knowledgeable of LaCasa services, NeighborWorks Resources, community development issues and industry best practices.

Objectives 2016-17

1. New board members will complete a basic orientation to LaCasa programs and services within 3 months of the start of their term.
2. The Board Development Committee will utilize NeighborWorks and other resources to plan ongoing training to educate board members regarding current issues and trends relevant to LaCasa's mission.
3. At least one board member will attend a NeighborWorks Training Institute or Community Leadership Institute each calendar year.

Strategic Goal D

Complete the development of LaCasa's Strategic Plan 2017-21

Objectives 2016-7

1. The President, with assistance of staff and board, will gather input from donors, partners, key funders, local government, neighborhood associations and clients utilizing neighborhood meetings, donor appreciation events, individual meetings, business advisory committee input, donor response cards, client conversations.

Actions:

1. Solicit neighborhood, tenant and client input thru various venues. May 2016-Jan. 2017
2. Donor appreciation events and conversations. October-November 2016
3. Business Advisory committee forum. November 2016
4. Donor response cards sent with year-end campaign. Nov. – Dec. 2016
5. Individual meetings with key donors, partner organizations and local government. May 2016 – Jan. 2017
6. Cumulative responses summarized for board discussion. January, 2017
7. Board planning retreat. Feb. 11, 2017
8. Approval of Strategic Plan 2017-21. April 2017 Board meeting

Strategic Goal E

LaCasa's president will formalize a standardized review process for routine monitoring and maintenance of: governance policy, operating policy and procedure, employee review, and other standardized operating processes to maintain compliance and best practices.

Objectives 2016-17

1. Formalize a board calendar inclusive of: board orientation, annual review of governance policy, board self-assessment, CEO performance review, conflict of interest review, and major events for board participation.
2. Establish a calendar for annual staff performance reviews, annual required training and conflict of interest review.
3. Establish a calendar guide for review of policy and procedure to assure regular review of all key organizational policy, employee handbook, and the routine distribution and notice of employee handbook updates.

VI. Assessment of Financial Health

Key Business Drivers

LaCasa operations are comprised of five operating and two support lines of business. Operating lines of business include the Homeownership Center, Immigration Services, Community Building & Engagement, Real Estate Development and Asset/Property Management. Support lines of business include Support Services and Resource Development. The key business drivers vary significantly between lines of business and will be evaluated independently.

The Homeownership Center provides a full range of comprehensive counseling and lending services covering both Homeownership Promotion and Preservation. These services vary over time in type, intensity and duration driven largely by external factors. External business drivers for Homeownership Promotion include: 1) access to IDA funding, 2) client access to mortgage products with affordable interest rates and reasonable credit requirements, 3) the impact of unemployment and median income levels, 4) the quantity, quality and pricing of local housing stock and 5) the level of consumer confidence and their willingness to invest in housing. The key internal business driver for Homeownership Promotion is the ability to attract, train and retain qualified staff.

External business drivers for Homeownership Preservation include: 1) access to home repair grant funding, 2) volunteer and donor participation levels and 3) the availability of grants to fund foreclosure counseling staff and the related access to federal funds for client foreclosure solutions such as IFPN and HHF. Internal business drivers include: 1) the level of staff effectiveness (the ability to improve the rate of cures per intake and the hours invested per solution or per dollar of reimbursement) and 2) the efficiency of the triage system for guiding clients to the appropriate program option.

Key Homeownership Center business drivers:

- Align program with NeighborWorks/HUD comprehensive counseling content, production and compliance requirements
- Attract/train/retain NWA and State-certified staff
- Identify/secure/maintain adequate funding to meet the above requirements

Immigration Services provides fee for service assistance with a variety of immigration documentation, legalization, translation and related activities. External business drivers include: 1) the availability and pricing of competitive immigration services (whether BIA certified or not) and 2) the impact of immigration initiatives such as Deferred Action and pending immigration reform. Internal business drivers include: 1) agency certification and

staff certification/retention, 2) the ability to maximize pricing to the market and 3) the costs of service vs. revenue generation.

Key Immigration Services business drivers:

- Determine the type and level of services that can/will be provided
- Attract/train/retain BIA-certified staff
- Establish fee structure necessary to adequately fund these two requirements

Community Building & Engagement provides a wide variety of neighborhood assistance, leadership development, conflict resolution/mediation and advocacy support. External business drivers include a range of factors that influence residents' readiness to participate in neighborhood improvement efforts: 1) access to support funding, 2) the ratio of rental properties to homeowner-occupied houses, 3) the level of transient renters that decreases the population willing and able to contribute to positive neighborhood change, 4) the impact of resident education, work experience, work status, immigration status, health and general confidence level on leadership readiness and 5) the impact of chronic marginalization on residents' confidence in their ability to make a difference. Internal business drivers include: 1) the ability to identify/communicate the mission to local stakeholders, 2) the ability to manage different approaches in different communities based on local needs and 3) the ability to intelligently integrate neighborhood development activities with real estate development/property management activities.

Key CB&E business drivers:

- Develop effective approach and communication plan to deliver appropriate services to meet locally identified needs
- Integrate CB&E activities with neighborhood housing development/property management activities
- Maximize available funding to minimize financial subsidy required for this LOB

Real Estate Development manages the acquisition, construction and disposition of all projects completed by LaCasa, Inc. The scope of projects include: Owner-occupied rehabilitation, multi-family rehabilitation, new construction of both single-family and multi-family properties, and Section 42 tax credit projects. External business drivers include: 1) the market demand for affordable housing within the geographic service area, 2) the availability of grant subsidies for development and the level of competition for same, 3) the specific impact in Indiana of Davis-Bacon wages on project costs and 4) the agency reputation and level of community support (at the State/investor level as well as locally as it relates to variances, tax abatements, donation of municipally-owned properties and provision of low-interest loans). Internal business drivers include: 1) the level of staff expertise, 2) the strength of LaCasa's Balance Sheet and ability to borrow and 3) compliance management capabilities.

Key Real Estate Development business drivers:

- Identify and maintain development project pipeline

- Drive development timing to maximize funding opportunities and limit debt requirements
- Develop clear budget and timeline to minimize scope creep and maximize developer fees
- Assure adequate infrastructure to meet compliance/reporting requirements

Asset/Property Management provides full-service leasing, maintenance and compliance support for all owned single and multi-family housing units. External business drivers include: 1) the local demand for affordable housing and the availability of competitive choices, 2) the level of area median income and the relative position of HUD-approved rents vs. market, 3) local utility rates and 4) the local application of real estate tax policy. Internal business drivers include: 1) the ability to cost-effectively maintain a diverse portfolio of single and multi-family rental housing stock, 2) the effective integration of property management needs early in the planning process for real estate development projects and 3) managing compliance/reporting across a diverse collection of funders and stakeholders.

Key Asset/Property Management business drivers:

- Maintain safe and attractive units that meet or exceed market needs
- Maintain high occupancy rates while controlling concessions and per unit expenses
- Develop and maintain staff that consistently adhere to project compliance requirements along with Federal Fair Housing mandates

Resource Development conducts a variety of fundraising and grant-development activities, manages the LaCasa “brand” marketing and communication and solicits/manages a broad spectrum of volunteers. External business drivers include: 1) the financial capability of the local donor base/community, 2) the availability of tax-favorable gift options such as IDA tax credits, Neighborhood Assistance Program (NAP) tax credits and the IRS treatment of charitable bargain sales and 3) agency visibility, community status and perceived value. Internal business drivers include: 1) the ability to generate positive press, 2) effective donor communication (dollars spent for dollars raised) and 3) the ability to balance the donor base (from high-level to low-level givers) and to increase the total number of donors.

Key Resource Development business drivers:

- Effectively access and utilize tax credit-based gift options
- Develop and maintain effective donor communications
- Solicit and utilize broad base of volunteer support

Financial Trends of Parent Company

A 5-year look at LaCasa’s financial performance demonstrates the continuous improvement in financial condition the organization has experienced. Data in this analysis will include calendar years 2012-2015 and YTD September 30, 2016.

The company regularly tracks and reports the following liquidity data – days cash on hand (based on average daily operating expenses from the budget), current ratio and line of credit balances.

	<u>Days Cash</u> <u>Expense</u> **	<u>Current ratio</u>	<u>Operating LOC Balance</u>	<u>Interest</u>
2012	14	1.03	\$134,000	\$ 98,455
2013	22	1.09	\$107,000	\$ 85,177
2014	34	1.21	\$ 54,000	\$ 81,485
2015	51	1.54	\$ 50,000	\$120,459
9/31/16	47	2.34	\$ 0	\$ 87,852 YTD

** In order to minimize interest expense, LaCasa chooses to use available cash balances to minimize line of credit borrowing, particularly in times of very low rates of return on interest-bearing savings accounts.

The company regularly tracks and reports the following solvency data: actual debt levels, debt/equity ratio and net assets growth.

	<u>Total Debt</u>	<u>Funded Debt</u>	<u>Total Debt/Equity</u>	<u>Funded Debt/Equity</u>
2012	\$5,068,095	\$2,334,769	.54:1	.25:1
2013	\$4,921,811	\$2,291,726	.44:1	.20:1
2014	\$5,785,896	\$3,369,573	.44:1	.25:1
2015	\$5,948,668	\$3,871,501	.43:1	.28:1
9/30/16	\$5,285,327	\$3,357,796	.38:1	.24:1

Note: LaCasa served as the loan originator/administrator of a loan pool funded by seven participating banks. While the loan pool is no longer actively lending, it retains a portfolio of mortgages accumulated during its active operation. The mortgages receivable from that loan pool are included in long-term assets. The mortgage liability to the loan pool is included in long-term debt. The “Funded Debt” above represents the amount of true LaCasa operating debt excluding that loan pool liability.

During the past 48 months, LaCasa engaged in a purposeful effort to refinance its debt to take advantage of the low interest rate environment and to lock in fixed-rate, fully amortizing debt whenever possible. This effort generated the following results:

- In 2013, a blanket mortgage for scattered site rental properties was renegotiated moving from a floating interest rate to a fixed rate resulting in a 1.56% rate reduction.
- In 2013, a real estate development loan from the City of Goshen was renegotiated to reduce the rate from a fixed rate of 3.5% to a floating rate of 1% above the City’s investment fund rate of return resulting in a 2.36% rate reduction

- In 2013, after several years of positive history, the operating line of credit was converted from an annual renewal to a bi-annual renewal.
- In 2014, LaCasa successfully concluded the partnership on its first tax credit property. The limited equity partner interest was acquired for \$1. The property was refinanced to retire existing mortgage debt, establish an enhanced replacement reserve and provide some supplemental cash flow to LaCasa, Inc. The new mortgage is a 10-year fixed-rate, 20-year amortizing loan.
- In 2014, LaCasa refinanced a mortgage on two non-tax credit multi-family buildings converting to a 7-year fixed-rate, fully amortizing loan.
- In 2014, LaCasa refinanced its office building converting to a 10-year fixed-rate, fully amortizing loan.
- In the 4th quarter of 2014, LaCasa restructured the debt of its senior housing tax credit project. Utilizing proceeds from a zero debt service, forgivable loan from its equity partner combined with a \$100,000 NWA grant, the project fully retired its first mortgage and significantly reduced its second mortgage. In addition, the second mortgage with the Indiana State Development Trust Fund was modified to a 10-year, 1%, fully-amortizing loan. This significantly reduced the debt service, stabilized operating cash flow and funded a partial repayment of a significant LaCasa subsidy to the project.
- In the 4th quarter of 2015, LaCasa borrowed \$150,000 from a church located in south-central Elkhart. This 8-year, interest-only, unsecured note carries an interest rate that varies from 2-3%. In 2016, \$115,000 of these funds were loaned to Roosevelt Center, L.P. to replace its 1st mortgage with a local bank. The same payment terms were passed on eliminating a 5.46% mortgage and reducing annual debt service by 84%
- In all cases, the negotiated interest rates/terms were better than those normally available from affordable housing industry lenders. In addition, the loans are placed with local/regional financial institutions or social investors that are actively involved in supporting LaCasa's mission.
- The next step is to begin to evaluate opportunities to secure enterprise-level capital and to move away from our individual project/property-based financial structuring.

The following matrix demonstrates the continuous growth in Net Assets over the same time period.

	<u>Unrestricted</u>	<u>Temp. Restricted</u>	<u>Perm restricted</u>	<u>Total</u>
2012	\$ 7,218,536	\$596,152	\$1,638,946	\$ 9,453,634
2013	\$ 9,251,109	\$536,520	\$1,482,907	\$11,270,536
2014	\$11,634,334	\$488,040	\$1,448,750	\$13,571,124
2015	\$11,950,842	\$712,350	\$1,322,875	\$13,986,067
9/30/16	\$12,054,657	\$917,513	\$1,114,300	\$14,086,470

The profitability of the organization can vary significantly from year to year depending upon the value of real estate development grants that the organization receives. Either the costs associated with the development are capitalized or the grant funds are “passed through” to a tax credit subsidiary. In either case, the total grant revenue falls to the bottom line. In addition, as NeighborWorks releases the restriction on permanently restricted capital, that revenue flows through unrestricted income in the year released. Accordingly, the matrix below eliminates such grants along with the release of restricted capital to reflect the true operating income of the organization.

	<u>Reported Net Income</u>	<u>Project Grants</u>	<u>Capital Release</u>	<u>Operating Net</u>
<u>Income</u>				
2012	\$ 559,787	\$(114,002)	\$(329,491)	\$116,294
2013	\$2,032,573	\$(1,531,026)	\$(256,039)	\$245,508
2014	\$1,956,933	\$(1,248,072)	\$(124,157)	\$584,704
2015	\$ 316,508	\$ 0	\$(152,875)	\$163,633
9/30/16	\$ 103,815	\$ 0	\$ (70,000)	\$ 33,815 YTD

As the above matrix illustrates, LaCasa operations routinely generate \$100-250k in operating net income after adjusting for non-cash, non-operating revenues.

Summary Comments:

- LaCasa maintains a minimal amount of operating cash on hand in exchange for maintaining a decreasing level of operating line of credit borrowing over time.
- Despite broad-based and complex lines of business resulting in a wide variety of cash flow streams and often unpredictable cash flow timing, the organization is able to maintain an acceptable current ratio.
- Total funded debt has declined over time, although LaCasa made a purposeful increase in debt in 2014 to take advantage of leveraging a healthy Year 15 property transition. Combined with the ability to negotiate improved interest rates, debt service costs and interest expense have consistently declined. In addition, coupled with a continuously improving Net Assets position, the rate of leverage has been maintained at a conservative level.
- Finally, the organization increased its level of clients served across all mission-focused services, increased the number of affordable housing units created, preserved and/or under management and also delivered a consistent level of cash-based operating income.

Key Financial Indicators

Financial metrics are tracked by line of business and reported based on the time relevance of the data and appropriate audience. All non-financial metrics referenced below are reported monthly to the Board in a combined operations report.

Homeownership Center metrics tend to be non-financial and focus primarily on production requirements such as graduates from homeownership/financial capabilities training, home purchases facilitated, foreclosure cures, etc. Financial metrics tracked relate to revenue generated from primary contract services such as IFPN/HHF billings, IDA administrative fees earned, United Way grant receipts vs. plan for Financial Capabilities and NWA comprehensive counseling grant billings. All of these metrics are tracked on the weekly “Cash Expectations” worksheet. A sample efficiency metric would be the % of foreclosure cures vs. total referrals. That rate has steadily improved from less than 20% in 2012 to more than 52% YTD 2016.

Resident Services metrics also tend to be non-financial and focus on the number of clients served and the number of documents submitted to USCIS. The only financial tracking is service billings vs. plan and local grant revenues generated for specific programs. In late 2013, document preparation rates were increased based on competitive analysis. A new client triage process and service model was introduced in 2014. So with reduced staffing but steady client demand, this line of business is now able to consistently cover all direct costs after many years of negative financial performance.

Community Building & Engagement metrics again are non-financial and focus on resident contacts and leadership development activities. The only financial metrics tracked are grant revenues generated vs. plan on the “Cash Expectations” worksheet.

Real Estate Development metrics tracked are generally at a project level including dollars spent vs. project budget, completion percentage vs. plan, estimated completion cost vs. plan and the level of developer fee/administrative fee earned vs. plan. The level of sophistication of this tracking varies with the level of complexity of the project.

Asset/Property Management has the most specific and closely monitored financial metrics. These include weekly occupancy rates, weekly cash status including reserve funding and cash flow to parent, monthly cash collection rates, monthly operating cost per unit, monthly utility usage/cost (where LaCasa pays utilities) and monthly debt service coverage ratio. (Note: while LaCasa routinely tracks and reports DSC ratios, no debt agreement with LaCasa, Inc. or any tax credit subsidiary contains a formal DCR covenant.) LaCasa also participates in the NeighborWorks quarterly MFI reporting. Accordingly, we evaluate our quarterly BIN performance and track our progress from year to year.

Resource Development financial metrics include contribution and grant revenues by category vs. plan. Non-financial metrics include media coverage and volunteer hours vs. previous year.

Financial Performance vs. Financial Goals

2015 earned, contributed and contracted revenues represented 60%, 9% and 31% of total revenues, respectively vs. a plan of 62%, 8% and 30%.

The 2015 unrestricted net income was \$316,508 vs. a plan of \$151,388. That positive variance of roughly \$165,000 was primarily due to the following reasons: 1) \$271,000 in non-cash revenue related to the unbudgeted release of permanently restricted NWA capital, 2) \$24,000

in non-cash revenue from donated assets, 3) (\$120,000) in lost/deferred revenues related to real estate development projects and 4) (\$10,000) in negative operating variances.

As of 9/31/16, earned, contributed and contracted revenues represent 57%, 8% and 35%, respectively, of total year-to-date revenues. This shift in revenue weighting is primarily due to an increase in real estate development grant revenues.

As of 9/30/16, the reported net income was \$103,815 vs. a budgeted loss of (\$195,798). That positive variance of roughly \$300,000 was primarily due to the following reasons: 1) \$100,000 due to project fees deferred from 2015, 2) \$70,000 in non-cash revenue related to the unbudgeted release of permanently restricted NWA capital and 3) \$130,000 in positive operating variances. The operating variances included: 1) \$100,000 of wage/benefits savings, 2) \$14,000 of increased program service fees, 3) \$9,000 of insurance program savings and 4) \$7,000 in other miscellaneous variances.

Summary Comments:

- 2015 was a solid year generating operating income in line with the historical trend, continuing the growth in unrestricted net assets with a conservative level of debt and a steady debt/equity ratio.
- 2016 YTD operating results are modest compared to prior years. Having completed a string of significant real estate development projects in recent years, LaCasa is now in the planning and acquisition mode for future real estate development pipeline projects. These primarily include the next tax credit project as well as the development of several smaller multi-family properties in a targeted neighborhood. On the program side of the business, client service activity is strong and revenues are easily outpacing expectations. Operating cash flow is slightly ahead of plan and expected to beat plan estimates for the year.

Key Financial Risks

Risk #1 – Reduction in Public Funding

Included in the Financial Performance above is a breakdown of revenues between earned revenues (primarily program revenue and net rents), contributed revenues and contracted revenues (primarily NWA grants, housing construction grants and developer fees). A significant portion of that revenue originates at the federal or State government. It finds its way to LaCasa through the State Housing Authority, local participating jurisdictions and NeighborWorks. The funds support client-based services like counseling and training, neighborhood development activities, project pre-development, owner-occupied rehab, single and multi-family home ownership and rental unit construction as well as operational support. It comes in the form of grants, contract service fees and tax credits. So the single most significant financial risk to LaCasa is the ability and commitment of the federal and State government to continue to fund affordable housing and related activities.

LaCasa's risk mitigation plan contains two primary emphases. The first is to remain informed, advocate when possible, maintain a high level of staff training and certification and remain flexible to changing priorities and programs. We continue to invest time in building relationships with industry representatives, funders, donors and community stakeholders to assure LaCasa is acknowledged as a key solutions provider in an environment of declining resources. The second is to increase the base of earned revenues through development of fee-based programming. Targeted 2017 initiatives include: 1) growth in IDA administration through collaboration with Goshen College as a pilot for an expanded footprint with education-based IDA's and 2) development of a community lending program focused through local employers as an alternative to high-cost payday lending.

Risk #2 – Failure of a Major Project

As noted in this business plan, LaCasa is actively engaged in pre-development for its next tax credit project with expected start-up in late 2017 and completion of construction in late 2018. Project failure could occur in either of the following ways: 1) the failure to perform on a significant housing project involving the loss of tax credits and related developer fees or 2) the failure to secure anticipated funding for a project with a significant loss of developer fees. Either could be damaging to the organization.

The mitigation plan for failure to perform includes three key elements. First, key management team members (CEO, VP Real Estate Development, VP Asset Management and VP Finance) constitute the work team to investigate, plan, execute and deliver major rental housing development projects. This assures that all issues from construction to operations management to financial performance are balanced during the process. Second, LaCasa has developed a team of external partners (project consulting, legal and accounting) who have deep experience in the industry and years of familiarity with LaCasa to provide necessary assistance from the application process to negotiation with equity partners to post-development project accounting. Third, the Board Finance Committee regularly review the status of potential, committed and in-process development projects.

Despite a well-managed development and planning process as noted above, a significant project may still not secure funding. The mitigation plan in this instance is likewise process-driven and team-based. This situation occurred in 2016 when LaCasa's previous tax credit application was not awarded credits, resulting in the loss of the related developer fees that had been budgeted as 2016 revenue. Using its existing Cash Expectations tracking/planning process, the LaCasa management team identified the revenue gap and developed a series of targeted revenue-creating and cost-saving measures to address the expected shortfall. As of the date of this report, those actions have successfully covered both the lost revenue and related cash flow. While replacements for some open staff positions were temporarily delayed, there were no other operational implications. All programming continued as planned and no unusual financing was required. LaCasa will end the year with all positions fully staffed, wage increases processed as per plan with no borrowing required against the operating line of credit. The Finance Committee and the full Board were active partners in this process throughout the year.

Risk #3 – Significant Loss of Property Management Cash Flow

Over the past few years, aside from NWA expendable funding and occasional project-related CHDO funding, any grant funding to support basic organization operating costs has largely disappeared. All funding for client services is contingent on targeted delivery of client outcomes and is generally insufficient to cover more than the direct costs of providing the service. While limited funding exists for CB&E activities, it only covers a portion of actual costs. Accordingly, most client/neighborhood development services provided by LaCasa are subsidized by cash flow generated by developing real estate or managing rental properties.

The risk of loss of project-related revenues is addressed in #2 above. The mitigation plan for loss of property management cash flows includes the following elements. The Property Management function is fully-staffed after a few years of adjusting to increasing unit levels. Staff certifications and training in Grant and Tax Credit Property Management continue to advance the quality and performance of the function. The team is planning a 2017 “Rapid Improvement Process” event to further develop teamwork, standardize process/procedures and improve efficiency. These changes will allow the VP Asset Management to focus more purposefully on portfolio management. Given the importance to LaCasa’s overall financial health, the dashboard tracking and review of operating and financial results for this line of business is the most comprehensive at LaCasa. In addition to Property management staff development, a Finance department staff member is fully-trained on the YARDI software, is an NAHB Housing Credit Certified Professional (HCCP) and is actively engaged with property management staff on a regular basis.

Risk #4 – Loss of Key Staff

As with any small business, the loss of key staff members can be challenging at best. The ability to sustain projects, generate revenues, serve clients and meet compliance requirements during these transitions is critical.

The mitigation plan is very process-driven. For example, there was turnover at the management level in early 2016 due to the retirement of LaCasa’s VP Resource Development. The management team collaborated to define the skills/competencies desired in a replacement, interviewed internal and external applicants and ultimately promoted from within. This team-based approach improves communication, facilitates better decision-making and allows for changing roles as necessary. Targeted 2017 initiatives include: 1) improved staff development planning, particularly at the non-management team supervisory level and 2) further detailing out the succession planning process for the CEO and CFO positions. While a written policy and procedure already exists for a CEO transition, no such plan exists for the CFO position. This effort will enhance planning for both.

Summary

Over the past several years LaCasa has successfully weathered the financial impacts of the Great Recession, continuously improved client outcomes, accelerated the pace of housing development, increased the number of rental units under management and strengthened its financial position. Key financial accomplishments include:

- Consistent profitability
- Conservative levels of debt and improved rates/terms
- Consistent growth in Net Assets, particularly unrestricted Net Assets
- Purposeful action to mitigate risk and improve the ability to respond to challenging economic circumstances