VISION 2015

Strategic Plan

Prepared by

Training & Development Associates, Inc.
Atlanta, GA

&

Next Step Housing
Yakima, WA

August 2009

“Next Step Housing is a national award winner in special needs and clean and sober low-income housing.”
– Mario Villanueva, Commissioner, Washington State Housing Finance Commission
FROM THE PRESIDENT

Dear Friends:

As we move into the next five years, it remains very important for Next Step Housing (NSH) to continue to create safe and healthy neighborhoods where people living with special needs can raise their children in Alcohol and Drug Free Communities (ADFC’s). This is the foundation of NSH’s mission and the vision that the NSH Board and I share for Yakima.

We will continue actualizing our mission through Vision 2015, our most recent Strategic Plan.

NSH is at a critical juncture. In the 18 years since we became incorporated, our communities have not experienced the hardships indicative of our current economic downturn. These hardships present a singular and difficult challenge to the individuals and families NHS serves as well as to our agency. We are doing all we can to meet this challenge with foresight and strategic planning.

As the leading developer of Alcohol and Drug Free Communities in Washington State, NSH is determined to continue to develop and provide quality, affordable, clean and sober housing and services to special needs populations in Yakima well into the future. The difficulty of our current economic crisis necessitates our efforts. It is imperative NSH continues to grow and progress now more than ever.

I urge you to become familiar with Vision 2015. Please join us in making this vision a vital, thriving community reality in Yakima.

Sincerely,

T.J. Mattingly
Board President
ACKNOWLEDGEMENTS

Next Step Housing (NSH) wishes to acknowledge the guidance and support provided by several key individuals and organizations in the development of Vision 2015. These stakeholders include Terri Symbol of Impact Capital; Sandy Burgess of the Metropolitan Development Council of Tacoma; the Yakima Homeless Continuum of Care and the U.S. Department of Housing and Urban Development (HUD), specifically the Office of Community Planning at HUD’s Washington State Headquarters in downtown Seattle. We also want to thank the many non-profit agencies and public and private sector organizations and their representatives who contributed to this Strategic Plan including the DSHS Division of Developmental Disabilities, Merit Resource Services, Catholic Charities Housing Services, Wheatland Bank, the Barth Clinic and Triumph Treatment Services.

This Plan was developed and facilitated by Randall Mullen of Training and Development Associates (TDA) out of Atlanta, GA. Without his steadfast efforts, Vision 2015 would not have been possible.

Also, funding for this Strategic Plan was made possible by a Technical Assistance Grant from the U.S. Department of HUD. Next Step Housing would like to take this opportunity to thank Brian Sturdivant, Community Planning Representative, for his advocacy and support.
NSH BOARD OF DIRECTORS

T.J. Mattingly – President
Director of Housing, Triumph Treatment Services

Arnoldo Hernandez – Vice President
SOLA Coordinator, Yakima DSHS Division of Developmental Disabilities

Staci Beat – Treasurer
Chemical Dependency Professional, Merit Resource Services

LeRoy Thompson – Community Representative
Vice President, Commercial Lending, Wheatland Bank

Robert Barth – Community Representative
Case Manager, Barth Clinic

John Probst – Community Representative
Development Coordinator, Catholic Charities Housing Services

Kerrie Faulkner – CHDO Representative
Resident, Pear Tree Place

Hertis Harris – CHDO Representative
Resident Manager, Crossroads Housing

Dale Kring – Community Representative
Personal Banker, Chase

STAFF

John Mifsud – Executive Director

Diana McClaskey – Deputy Director

Connie Cleary – Renovation Coordinator

Laura Richmond – Case Manager

Mike Ryckman – Maintenance Superintendent

Cole Lundberg – Maintenance Specialist
TABLE OF CONTENTS

Introduction 1
Situational Analysis 5
Vision for the Future 7
Mission Statement 8
Operating Values 9
Primary Goals 10
Elements of the Strategic Plan 12
  ▪ Strategies
  ▪ Developments/Services
  ▪ Budget Priorities
Conclusion 15

Appendices

Appendix A – Yakima Valley Map
Appendix B – Annual Report
Appendix C – Situational Analysis Survey
Appendix D – Organizational Flowchart
I. Introduction

Next Step Housing (NSH) has provided quality, clean and sober transitional and permanent housing to residents of Yakima since 1991. NSH pioneered the development of Alcohol and Drug Free Communities (ADFC’s) in Washington and currently operates the only clean and sober permanent housing for large families with children in the State. Its community-based Board of Directors and Staff have years of experience in service provision for special needs populations as well as expertise in developing affordable housing. Combined, the Board and Staff have a collective 49 years in Financial Services, 53 years in Housing Development, 68 years in Property Management, 73 years of Community Development experience and 81 years of experience in Social Services. In 2008, 67% of NSH’s residents were homeless when they first applied for housing and 50% of the organization’s residents were also extremely low-income earning less than 30% of the Yakima Area Median Income (AMI). All properties enjoy Zero Tolerance for Substance Abuse. Regular random, observed Urine-Analysis and Breathalyzer checks ensure the safety of all NSH residents.

During its 18-year history, the organization has established an impressive record of accomplishments:

- In 1997, NSH purchased the Denney and Chambers Houses to provide transitional beds to 16 adults who have experienced 30 to 90 days of state-funded substance abuse treatment. Concurrently, NSH contracted with the Yakima Housing Authority to design and provide social services for their Families for Self-Sufficiency Program. In collaboration with Community Development Services, NSH coordinated and delivered Case Management and implemented mutual housing systems including extensive resident training maximizing resident participation at the Cornerstone Cooperative Apartments in West Valley. In 1997, Cornerstone won the National Tax Credit Housing Coalition Award for Excellence.

- In 1999, NSH purchased the Clean House Apartments (CHA). These 21 studios and 1 one-bedroom were the first and only affordable, independent, permanent, clean and sober housing in the State including a set-aside for adults living with Developmental Disabilities (DD). In 2007, NSH totally renovated all major systems and unit interiors at CHA thanks to a generous renovation grant from the Washington State Housing Trust Fund.
• In 2000, NSH purchased the Lamplighter Apartments, 12 one- and 4 two-bedroom apartments with a four-unit set-a-side for households living with DD. At the time, these two-bedroom apartments were the first and only affordable, independent, permanent, clean and sober housing in Washington serving households with children.

• In 2003, NSH purchased and renovated the Sommerset Apartments; 5 studios, 21 one- and 21 two-bedroom units for households between 30 to 50% AMI. Twelve units are set-aside for households living with DD. Eleven units serve homeless/disabled households in partnership with the HUD McKinney Homeless Program. The Sommerset is the largest ADFC serving families with children Washington. The National Affordable Housing Management Association honored the Sommerset Apartments and NSH with the 2004 Community of Quality Award for Outstanding Turnaround of a Troubled Property.

“We need a new Strategic Plan to usher us into the near future and ensure smart growth in keeping with our capacity.”
— John Mifsud, Executive Director

• In 2007, NSH was honored with the Washington State Housing Finance Commission Friend of Housing Award at their annual Housing Washington Conference in Spokane. Also that year, NSH opened Pear Tree Place, its sixth ADFC and first new construction with Low Income Housing Tax Credits. This 26-unit community includes 8 one- and 7 two-bedroom apartments plus 11 three-bedroom townhomes; the only permanent housing serving large families with children in a clean and sober community in Washington. Additionally, in 2007, Diana McClaskey, NSH Deputy Director, was honored with the Washington State Coalition for the Homeless Community Hero Award for Outstanding Service Provision.
• In 2008, Pear Tree Place received the Affordable Housing Finance Readers’ Choice Award in special needs housing. John Mifsud, NSH Executive Director, was also named the 2008 Pioneer in Affordable Housing awarded by the Northwest Affordable Housing Management Association at their annual conference in Bremerton. That same year, the same organization honored Connie Cleary, NSH’s Renovation Coordinator with the Resident Manager of the Year Award.

• In September of 2009, NSH opened Pear Tree Place II, another ADFC with 8 two-bedrooms serving small families with children and 4 four-bedroom apartments serving individuals living with severe DD. These four newly constructed units will be State Operated Living Alternative (SOLA) homes. Each will be staffed 24/7 through a partnership with Yakima DSHS Division of DD. Not only will these four units be the largest in an ADFC in the State, they will also be the only SOLA homes owned by a non-profit in DSHS Region II.

Last year, NSH decided to build on its strong track record by preparing a new Strategic Plan to guide development over the next five years, 2010 – 2015. The organization obtained support from the Washington State Office of HUD who authorized Training Development Associates (TDA), a national consulting firm, to provide NSH with technical assistance in the creation of this plan.

The NSH Strategic Plan describes a vision for the future, reiterates a mission for the agency, identifies core values and proposes goals and objectives that respond to identified development priorities. It also reflects the viewpoints of stakeholders active in serving Yakima communities, especially the Board of Directors and the many agencies and institutions they represent.

“Parents with established sobriety long to raise their children in Alcohol and Drug Free Communities. Currently, NSH is the only provider filling this permanent housing gap for large families in Yakima’s continuum of care.”

– T.J. Mattingly, Board President
In addition, **Vision 2015** presents integrated strategies for the development of new units and services that hold NSH accountable for implementing the Plan. It also examines budget priorities in a challenging economic climate with an understanding of the short and long-term impact the recent downturn in the economy is having on the agency and the many individuals and families NSH serves.

The agency intends to begin implementing Vision 2015 immediately. Elements of the plan are informed by NSH’s 18 year history of service and its current operational activities which serve as a blueprint for NSH’s future developments. NSH also hopes **Vision 2015** will likewise be endorsed by our many community partners including: Bank of America; Barth Clinic; Casa Hogar; Chase Bank; the Clean and Sober Housing Alliance; Comprehensive Mental Health; Crossroads Housing; DSHS Divisions of Children and Family Services as well as the Division of Developmental Disabilities; the HUD McKinney Homeless Program; Impact Capital; Merit Resource Services; the Office of Rural and Farmworker Housing (ORFH); Washington Opportunity Industry Council (OIC); Seattle Federal Home Loan Bank; Sundown M Ranch; Triumph Treatment Services; the Union Gospel Mission; US Bancorp; the Washington State Housing Finance Commission; the Washington State Housing Trust Fund; Wells Fargo Bank; Yakima County Community Services; Yakima County Drug Court; Yakima Farmworker’s Clinic; Yakima Homeless Continuum of Care; Yakima Housing Authority; Yakima Neighborhood Health Services; Yakima Office of Neighborhood Development Services; Yakima Savings and Loan Bank; and the YWCA Homeless Shelter.

This extended and ongoing collaboration with community stakeholders, agencies and partners will further ensure NSH’s Yakima developments continue to create and maintain safe and healthy communities where individuals and families can enrich their lives and raise their children in Alcohol and Drug Free Communities.
II. Situational Analysis

As a precursor to preparing their Strategic Plan, NSH inventoried their current portfolio, assessed community needs and identified potential for growth. This section of Vision 2015 is an assessment of agency progress and offers a “Situational Analysis” of development issues facing the agency with a look toward the future.

The analysis is based on a series of questions asked of key stakeholders. Although many are NSH Board members, they represent a diversity of community agencies and institutions including Triumph Treatment Services, the Yakima DSHS Division of Developmental Disabilities, Catholic Charities Housing Services, the Barth Clinic and Merit Resources. Stakeholders also included Staff who have a vested interest in the organization. Randall Mullen, Technical Consultant, posed the questions through the creation and implementation of a survey approved by John Mifsud, NSH Executive Director. The survey results and analysis formed the foundation for a Strategic Planning Retreat held with the NSH Board and Staff in April 2009.

The following survey results summarize answers to a dozen questions framed to assess NSH’s current status and how stakeholders hope the corporation will move into the future. (See Appendix C, Situational Analysis Survey, for more details.)

A. **Assessment**: NSH has an experienced Board and Staff who are dedicated to its mission. Most Staff have dedicated their professional careers to the agency and the residents they serve. Simultaneously, NSH is viewed as a leading provider of permanent housing for homeless individuals and families in Yakima. NSH is also the only housing provider that develops and offers ADFC’s for small and large families with children in the State. Finally, NSH remains the largest provider of service-enriched, special needs housing in Eastern Washington.

Most stakeholders are pleased with the current size of their portfolio. A few want to develop more housing to meet community needs; especially those that will serve large families with children. Stakeholders agree current housing assets are very well managed. The Board also views the Staff as a dedicated and caring team of professionals who work very hard and also work well together.

B. **Future Direction**: Because NSH is an established and highly focused organization, the Board and Staff share a clear vision although they may describe it differently. Stakeholders also have a common hope for NSH’s future. As NSH seeks to further its mission guided by its vision, it is evident stakeholders hold shared values. Goals the stakeholders identified in the survey suggest a preference for slow-growth and modest expansion. New strategies would depend on further assessing needs and feasibility studies. Key issues included an internal evaluation of the accounting function currently
subcontracted to Landmark Services; updates on Capital Needs Assessments for all properties with an analysis of operations and replacement reserves; and, finally, increased Case Management Services for residents, especially those in transitional housing, those at or below 30% AMI and the previously homeless individuals and families residing in NSH’s portfolio.

C. Budget Priorities: The survey results illustrated fiscal responsibility as a valued theme with a strong interest in funding a final Phase III of Pear Tree Place. This will compliment Phase I that opened in November of 2007 and Phase II, the most current development, which opened in September of 2009. Phase III will potentially develop another 6 three-bedroom townhomes as well as another 2 four-bedroom SOLA homes with 4 two-bedrooms above them. These new units will all be infill housing built on the existing Phase II site. The land is purchased, infrastructure is in place and utility hook ups are already installed.

Concurrently, another high budget priority is to continue to remodel the interiors of 16 units remaining at the Lamplighter and the Sommerset Apartments. The hope if these unit interiors will be complete by September 2010 and in keeping with the standard established in the balance of NSH’s permanent housing portfolio. These unit upgrades will be accomplished using current staff and funded from cash flow.
III. Vision for the Future

NSH first collected and analyzed data from stakeholders through the Situational Analysis. The following section completely identifies and states the agency’s new vision. The outcome was attained through a focus on the question: What will our communities look like at the end of 2015?

During a retreat in April 2009, the Board and Staff created this new vision for their communities. The discussion was informed by a report from Randall Mullen concerning how stakeholders responded to a related question in the retreat survey: “How can we best define NSH’s vision?” Some proffered a vision describing the type of communities NSH should create for the residents they serve. Others identified a vision for the organization, for example, to ensure NSH continues to develop more units of housing for its target populations.

Common elements expressed by stakeholders regarding both directions of NHS’s vision were summarized prior to the retreat. The summary served as a basis for developing this vision. Mr. Mullen and Mr. Mifsud co-drafted a vision statement for everyone’s consideration and then presented it at the retreat. After comprehensive discussion, Mr. Mullen determined the new statement enjoyed a consensus of support. The result powerfully captures what stakeholders want the organization to achieve by December 31, 2015, the end of the next five-year cycle. The agreed upon vision statement for Vision 2015 is:

“NSH’s developments feature safe, affordable, healthy and service-enriched communities where individuals and families have the opportunity to enrich their lives and raise their children in a clean and sober environment. To this end, NSH will solidify its position as leading developer of permanent housing in Alcohol and Drug Free Communities in Washington State.”

“I am grateful we are branching out to develop homes that are State Operated Living Alternatives (SOLA) for the many people living with DD whom we serve.”

– Arnoldo Hernandez, Vice President
IV. Mission Statement

At the April 2009 retreat, each Board member commented on NSH’s current mission and shared individual viewpoints recorded earlier in the Situational Analysis. Most agreed that NSH’s mission is to continue doing what it has done so well over the past 18 years. The organization’s current mission was reinstated and received a consensus of support.

This NSH mission statement is endorsed by all members of the Board of Directors and Staff present at the Vision 2015 Retreat.

“NSH provides quality, affordable, clean and sober housing with services to special needs populations in Yakima.”

“NSH is proud to develop a differentiated product from the majority of affordable housing in Washington. Given upwards of 70% of all violent crimes in the State are alcohol and/or drug related, our properties are inherently safer. ADFC’s certainly benefit our residents, especially families with children, but ADFC’s likewise benefit our neighbors, the community, our agency and funders alike.”

– John Mifsud, NSH Executive Director
V. Operating Values

In addition to confirming NSH’s mission, the organization chose to establish operating values that would serve as guiding principles for Vision 2015 as well as the management of its programming and services. Participants of the retreat discussed a list of values that Mr. Mullen had compiled from the Situational Analysis survey. After a brief discussion and modification, the stakeholders agreed to apply these important principles to their day-to-day work for NSH. Although ranked accordingly, each carries equal significance. It is the combination of all values working in tandem that best identify the favored style and desire outcomes, namely:

- Sobriety
- Integrity
- Compassion
- Professionalism
- Financial Stability
- Community Involvement
VI. Primary Goals

Section VI of Vision 2015 proposes the establishment of goals that respond to the organization’s vision for the future and issues raised in the Situational Analysis. At the retreat, participants considered the community’s needs and identified primary objectives for a five-year period. A thoughtful discussion examined how well the goals challenge NSH to fulfill its vision while respecting the organization’s current capacity. The results are as follows:

Goal # 1
To stabilize Staff workload before adding new housing units

Goal # 2
To complete presently planned permanent housing for individuals and families living with special needs

Goal # 3
To complete the remodeling of the interior units of previous developments, namely the Lamplighter and Sommerset Apartments, so they are in keeping with the standard of excellence established throughout NSH’s permanent housing portfolio

“I appreciate working for an agency that is held in such high regard by other housing and service providers in our local Continuum of Care. Although we only serve low-income communities, the quality of our affordable housing is unmatched in Yakima.”

– Diana McClaskey, Deputy Director
Goal # 4
To increase and broaden resident services to include substance abuse support services and life skills training that will increase the self-sufficiency of all NSH residents

Goal # 5
To use green materials in the rehabilitation of existing transitional housing for individuals recovering from substance abuse

NSH Staff June 2009
VII. Elements of the Strategic Plan

Each of NSH’s goals for the next five years is addressed with common elements in *Visions 2015*. The elements add shape and form to the goals and objectives.

The elements of this Strategic Plan include the strategies, developments, services and budget priorities that NSH will use to accomplish its goals. While individual elements are listed separately, they all bear a strong relationship to the mission and the overarching vision. The elements are defined as:

1. **Strategies** are the first step that will move the Plan’s vision into reality. This links the goals to specific actions by clearly establishing how NSH plans to get from where the organization stands today and where the organization will be at the end of 2015. Each strategy also explains how individual elements of the Plan compliment one another.

2. **Developments/Services** are specific products that NSH will utilize to achieve the goals and strategies. These products include developments (for example, new construction and/or rehabilitating existing housing stock). Services are what NSH and its community partners offer to assist residents to get from where they are (for example, homeless) to where they hope to be (self-sufficient).

3. **Budget Priorities** address fiscal policies for raising revenues and meeting expenses. They are listed relative to their importance; High, Medium or Low priority.

At the Vision 2015 Retreat, participants developed elements of the Strategic Plan for a set of five goals. Again, the resulting elements suggest a preference for slow-growth and modest expansion. A summary of the elements identified and discussed at the Retreat are:

**Goal # 1: Stabilize Workload**

Before adding new housing units to the portfolio, NSH intends to stabilize Staff workload at the outset of the five-year period. This effort will entail the following elements:

- **Strategies**: Analyze current Staff workloads both on sites as well as Administration and Maintenance. This analysis should include an evaluation of Staff skill sets and adjusting Staff responsibilities to correspond to their work loads. It also includes accessing ongoing, professional training for all full-time staff to ensure capacity building and integration of best practices in all NSH activities.
− **Programs/Services**: Provide necessary job training to fill gaps. The agency will consider utilizing both temporary and/or part-time employees as well as contractual services; conduct cross-training; explore succession planning; and install up to date computer equipment and technology upgrades as necessary to maximize productivity

− **Budget Priority**: High

**Goal # 2: Complete Planned Development**
The third goal is to complete presently planned infill, permanent housing for individuals and families living with special needs. This effort will entail the following elements:

− **Strategies**: Develop Pear Tree Place Phase III

− **Programs/Services**: Write a grant application; submit to Washington Department of Commerce in the fall of 2010; if successful, build units in 2011

− **Budget Priority**: Medium

**Goal # 3: Rehabilitate Existing Units**
The third goal is to complete the renovation of remaining unit interiors at the Lamplighter and Sommerset Apartments. These renovations will feature several green components including upgrades to Energy Star appliances as well as new laminate and vinyl flooring. This effort will complete our in-house, permanent housing portfolio remodels and raise all units to a standard of excellence currently associated with all NSH properties.

− **Strategies**: Upgrade interiors at Lamplighter and Sommerset Apartments

− **Programs/Services**: Replace flooring and appliances; upgrade cabinetry and tub surrounds

− **Budget Priority**: High

**Goal # 4: Rehabilitate Transitional Houses**
The fourth goal is to rehabilitate existing transitional housing for individuals in early sobriety owned and operated by NHS. This effort will feature several green components including laminate flooring, high efficiency, double-paned windows and Energy Star appliances.

− **Strategies**: Upgrade Denney and Chambers Houses
− **Programs/Services**: Replace windows and flooring; expend Yakima County 20/60 funding grant for $15,000 to renovate the Denney House; consider using subcontractors

− **Budget Priority**: Low

**Goal # 5: Increase Services**
The final goal is to increase and broaden resident services to include substance abuse support services and life skills training. This effort will entail the following elements:

− **Strategies**: Expand case management services for residents in early sobriety, the previously homeless and households at or below 30% AMI

− **Programs/Services**: Assess needs of transitional housing residents; utilize community services to facilitate training needs; prioritize the minimization of units currently subsidized by Operating and Maintenance Funds from the Washington State Department of Commerce

− **Budget Priority**: Medium
VIII. Conclusion

In the preceding pages of this Strategic Plan, NSH has responded to the challenge of serving special needs populations with service-enriched, quality affordable housing. Vision 2015 meets that challenge based on a comprehensive and strategic evaluation of the organization’s current status as well as future growth potential. The NSH Strategic Plan further describes a vision for the next five years and establishes goals and objectives that respond to the shared vision and values of corporate leadership. It also reflects and integrates the viewpoints of Yakima stakeholders active in housing and community development.

Vision 2015 relates integrated strategies, developments/services and budget priorities. It also presents a reference point that will hold NSH accountable for implementing the Plan.

During the current economic downturn, NSH is committed to implementing the strategies and objectives identified in Vision 2015. In the near future, NSH will create more safe and healthy, service-enriched, permanent housing where people can raise their families in a clean and sober environment that enriches the lives of all residents, their neighbors and the community at large. This vision can certainly become reality with the support that has become a hallmark of the organization from community partners, funders and past, present and future residents living with special needs.
Appendix A - Yakima City Map
Appendix B – Financial Overview

2008
Total Operations Income: $623,922

- Developer Fees $46,573 or 7%
- Foundations $9,416 or 2%
- Other Income $11,127 or 2%
- Operations Grants $96,547 or 15%
- Rents $460,259 or 74%

In 2008, Capital Grants Income = $197,121

Total Expenses: $512,351
Appendix C - Situational Analysis Survey

VISION 2015 - Questionnaire

Name: _______________________ Title: _______________________
Organization:_____________________ Date: _______________________

１．What is your relationship to NSH?

２．How long have you been involved in special needs housing in the Yakima Valley?

３．Why do you think NSH was created?

４．What is your assessment of NSH to date? How are we doing (strengths/weaknesses)?

５．In your opinion, what is the mission of NSH in the Yakima Valley?

６．Assuming that we fulfill our mission, what would you like to see the organization achieve by 2015 (the end of this planning period)?

７．What is our organization’s vision?

８．What values are important for NSH to display as we perform and fulfill our mission?

９．Are you happy with the size of our portfolio or do you feel NSH should continue to grow?

10．If you want us to grow, how many new units do you think we should add by 2015?
11. What type of units should they be? Transitional beds? Permanent one-, two-, three- or four-bedroom apartments? In what combination?

12. If you had to choose between creating new units though new construction or rehabilitation of existing housing stock, which would you choose? Why?

13. Are you dedicated to our units continuing to be clean and sober? Are you happy that all NSH’s portfolio is Alcohol and Drug Free Communities? Why?

14. Are you dedicated to continuing to provide units to people living with Developmental Disabilities? Why?

15. Are there other special needs populations you believe NSH should be serving? If so, who are they?

16. What three (3) major goals or objectives would you like to see NSH achieve from 2010 to 2015?

17. How should NSH go about achieving the most important one of the goals your identified, that is, what strategies or tactics might the organization use?

18. What types of services must NSH deliver to carry out the strategies you listed above?

19. What is the top budget priority for NSH between 2010 - 2015?

20. Is there anything else you want to say about NSH’s future that has not been previously covered? If so, what?
Appendix D - Organizational Flowchart

Organizational Flowchart
September 2009

Board of Directors

T. J. Green  A. Hernandez  S. Beatt  L. Thompson  J. Probst  R. Barth  H. Harris  C. Faulkner  D. Krieg
President  Vice-President  Treasurer  Member  Member  CHDO Rep  CHDO Rep  CHDO Rep  Member
Triumph Treatment Region 2 DSHS DDD Merit Resources Wheatland Bank Catholic Charities Barth Clinic Crossroads Housing Pear Tree Place Chase Bank

Landmark
Accounting Services

M. Rydman
Maintenance Super

C. Lundberg
Maintenance Specialist

John Mifsud
Executive Director

D. McCluskey
Deputy Director

C. Cleary
Renovation Manager

L. Richmond
Casa Manager

J. Dionne
Chambers House Manager

B. Zigler
Denney House Manager
# Next Step Housing

## 5-Year Financial Forecast

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<th>2014</th>
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<td>40,963</td>
<td>41,782</td>
</tr>
<tr>
<td>Marketing</td>
<td>5,500</td>
<td>5,610</td>
<td>5,722</td>
<td>5,837</td>
<td>5,953</td>
</tr>
<tr>
<td>Meetings</td>
<td>2,000</td>
<td>2,040</td>
<td>2,081</td>
<td>2,122</td>
<td>2,165</td>
</tr>
<tr>
<td>Postage &amp; Printing</td>
<td>1,800</td>
<td>1,836</td>
<td>1,873</td>
<td>1,910</td>
<td>1,948</td>
</tr>
<tr>
<td>Real Estate Taxes(^4)</td>
<td>2,500</td>
<td>2,550</td>
<td>2,601</td>
<td>2,653</td>
<td>2,706</td>
</tr>
<tr>
<td>Repairs &amp; Supplies(^5)</td>
<td>28,600</td>
<td>29,172</td>
<td>30,339</td>
<td>29,744</td>
<td>30,934</td>
</tr>
<tr>
<td>Supplies -- Office</td>
<td>8,500</td>
<td>8,670</td>
<td>8,843</td>
<td>9,020</td>
<td>9,201</td>
</tr>
<tr>
<td>Telephone -- M&amp;G</td>
<td>3,600</td>
<td>3,672</td>
<td>3,745</td>
<td>3,820</td>
<td>3,897</td>
</tr>
<tr>
<td>Telephone -- Properties</td>
<td>4,500</td>
<td>4,590</td>
<td>4,682</td>
<td>4,775</td>
<td>4,871</td>
</tr>
<tr>
<td>Training</td>
<td>5,000</td>
<td>5,100</td>
<td>5,202</td>
<td>5,306</td>
<td>5,412</td>
</tr>
<tr>
<td>Travel &amp; Lodging</td>
<td>4,500</td>
<td>4,590</td>
<td>4,682</td>
<td>4,775</td>
<td>4,871</td>
</tr>
<tr>
<td>Utilities(^6)</td>
<td>77,000</td>
<td>81,000</td>
<td>82,620</td>
<td>84,272</td>
<td>85,958</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>5,500</td>
<td>5,610</td>
<td>5,722</td>
<td>5,837</td>
<td>5,953</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$590,819</strong></td>
<td><strong>609,506</strong></td>
<td><strong>627,232</strong></td>
<td><strong>643,520</strong></td>
<td><strong>662,638</strong></td>
</tr>
</tbody>
</table>

| Surplus/(Deficit)    | $120,310 | $60,799 | $42,238 | $26,197 | $7,331 |

---

\(^1\) Miscellaneous Operating Income includes Housing Assistance Payments of approximately $27K and assumes a 2% vacancy rate. Annual escalator for Miscellaneous Income is assumed to be 4%. Additional grant support is projected from local banks during 2014 at $10K and 2015 at $20K.

\(^2\) Allocation to Reserves are in lieu of Depreciation, which is a non-cash item.

\(^3\) Annual escalator for insurance. 4%

\(^4\) Annual escalator for real estate taxes, and utilities. 2%

\(^5\) Annual escalator for property repairs and supplies along with major remodeling and capital improvements to existing structures. 2%

\(^6\) Annual escalator for all other general and administrative expenses. 2%
Next Step Housing
5-Year Financial Forecast

## Projected Revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>Projected Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$200,000</td>
</tr>
<tr>
<td>2012</td>
<td>$400,000</td>
</tr>
<tr>
<td>2013</td>
<td>$600,000</td>
</tr>
<tr>
<td>2014</td>
<td>$800,000</td>
</tr>
<tr>
<td>2015</td>
<td>$800,000</td>
</tr>
</tbody>
</table>

## Projected Expenses

<table>
<thead>
<tr>
<th>Year</th>
<th>Projected Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$100,000</td>
</tr>
<tr>
<td>2012</td>
<td>$200,000</td>
</tr>
<tr>
<td>2013</td>
<td>$300,000</td>
</tr>
<tr>
<td>2014</td>
<td>$400,000</td>
</tr>
<tr>
<td>2015</td>
<td>$400,000</td>
</tr>
</tbody>
</table>

## Projected Surplus/(Deficit)

<table>
<thead>
<tr>
<th>Year</th>
<th>Projected Surplus/(Deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$100,000</td>
</tr>
<tr>
<td>2012</td>
<td>$200,000</td>
</tr>
<tr>
<td>2013</td>
<td>$300,000</td>
</tr>
<tr>
<td>2014</td>
<td>$400,000</td>
</tr>
<tr>
<td>2015</td>
<td>$400,000</td>
</tr>
</tbody>
</table>
### Schedule A – Income From Properties

<table>
<thead>
<tr>
<th>Rent from Existing Properties</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denney House</td>
<td>$20,500</td>
<td>$20,500</td>
<td>$20,500</td>
<td>$20,500</td>
<td>$20,500</td>
</tr>
<tr>
<td>Chambers House</td>
<td>$20,500</td>
<td>$20,500</td>
<td>$20,500</td>
<td>$20,500</td>
<td>$20,500</td>
</tr>
<tr>
<td>Clean House Apartments</td>
<td>$85,000</td>
<td>$94,000</td>
<td>$103,200</td>
<td>$103,200</td>
<td>$103,200</td>
</tr>
<tr>
<td>Lamplighter Apartments</td>
<td>$69,000</td>
<td>$73,500</td>
<td>$78,000</td>
<td>$78,000</td>
<td>$78,000</td>
</tr>
<tr>
<td>Sommerset Apartments</td>
<td>$162,000</td>
<td>$167,000</td>
<td>$174,000</td>
<td>$174,000</td>
<td>$174,000</td>
</tr>
<tr>
<td>Pear Tree Place I</td>
<td>$132,000</td>
<td>$132,000</td>
<td>$132,000</td>
<td>$132,000</td>
<td>$132,000</td>
</tr>
<tr>
<td>Pear Tree Place II</td>
<td>$98,400</td>
<td>$98,400</td>
<td>$98,400</td>
<td>$98,400</td>
<td>$98,400</td>
</tr>
<tr>
<td><strong>Total Rent Existing Properties</strong></td>
<td><strong>$566,900</strong></td>
<td><strong>$585,400</strong></td>
<td><strong>$606,100</strong></td>
<td><strong>$606,100</strong></td>
<td><strong>$606,100</strong></td>
</tr>
</tbody>
</table>

Plus: Laundry Income

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laundry Income</td>
<td>$8,100</td>
<td>$8,100</td>
<td>$8,100</td>
<td>$8,100</td>
<td>$8,100</td>
</tr>
<tr>
<td><strong>Total Income from Properties</strong></td>
<td><strong>$575,000</strong></td>
<td><strong>$593,500</strong></td>
<td><strong>$614,200</strong></td>
<td><strong>$614,200</strong></td>
<td><strong>$614,200</strong></td>
</tr>
</tbody>
</table>

### Schedule B – Salaries and Benefits

<table>
<thead>
<tr>
<th>Salary</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director</td>
<td>$70,000</td>
<td>$72,100</td>
<td>$74,263</td>
<td>$76,491</td>
<td>$78,786</td>
</tr>
<tr>
<td>Deputy Director</td>
<td>$37,179</td>
<td>$40,897</td>
<td>$44,986</td>
<td>$49,485</td>
<td>$54,434</td>
</tr>
<tr>
<td>Asset Manager</td>
<td>$15,969</td>
<td>$16,448</td>
<td>$16,942</td>
<td>$17,450</td>
<td>$17,973</td>
</tr>
<tr>
<td>Case Manager</td>
<td>$17,823</td>
<td>$18,358</td>
<td>$18,909</td>
<td>$19,476</td>
<td>$20,060</td>
</tr>
<tr>
<td>Maintenance Supervisor</td>
<td>$40,528</td>
<td>$41,744</td>
<td>$42,997</td>
<td>$44,287</td>
<td>$45,615</td>
</tr>
<tr>
<td>Maintenance Assistant I</td>
<td>$21,420</td>
<td>$23,562</td>
<td>$25,918</td>
<td>$28,510</td>
<td>$31,361</td>
</tr>
<tr>
<td>Maintenance Assistant II</td>
<td>$21,420</td>
<td>$23,562</td>
<td>$25,918</td>
<td>$28,510</td>
<td>$31,361</td>
</tr>
<tr>
<td><strong>Total Salaries &amp; Benefits</strong></td>
<td><strong>$202,919</strong></td>
<td><strong>$213,109</strong></td>
<td><strong>$224,014</strong></td>
<td><strong>$235,698</strong></td>
<td><strong>$248,229</strong></td>
</tr>
</tbody>
</table>

### Schedule C – Operating Reserves

<table>
<thead>
<tr>
<th>Facility</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denney House</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chambers House</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clean House Apartments</td>
<td>$12,000</td>
<td>$12,000</td>
<td>$12,000</td>
<td>$12,000</td>
<td>$12,000</td>
</tr>
<tr>
<td>Lamplighter Apartments</td>
<td>$18,000</td>
<td>$18,000</td>
<td>$18,000</td>
<td>$18,000</td>
<td>$18,000</td>
</tr>
<tr>
<td>Sommerset Apartments</td>
<td>$24,000</td>
<td>$24,000</td>
<td>$24,000</td>
<td>$24,000</td>
<td>$24,000</td>
</tr>
<tr>
<td>Pear Tree Place I</td>
<td>$8,000</td>
<td>$8,000</td>
<td>$8,000</td>
<td>$8,000</td>
<td>$8,000</td>
</tr>
<tr>
<td>Pear Tree Place II</td>
<td>$11,200</td>
<td>$11,200</td>
<td>$11,200</td>
<td>$11,200</td>
<td>$11,200</td>
</tr>
<tr>
<td><strong>Total Reserves</strong></td>
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<td><strong>$73,200</strong></td>
<td><strong>$73,200</strong></td>
<td><strong>$73,200</strong></td>
<td><strong>$73,200</strong></td>
</tr>
</tbody>
</table>