



Building Una Comunidad Viva

Strategic Plan **2013-2014**



COMMUNITY DEVELOPMENT CORPORATION

Dear friends,

At Hacienda, we find ourselves at an exciting point in our history. Entering our third decade of service, we have successfully built our reputation as a trusted resource in the Latino community. Our programs in Affordable Housing, Community Economic Development, Homeownership, and Youth and Family Services provide important services to low-income families to help them stabilize their lives and *seguir adelante*, or move forward.

As the Latino population in Portland continues to grow rapidly, we need to continue our bold leadership to meet the growing needs of our community.

Happily, we are up to the challenge. In the next 3-5 years, several of our projects will transform the face of Hacienda and the way we serve the Latino community. We have completed a state-of-the-art futsal court along NE Killingsworth to provide our residents with a safe place to play. In the next year we will start the rebuilding process at our largest and oldest property, Villa de Clara Vista. The rebuilt property will incorporate our signature vibrant colors and green design elements. Combined with our future headquarters at the corner of NE Killingsworth and Cully Boulevard, these projects will create a visually stunning entrance to Cully neighborhood and allow us to centralize and improve the way we serve our community.

We are also transforming communities in new and innovative ways. The Portland Mercado project, which will create Portland's first Latino public market, will see Hacienda taking a leadership role in the struggle for Latino equity. The Mercado represents a landmark cultural and economic institution for the Latino community and an opportunity for low-income

entrepreneurs to rise out of poverty. We were thrilled to receive a federal grant of nearly \$800,000 in support of this project and look forward to seeing its doors open in 2014.

As exciting as the future looks, it is critical for Hacienda to pursue our goals in a strategic, deliberate manner. With an eye to both our internal operations and external partnerships, Hacienda has undertaken an organization-wide effort to map out where we want the organization to be in the next 3-5 years, and how we are going to get there. The results of this exercise are summarized in this report. I hope you will take a moment to read about our vision for the future, and come away sharing our excitement for what it holds.

Saludos,



Victor Merced, Executive Director

and



Guillermo Sandoval, Board Chair

Hacienda CDC *by the numbers*

70 The number of Latino entrepreneurs we have supported

\$1.25m Funds secured for the 2014 opening of the Portland Mercado

381 Number of homes made available to low-income households

98% Occupancy level of Hacienda CDC's rental properties

112 Clients who attended our default intervention workshop in FY 2011-2012

15 Number of clients to close on new homes in FY 2011-2012

271 Number of people we helped avoid or resolve mortgage delinquency

300 Youth engaged in early-childhood , after-school, and academic support programs



Our History

Hacienda CDC was formed in 1992 in response to the declining standard of living among Hispanic immigrants in Portland's lower-income communities. Since then, Hacienda has built four housing communities and renovated one run-down apartment complex in the Cully neighborhood, creating 325 units of community-centered, affordable rental housing. Hacienda has also developed communities in North Portland and a farm worker development in Molalla, Oregon, for a grand total of 381 housing units.

Hacienda has embraced a holistic approach to community development and service by introducing programs in Community Economic Development, Homeownership Support, and Youth & Family Support Services. We have grown to become Oregon's largest Latino-led, Latino-serving organization and remain a trusted name in the Latino community. As Portland's Latino population rapidly grows, Hacienda continues building the capacity to offer our bicultural services to Latinos and other low-income families throughout the Portland metropolitan area.



Our Mission



Hacienda CDC is a Latino Community Development Corporation that strengthens families by providing affordable housing, homeownership support, economic advancement and educational opportunities

Our Core Values

At Hacienda, we expect to embody the positive change we want to see in the diverse community we serve. To this end, we strive to perform at the highest levels of professionalism, innovation and integrity to create a positive impact in the lives of people. Our organizational values are the guiding principles and foundation for all our programs and our daily, professional practice:

- Respect: We strive to treat others and each other with dignity, fairness, and respect.
- Integrity: We conduct our work with openness and transparency as stewards of the public trust.
- Excellence: We strive to learn first and institute best practices in our programs with a commitment to personal and organizational growth.
- Diversity: We proactively cultivate an organizational culture that embraces inclusiveness of ethnic, cultural and socioeconomic perspectives in our board, staff, contractors, and resident community.
- Collaboration: We collaborate with public, private, and community partners to leverage financial and intellectual resources to achieve greater results for the common good.
- Commitment: We seek and value board members and staff who are committed to strengthening the Latino community.

Our Strategic Plan

In May of 2012, with support from the Enterprise Foundation, Hacienda CDC undertook an intensive strategic planning process with the help of Truelson Associates, an outside consultant.

Our consultants conducted a series of interviews with directors, managers, staff, and our board, followed by a retreat for the entire staff and a separate retreat for the board.

Out of this series of meetings, a group of five preliminary objectives were generated for the entire organization:

1. Strengthen infrastructure and human resource systems.
2. Develop specific and measurable goals for each program area.
3. Create a marketing plan to address outreach to both donor communities and constituents.

4. Generate a financial plan and objectives.
5. Revise our mission statement and create a vision statement for the organization.

Hacienda's staff and board members formed five teams around each of these objectives. Each team convened in September, 2012, and created 90-day work plans that would propel Hacienda toward meeting each of its five objectives.

In January 2013, we hosted an all-staff retreat and a subsequent management meeting where we reviewed our five original objectives and answered these questions:

- Do we still need to pursue our original objectives? If yes, do the teams assigned to them make sense?
- Should we expand or contract our list of objectives?
- What is the scope of work for the teams assigned to the objectives?



Out of these meetings, we have revised our objectives as follows:

1: Develop Hacienda's organizational culture

- Further define equity plan policies and track implementation
- Create an organizational philosophy and ethos
- Develop tools and programs for the acculturation of new employees

2: Further streamline and formalize our infrastructure

- Continue to evaluate and improve our existing employee orientation process
- Develop a volunteer management plan addressing organization needs, coordination, recruitment, and retention
- Review and recommend any policies and procedures not addressed by HR consultant

3: Develop a cohesive system for sharing data across the organization

Propose a plan for integrated data management for whole organization and each department by:

- Assessing existing databases
- Determining database needs for each department
- Prioritizing documented needs
- Proposing a plan forward, including a budget and schedule for implementation

4: Create a marketing and development plan

Plan, develop, and implement a marketing strategy for the organization and each department, including consideration for attracting a sustainable mix of funders for each program

5: Formalize each program's benchmarking processes and tools

- Ensure each program meets financial and programmatic outcomes required by funders AND sets aspirations beyond what is required
- Integrate Hacienda's equity plan into program offerings
- Develop a common toolkit for our programs to set and track objectives

The strategic planning process has brought us several benefits. First, it has helped us clarify our organizational objectives, vision, and mission. Second, the act of bringing everyone in the organization together to set and work toward common goals has forged new connections and relationships across departments. This second outcome builds a common sense of purpose and is leading to creative, collaborative approaches to everything we do.



Our Programs: Community Economic Development

More about our microenterprise program

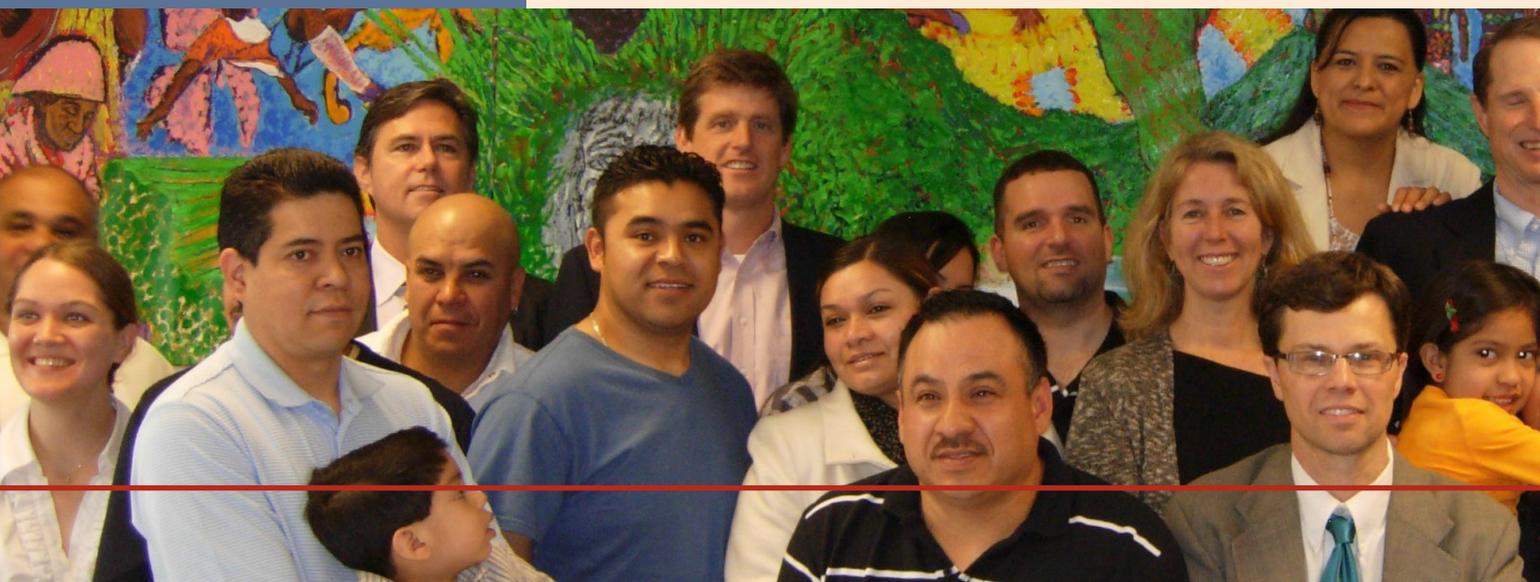
We believe that entrepreneurship empowers the entrepreneur, their family, and their community through growth in assets, income, and sense of achievement.

Our Microenterprise Program incubates businesses by providing adult financial education, one-on-one technical assistance, seminars, and affordable retail space for rent. We serve low income microentrepreneurs at any stage of the business - from an idea to an established entity. The majority of our clients are from the Portland Metro Area and from under-served communities.

Our Community Economic Development Department strives to be the leader in developing and sustaining a strong, economically vibrant, Latino community in Oregon. Our mission is to empower Latinos through wealth creation and leadership development.

To fulfill our vision and mission, we provide culturally-specific education and skill-building programs for adult Latinos. Through a variety of programs, including micro-enterprise development, small business training, adult financial education, and workforce development programs, the department makes a long-term impact by increasing the income and assets of Hacienda residents and the broader Latino community.

We are now raising money and awareness for what could be our most ambitious project yet, the Portland Mercado. The Mercado, which will be built at SE Foster Road and 72nd Avenue, will combine elements of North American and European indoor public markets with the feel of a Latin American open-air market. This program recently received a \$800,000 grant from the US Department of Health and Human Services, \$200,000 over three years from the Kaiser Permanente Community Fund, a \$85,000 grant from the Paul Allen Foundation, and a \$40,000 grant from JP Morgan Chase. It is slated to open in 2014.



Community Economic Development Goals and Strategies

Goal 1: Further the development of the Portland Mercado

Strategies for Achieving Goal 1

- Close the Portland Mercado's construction funding gap by leveraging existing grant awards to attract additional funds
- Work with our community-led council of advisors to select businesses that demonstrate a high likelihood of success to become tenants at the Portland Mercado

Goal 2: Stabilize funding for program activities

Strategies for Achieving Goal 2

- Strategize with our organization-wide marketing committee to create an outreach plan for targeted funders
- Seek opportunities to increase earned revenue from our programs where appropriate

Goal 3: Work with other departments to support financial literacy in the communities we serve

Strategies for Achieving Goal 3:

- Coordinate efforts on grant proposals that serve the ends of both Community Economic Development and Hacienda's first-time homebuyer programs

Highlights of the Program

Micro Mercantes Food Micro-Business Incubator

When farmers' market patrons order lunch from our vendors, they can feel good about supporting not only a local business, but a local economic development initiative as well. Micro Mercantes is a social enterprise supporting micro-business development for low-income Latinos. Aspiring microentrepreneurs gain practical experience and financial support through catering and farmers' markets sales, while simultaneously receiving training in a classroom setting. Support for this initiative comes from a three-year grant from M.J. Murdock Charitable Trust.

Portland Mercado

Hacienda CDC has been supporting the work of a group of approximately 30 low-income Latino entrepreneurs to create an entrepreneurs' cooperative that will direct the development and operation of the Portland Mercado, Portland's first Latino Public Market.

Arrancando Mi Negocio

Arrancando Mi Negocio ('Getting My Business Started') is a culturally specific, 30-hour business development training program. The participants, many of whom are involved in the ongoing creation of the Portland Mercado, culminate the 10-week course with a presentation of their business plans.



Our Programs: Asset Management

Asset Management Today

At its founding, Hacienda CDC's primary purpose was to offer affordable housing to families whose incomes fall well below Portland's median family income. This key service remains at the core of our mission today.

Protecting our housing assets has not been without challenges in recent years. Hacienda has recently successfully settled four construction defect lawsuits affecting the Clara Vista Townhomes, Villa de Mariposas, Villa de Sueños, and Los Jardines de la Paz properties. We have gained valuable knowledge from the process, and have made significant steps toward strengthening our asset management team and portfolio as a result.

To that end, we recently secured a two-year, capacity-building grant to expand our asset management staff. This allowed us to add an Asset Management Associate and a Resident Services Coordinator to our team. We have also enrolled our Asset Management staff in the Housing Development Center's intensive Asset Management and Portfolio Preservation (AMPP) training program.

Asset Management Goals and Strategies

Goal 1: Strengthen the performance of our existing assets

Strategies for Achieving Goal 1

- Build on growing skills and knowledge to improve asset management policies and procedures
- Seek opportunities for enhanced collaboration between residents, our third-property management personnel, and Hacienda staff
- Establish systems to more effectively monitor and examine each property's financial performance and risk
- Appraise the financial performance of our real estate portfolio as a whole and set goals for its future, long-term performance

Goal 2: Further strengthen the health of our communities through robust on-site services for residents

Strategies for Achieving Goal 2

- Secure funding to hire enough Resident Services Coordinators to staff our entire portfolio by close of FY 2013-2014
- Develop trainings for residents that include information on the care and maintenance of their apartments, the use and benefits of the properties' green features, and other, available resources
- Strengthen safety by instituting a neighborhood watch as well as other, community safety measures

Goal 3: Anticipate and plan for the asset management needs of existing and future properties

Strategies for Achieving Goal 3

- Play an active role in conversations regarding the redevelopment of existing projects and the development of future properties
- Utilize lawsuit settlement dollars to address building envelope defects



More about our real estate assets

We offer 381 family-friendly rental units in Portland and Molalla. Unless otherwise noted, all our properties serve families earning 30-60% of our region's median family income. All of our properties accept Section 8 vouchers; some of our properties have project-based vouchers. Our portfolio averages 98% occupancy.

Clara Vista Townhomes

44 3 & 4 bedroom units

Los Jardines de La Paz

43 3 & 4 bedroom units

Miraflores

32 2-4 bedroom units with 5 units serving victims of domestic violence

Villa de Clara Vista

133 1-4 bedroom units

Villa de Mariposas

71 2-4 bedroom units

Villa de Sueños

Built in 1999 and rehabbed in 2011,
28 3 & 4 bedroom units

Plaza de Cedro

6 3 & 4 bedroom units

Plaza Los Robles

24 2-4 bedroom units for year-round farm workers and their families

In addition to managing our affordable housing properties, Hacienda CDC owns and operates the **Baltazar F. Ortiz Community Center** at 67th and NE Killingsworth. The Center, located near our Cully area properties, houses a Latino-owned convenience store and a Multnomah County Health Clinic. It also provides valuable programming space for our community development programs.

Our Programs: Housing Development

A Look at Housing Development Today

Hacienda CDC's Housing Development department will be shepherding an ambitious list of construction projects over the next 18 months. We will renovate the exteriors of Villa de Mariposas, Clara Vista Townhomes, and Los Jardines de la Paz, as well as execute a complete renovation of 25 Villa de Clara Vista units. We will also be furthering the development of three new properties: the tear-down and replacement of the remaining 108 Villa de Clara Vista apartments; the development of the Portland Mercado; and the development of a new headquarters building for our organization.

The projects slated for our Clara Vista property represent significant, positive change for our residents. When complete, we will offer housing to an additional 38 households. The redevelopment will also add a community center and improved outdoor spaces in a neighborhood with a marked shortage of park space. We are partners in Oregon Public Health Institute's "HEAL" (Healthy Eating Active Living) program and, therefore, will be promoting community gardening, biking, and outdoor recreation at the revitalized property.

The two commercial projects we are undertaking present new and unique challenges to our department.

Our new office's development is contingent on the financial restructure and subdivision of Villa de Clara Vista. Hacienda will acquire the parcels and will build an 11,400 square-foot building that will achieve Earth Advantage Gold Certification. Financing for the project will include commercial loans, New Market Tax Credits, and grants. We will apply for permits in March 2013.

Likewise, the Portland Mercado offers its own challenges. Together with Community Economic Development, we will be acquiring property, finalizing design, and seeking funding for development of this project with the goal of breaking ground during the Fall of 2013.



Housing Development Goals and Strategies

Goal 1: Restructure our Clara Vista Property to enable its full redevelopment for housing and Hacienda's new headquarters

Strategies for Achieving Goal 1

- By March 2013, gain permission from the State of Oregon to subdivide Villa de Clara Vista, allowing Hacienda to begin its three phase redevelopment of the site
- Refinance the debt on the property before April 30, 2013 to avoid balloon payment
- Secure SNAP bond financing for renovation of the first 25 units

Goal 2: Break ground on Hacienda headquarters by June 2013

Strategies for Achieving Goal 2

- Complete the legal and financial work necessary to gain New Market Tax Credit financing for the project
- Secure additional funding
- Submit drawings for permits from the City of Portland in March, 2013

Goal 3: Support the Community Economic Development Department in developing Mercado's real estate

Strategies for Achieving Goal 3:

- Explore securing New Market Tax Credits for the project
- Work with outside consultant to create a project pro forma, put together a design team, and craft a preliminary budget and schedule
- Seek additional development funds through development agreements and grants
- Work with PDC to secure terms of acquisition / lease of the proposed site



Our Programs: Youth and Family Services

A Snapshot of Youth and Family Services Today

Hacienda CDC serves approximately 300 members of our youth resident population through three major programs: Portland Niños, Expresiones, and Avanzamos. Our programs offer a variety of important academic and social support services to children from birth to 9th Grade.

We provide these key services against a backdrop of significant challenges and great need. Latino youth in Portland have an alarming high school graduation rate of 50% and the majority of Expresiones youth are at least one year behind in reading, writing, math, or English when they enter the program. Our programs serve families earning no more than 60% of Portland's median family income, although many earn far less. As we follow children to completion of 9th grade, we provide them with academic support, cultural enrichment, and

health services that help them reach their full potential.

A variety of factors have presented threats to our program offerings in recent years, including sunseting grants and budget compression experienced by one of our major funders, the Portland Children's Levy. Budget cuts forced us to pare down our staff and services during FY 2012-2013, but our diligence in seeking new funds has restored services to children at our Miraflores property, and we continue to aggressively seek funding to shore up and expand our service offerings. Meanwhile, our Portland Niños program has exceeded its funder-mandated, home- and group-visit goals since July 2012. Also, at the midway point of FY 2012-2013, our Expresiones program had already exceeded its annual goal for number of children served.

Our Programs in Detail

Portland Niños

Hacienda's Portland Niños is a free program that provides early childhood education to parents and developmental activities for children from birth to age five, monitoring their progress and promoting kindergarten readiness.

Expresiones

Expresiones, serving residents in grades K-9, offers a combination of bilingual academic support, culturally appropriate enrichment activities, summer programming and parental involvement. Expresiones programming is offered every day after school and five days a week at four of our housing-based community centers in North / Northeast Portland and a fifth site in Molalla, Oregon.

Avanzamos: Social & Support Services for Education Success (SSSES)

Hacienda CDC, Multnomah County, and local Portland schools partner together to provide case managers to 100 at-risk Latino middle-schoolers. Bilingual and bicultural case managers offer academic and personal support and access to after-school activities that promote a healthy self-image, cultural pride, academic excellence and community service.



Youth and Family Services Goals and Strategies

Goal 1: Stabilize funding for our programs

Strategies for Achieving Goal 1

- Partner with Asset Management's Resident Services Program to identify shared goals and opportunities to combine resources
- Continue to cultivate relationships with existing funders
- Diversify funding sources by building relationships with funders who would support work in which we are already engaged

Goal 2: Continue to build on our department's strengths through improved new staff orientation and development plans

Strategies for Achieving Goal 2

- Create a tailored training plan for all existing staff members
- Design a basic training manual for each position for the purpose of orienting new employees

Goal 3: Explore internal and external partnerships to deepen our impact and expand our reach

Strategies for Achieving Goal 3

- Work with other Hacienda departments to identify opportunities to engage and enrich our young residents
- Strengthen our partnership with Portland Public Schools
- Increase parent involvement through classes, parent meetings, outreach, and referrals
- Increase our focus on the transition from middle to high school to ensure our graduates gain access to programs offered by others
- Investigate opportunities to partner with highschool-age programs
- Build on service learning opportunities that align with existing programs
- Strengthen partnerships that prepare Portland Niño graduates for Headstart and kindergarten



Homeownership Support



Homeownership Support Goals and Strategies

Goal 1: Make Hacienda CDC a known and respected entity in the housing counseling arena

Strategies for Achieving Goal 1

- Establish a robust marketing plan and budget for the effort that includes an outreach plan for program clients, funders, and other key constituents
- Identify and act upon key opportunities to advocate for homeownership at the local, state, and federal levels
- Create strategic partnerships with agencies that align well with our broader mission of building assets for our target communities

Homeownership Support Today

Hacienda CDC, via its Homeownership Support Program, is a HUD Approved Housing Counseling Agency. We provide services to families and individuals buying their first homes as well as to those who are at risk of losing their homes to foreclosure. Our services are offered free of charge and are available to all Oregon residents.

By assisting families ready to move from affordable housing to homeownership, we can help our residents build financial stability and independence. Because our program's services extend to all qualified Oregonians, we are making an impact across the region.

More about our assistance to first-time homebuyers

Hacienda's Pre-Purchase Support Program assists and prepares first-time homebuyers to become homeowners. Our clients work closely with coaches throughout the homebuying process.

Homebuyers are given the opportunity to apply for down-payment assistance loans and Individual Development Accounts (IDA's). We also offer our clients mortgage readiness and financial fitness workshops.

We offer every client:

- Bilingual, HUD-certified housing counseling, free of charge
- Support communicating with their lender and community based agencies
- Connection to resources available to first-time homebuyers
- Honesty, respect, and confidentiality

Goal 2: Capitalize on staff and infrastructure investments by creating a more lean and nimble program

Strategies for Achieving Goal 2

- Streamline our intake process to more quickly identify and enroll qualified candidates in our various programs
- Track and pursue homeownership support programs that align with our mission
- As funding for foreclosure prevention sunsets, transition highly-skilled counselors to serving our first-time home buyer constituency

Goal 3: Seek greater alignment with other Hacienda programs

Strategies for Achieving Goal 3

- Work with the Community Economic Development program to cultivate an agency-wide focus on financial health and asset building
- Conduct specific outreach campaigns to Hacienda's microentrepreneurs as well as families housed in our properties who may be ready to work toward buying their first home



More about our foreclosure prevention assistance

Hacienda's Foreclosure Prevention Program provides support to homeowners in foreclosure, in default, or at risk of falling behind on payments.

Our housing counselors work with clients at risk of foreclosure to identify and explore all available options based on their financial situation.

We offer every client:

- Default intervention workshops and one-on-one counseling
- Financial fitness review, including housing analysis and action plan development
- Mortgage payment assistance
- Coordinated housing support services within Hacienda CDC and referrals to local partners

- Advocacy for homeowners seeking resolution with loan servicers
- Enrollment in Oregon's foreclosure avoidance mediation program
- Referral to Oregon Legal Aid
- Access to a streamlined loan workout process through our unique partnership with Fannie Mae

Finance and Accounting

A Look at Hacienda's Finance and Accounting

Financial management at Hacienda has seen marked change in recent years. Expansion in both Hacienda's property portfolio and program breadth over the last several years has presented particular challenges to our financial planning and reporting capabilities. In response to the growing need in this area, our board and management team have devoted significant resources to our financial infrastructure. In addition to adding a new CFO and two new staff members in our financial department, we also introduced a robust accounting software program that provides an appropriate platform to track the fiscal performance of Hacienda's properties and social service programs.

As we complete FY 2013 and enter FY 2014, we look forward to continued improvement in our overall infrastructure and increased communication and cooperation between our fiscal office and department managers.

Finance and Accounting Goals and Strategies

Goal 1: Set financial goals to ensure organizational stability

Strategies for Achieving Goal 1

- Define and track department-specific and organization-wide financial metrics, including but not limited to acceptable balance of funding sources, program expense to overhead ratios, and earned income percentages
- Develop cash flow projections for each program and the entire organization
- To hedge against temporary cash flow issues, strive to maintain three months of operating costs in reserve
- Maintain a board-designated reserve of three months in operating expenses



Goal 2: Improve financial reporting capabilities for organization and individual programs

Strategies for Achieving Goal 2

- Leverage new accounting staff to shorten the length of time between the end of the month and close of books to 20 days after month end.
- Meet with department managers monthly to further streamline program financial reporting
- Consult with department managers to identify potential sources of earned revenue and provide the information on accounting and financial infrastructure required to introduce and track new revenue sources

Goal 3: Address structural issues that impact the overall financial performance of the organization

Strategies for Achieving Goal 2

- Address material weaknesses and significant deficiencies identified in A133 Audit such that none are found in FY 2013-2014's audit





Hacienda CDC

5136 NE 42nd Avenue
Portland, OR 97218

Phone: (503) 595 - 2111

Fax: (503) 595 - 2116

Web: www.haciendacdc.org

