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**METRO COMMUNITY DEVELOPMENT  
STRATEGIC PLAN**

**NOVEMBER 2017**

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## EXECUTIVE SUMMARY

Metro Community Development (MCD) partnered with FUND Consulting to develop a Strategic Plan to guide the organization's strategic growth and development through 2020.

The research conducted, goals identified, and tools created were designed based on the following guiding questions, which were developed through in-depth conversations with MCD and approved by MCD's Chief Executive Officer (CEO).

- How is MCD currently positioned? What are its strengths, weaknesses, opportunities, and threats?
- How should MCD refine its business model to align with Target Market needs?
- How can MCD best leverage its CDFI status for growth?

FUND Consulting conducted key informant interviews and an online survey with Board and staff and collected and analyzed secondary data to complete an environmental scan and SWOT analysis. Findings were then presented at an MCD Board meeting. As a result of the working session, MCD identified three strategic goals in line with its mission statement.

*MISSION: We serve as a catalyst, committed to excellence through effective partnerships, advocacy, economic and community engagement, to promote stable vibrant communities.*

FUND Consulting reviewed MCD's mission statement and recommends the following updates to ensure the organization remains in line with the CDFI Fund's requirements for Certification.

*REVISED MISSION: We serve as a catalyst, committed to excellence through effective partnerships, advocacy, economic and community engagement, and community development through the provision of financial products and development services to economically distressed populations, to promote stable vibrant communities.*

### STRATEGIC GOALS:

1. *Increase visibility in the marketplace*
2. *Align staffing and infrastructure to support growth*
3. *Expand resources including grant and fee income to support growth and sustainability*

In addition, strategies and objectives for meeting these goals were developed and can be found in Chapter 3/Strategic Goals and Chapter 4/Objectives & Action Planning sections of the report.

## CHAPTER 1/OVERVIEW OF THE PLANNING PROCESS

In order to gauge the climate of the internal organizational environment and identify influential factors in the external environment, MCD and FUND Consulting engaged in a strategic planning process that consisted of the following elements:

- Environmental Scan
  - Key Informant Interviews and online survey with Board members and MCD team
  - Peer and competitor analysis
  - Secondary data analysis on the external environment
- Facilitated goal setting session with Board members and MCD team
- Facilitated action planning session with MCD team
- Creation of strategic planning document with action planning tool

On May 2, 2017, FUND Consulting led a strategic plan kick-off meeting with MCD. During this meeting, the FUND and MCD teams discussed the organization's goals for growth and development. Based on this discussion, FUND's team developed the following key guiding questions to guide the strategic planning process. These questions were approved by MCD's CEO.

- How is MCD currently positioned? What are its strengths, weaknesses, opportunities, and threats?
- How should MCD refine its business model to align with Target Market needs?
- How can MCD best leverage its CDFI status for growth?

In order to understand the internal and external environment of the organization, the next step in the process was to complete an Environmental Scan. The Environmental Scan included key informant interviews, a peer and competitor analysis and the collection of secondary data.

The key informant interview process began with the development of a discussion guide and online survey designed to gather further insight about MCD from Board members and staff. FUND Consulting developed a series of questions, which were approved by the MCD team. MCD provided FUND Consulting with a list of 15 stakeholders, comprised of Board members and staff, to be interviewed. All 15 potential respondents were contacted and offered an opportunity to participate in the strategic planning process. FUND Consulting contacted the potential key informants via email a total of three times and 10 total interviews were completed between June 8 and July 6, 2017. FUND Consulting also conducted an online survey and received completed survey responses from four additional key informants. In line with industry standards, all participants interviewed and surveyed were promised anonymity to ensure candid responses. Key themes from the interviews can be found in Section A/Key Informant Interview Key Themes of Chapter 2/Environmental Scan of this report. The interview discussion guide can be found in Appendix A.

In addition to completing these interviews, FUND Consulting conducted a secondary data analysis to understand the external environment and how it may affect MCD. Data collected included social and economic indicators for the state of Michigan and Saginaw, Shiawassee, Lapeer, and Genesee Counties, as well as the cities of Flint, Lansing, and Detroit. Key findings from the secondary data analysis can be found in section

B/Secondary Data Key Findings of Chapter 2/Environmental Scan below. The detailed data collected and analyzed can be found in Appendices B, C, and D.

FUND Consulting utilized the findings from the Environmental Scan to conduct a SWOT Analysis of the organization, which can be found in the SWOT Analysis section of this report.

FUND Consulting presented the Environmental Scan, key scenarios and preliminary SWOT analysis to MCD staff and Board members at a Board meeting on September 9, 2017. At this session, FUND Consulting worked with staff and Board members to develop strategic goals for the organization. On September 11, 2017, FUND Consulting met with MCD staff to develop strategies and objectives for meeting these goals, identifying the parties who would be responsible for each strategy, and to determine the timeframe for meeting each goal. The results of this session are outlined in the Chapter 3/Strategic Goals and Chapter 4/Objectives & Action Planning sections of the document.

## CHAPTER 2/ENVIRONMENTAL SCAN

FUND Consulting conducted an Environmental Scan of the current and anticipated internal and external factors that may impact MCD's future planning efforts. This included conducting key informant interviews with MCD's Board and staff, an online survey of MCD staff members, and the integration of complementary findings from the secondary data analysis completed by FUND Consulting. The secondary data analysis incorporated an examination of residents in MCD's certified Target Market and surrounding areas, focusing on income, poverty, unemployment, education, small business, housing, and policy trends. The Environmental Scan also entailed an assessment of MCD's competitors and a peer analysis of MCD's financials and loan portfolio performance. The purpose of the Environmental Scan is to fully understand the strengths, weaknesses, opportunities, and threats to the organization.

### SECTION A/KEY INFORMANT INTERVIEW KEY THEMES

FUND Consulting analyzed a total of 10 strategic planning key informant interviews conducted with Board and Management team members and four online survey responses. In addition, FUND Consulting collected further feedback from team members during the Goal Setting and Action Planning working sessions. FUND Consulting's team analyzed the information gathered during the interviews, survey, and working sessions, which generated the key themes below. The interview discussion guide can be found in Appendix A.

#### **Mission and Market**

- MCD's mission is to help underserved individuals by being a catalyst for community growth through homeownership and microlending, and small business development.
- MCD's market is primarily the city of Flint and greater Genesee County.
- There is room for growth in providing resources to underserved residents in MCD's current service area and the opportunity for expansion into surrounding counties.
- MCD has a strong reputation among partners and funders and is able to use this to foster collaboration among organizations in its service area.
- MCD should be wary of decreasing home values and continued effects of the Flint water crisis on its service area.
- There is limited competition in MCD's service area from other CDFIs and nonprofit organizations.

#### **Staff, Board and Operations**

- MCD has skilled and dedicated staff and leadership that are committed to the organization's mission and increasing access to resources for underserved residents in its service area.
- There is transparency and effective communication between Board members and MCD leadership.
- There is a need for more staff to handle current and future growth.
- MCD leadership tends to take on additional programs to address needs in the community without ensuring enough resources for existing activities.

- Respondents indicated a need for succession planning to maintain the strong leadership MCD currently has in place.

### Visibility and Reputation

- MCD is positioned well in its market and is viewed positively by stakeholders such as clients and partners.
- The organization has a strong reputation among funders and partners as being fiscally responsible and knowledgeable on the requirements for award compliance.
- Many respondents indicated that MCD needs to develop a formal marketing and fundraising strategy.
- Respondents indicated that MCD staff needs to be present in the communities they serve and the office location may be too far removed from underserved residents.

### MCD's Future

- Many respondents indicated that MCD will continue to grow its lending and increase operations to serve more residents in its service area.
- In ten years, many respondents indicated MCD will double its lending volume and have greater access to grant funding than it currently does. Additionally, MCD will play a larger role in providing access to homeownership in the service area.

## SECTION B/SECONDARY DATA ANALYSIS

Based on MCD's Target Market of a 123-census tract investment area in Michigan, FUND Consulting conducted a secondary data analysis including the latest data from publicly available sources including: the U.S. Census Bureau; FDIC; Prosperity Now (formerly CFED); and the CDFI Fund.

Key findings from the analysis are included below. The detailed data collected and analyzed can be found in Appendices B, C, and D.

### SECONDARY DATA

- From 2010 to 2015, the state of Michigan, Lapeer County, Saginaw County, Shiawassee County, and Genesee County experienced population decreases of 0.5%, 1.9%, 2.9%, 3.5%, and 4.0% respectively.
- Over the same time period, the city of Flint in Genesee County experienced a population decrease of 7.4%. This is slightly lower than the population decrease of 9.1% in the city of Detroit over the same period but higher than the decrease of 1.0% in the city of Lansing.
- The unemployment rate in the city of Flint (7.7%) is below the unemployment rate in the city of Detroit (8.4%) but exceeds the unemployment rate in the city of Lansing (4.2%).
- The percentage of unbanked and underbanked households in the city of Flint (42.0%) is below the percentage of unbanked and underbanked households in the city of Detroit (48.4%) but significantly above the percentage of households in Lansing (32.2%).

## COMPETITION

- There are 20.0 CDFIs per one million people in the city of Flint compared to 2.7 at the state level and 3.5 at the national level.
- The counties of Lapeer and Shiawassee have no CDFIs located within county limits.
- Competition is high as there are 39 certified CDFIs providing financial products and development services to residents located in MCD's service area.

## SECTION C/PEER ANALYSIS

FUND Consulting also conducted a peer analysis in conjunction with the secondary data research. This analysis included a comparison of MCD's financial structure to Opportunity Finance Network (OFN) member CDFI Loan Funds in MCD's Peer Group of Business Loan Funds with Total Capital of \$5 Million to Less Than \$10 Million and an assessment of MCD's performance based on the CDFI Fund's Minimum Prudent Standards (MPS).

The complete set of peer data can be found in Appendix B. Some key points of analysis include:

- Based on its 2016 financials, MCD exceeds each of the CDFI Fund's MPS ratios with the exception of self-sufficiency.
- When compared to its peer group of 13 business loan funds with total capital of \$5 million to less than \$10 million, MCD is on par with the group average for the number of full-time employees but falls below the group average for Total Capital, Total Cumulative Financing, and Total Financing Outstanding.

## SECTION D/SWOT ANALYSIS

Data from the environmental scan was organized into Strengths, Weaknesses, Opportunities, and Threats, commonly known as a SWOT Analysis. This analysis provides a framework for goal setting by outlining the internal and external factors that affect the organization.

### Strengths

- Dedicated staff and strong leadership
- Financially stable organization
- Held in high regard by borrowers, partners, and funders
- High level of transparency between Board members and MCD leadership
- Status as an SBA Community Advantage lender enables organization to provide micro and small business financing that would otherwise be unavailable to residents
- Use of FHLB membership to further homeownership activities



- Exceeds CDFI Fund Minimum Prudent Standard (MPS) Ratios in terms of the deployment, net asset, net income, current, operating liquidity, weighted PAR90+, annual net loan loss, and loan loss reserve ratios

### Weaknesses

- Lack of succession planning
- Limited staff capacity hindering current workflow and creating a barrier for future growth
- No formal marketing or fundraising efforts
- Taking on additional programs without ensuring enough resources for existing activities
- Office location removed from communities with highest levels of need and demand for MCD financial products and development services
- Does not meet the CDFI Fund MPS Ratios in terms of self-sufficiency
- Falls below CDFI Peer Group average for Total Capital, Total Cumulative Financing, and Total Financing Outstanding

### Opportunities

- Limited competition from nonprofits and other CDFIs in service area creating opportunity for MCD service provision
- Substantial portion of the population in need of existing financial products and development services
- Need for additional home ownership and small business products and development services in the city of Flint as area rebuilds from water crisis
- Potential for growth in current service area and expansion to surrounding counties

### Threats

- Ineffective local government with low levels of trust across residents and businesses in the city of Flint
- Limited number of nonprofits in the area creating the need for MCD to address all gaps in service provision to residents
- Risk of reduced availability of grant funding at the federal level
- High levels of economic distress among residents of MCD's service area as evidenced by low income, high poverty, and high unemployment rates
- Decreasing total population within MCD's service area
- Continuing impact of Flint Water Crisis on local economy and home values

## CHAPTER 3/STRATEGIC GOALS

The following strategic goals were designed to help MCD manage opportunities and ensure capacity for future growth. Based on the Board and staff key informant interviews, planning sessions, and secondary data analysis, the following strategic goals were developed for MCD. Strategies are listed that provide more specific steps to help MCD reach the overarching goals.

### **Goal 1: Increase visibility in the marketplace**

*Strategy 1:* Formalize marketing and outreach

- Objective 1: Develop and implement a Branding Plan
  - Operational Tactic 1: Hire a consultant to develop Branding Plan
- Objective 2: Create and implement a Marketing and Outreach Plan
  - Operational Tactic 1: Hire a consultant to develop Marketing and Outreach Plan
  - Operational Tactic 2: Identify key audiences for marketing and outreach
  - Operational Tactic 3: Dedicate staff to oversee implementation of marketing and outreach strategies

*Strategy 2:* Deepen current partnerships and develop new partnerships for collaboration

- Objective 1: Increase communication with current partners
  - Operational Tactic 1: Schedule quarterly site visits with current partner organizations
- Objective 2: Identify new partnerships for collaboration
  - Operational Tactic 1: Reach out to current and potential partner organizations to determine current projects and collaboration potential
  - Operational Tactic 2: Work with community organizations, non-profits, businesses, financial institutions, educational and health institutions, and units of government in identifying needs that MCD can meet
- Objective 3: Explore potential for satellite offices
  - Operational Tactic 1: Conduct a Community Survey to determine need and demand for satellite offices throughout MCD's service area
- Objective 4: Develop partnerships to provide a range of development services to MCD clients and community members
- Objective 5: Standardize intake process and develop coordinated entry systems for Continuum of Care partner organizations

*Strategy 3:* Increase access to safe and affordable housing

- Objective 1: Develop a new loan product designed to stabilize current housing stock
  - Operational Tactic 1: Conduct a Customer Survey to determine need and demand for new affordable housing loan product

- Operational Tactic 2: Determine underwriting parameters and product features for new loan product following Customer Survey
- Operational Tactic 3: Pilot new loan product
- Objective 2: Determine potential for MCD to develop new housing stock in service area
- Objective 3: Continue to support housing alternatives with comprehensive options ranging from homelessness, prevention, stabilization, low income and aging populations

*Strategy 4:* Support workforce development and job creation

- Objective 1: Continue to sustain YouthBuild Program
  - Operational Tactic 1: Apply for funding through Department of Labor
- Objective 2: Plan and Implement Pre-Apprenticeship Program
  - Operational Tactic 1: Apply for AmeriCorps Program

*Strategy 5:* Support small business development

- Objective 1: Implement SBA Community Advantage Loan Program
- Objective 2: Plan and Implement BizBox
- Objective 3: Implement Revolving Loan Funds from Investors

**Goal 2: Align staffing and infrastructure to support growth**

*Strategy 1:* Determine current and future staffing needs by department

- Objective 1: Formalize succession planning across organization
  - Operational Tactic 1: Revise Succession Plan for CEO
  - Operational Tactic 2: Develop internal succession planning for each division
  - Operational Tactic 3: Provide professional development opportunities for current staff members
- Objective 2: Conduct an assessment of division needs (staffing, salaries, space, tech, etc.)
- Objective 3: Create and implement a Staffing Allocation Plan

*Strategy 2:* Improve internal communication processes

- Objective 1: Hold quarterly cross-divisional meetings
- Objective 2: Update staff on important projects and events occurring across organization after each monthly management meetings
- Objective 3: Schedule semi-annual staff outings

*Strategy 3:* Update infrastructure to align with organizational needs

- Objective 1: Complete a Systems Analysis
  - Operational Tactic 1: Hire a consultant to conduct Systems Analysis
  - Operational Tactic 2: Determine if any technical responsibilities can be outsourced

- Objective 2: Research external IT firms
- Objective 3: Research capabilities of Client Management Systems following Systems Analysis

**Goal 3: Expand resources including grants and fee income to support growth and sustainability**

*Strategy 1:* Increase available grant funding and revenue sources by division

- Objective 1: Develop and implement a Funding Plan
  - Operational Tactic 1: Hire a fund development or grant writer
- Objective 2: Increase total revenue by 3% annually
  - Operational Tactic 1: Determine feasible revenue increase in each department
- Objective 3: Increase organizational self-sufficiency to at least 20%

*Strategy 2:* Maintain CDFI Certification

- Objective 1: Submit Annual CDFI Certification application
- Objective 2: Continue to meet 60% lending threshold to certified Target Market

## CHAPTER 4/OBJECTIVES & ACTION PLANNING

The following table delineates the strategies and objectives needed to reach the three overarching goals, along with a deadline and responsible party (champion) for each objective.

Strategic Goals, Strategies, Objectives, and Operational Tactics	Champion	Department Position	Due Date(s)	Metric	Status
<b>Goal 1: Increase Visibility in the Marketplace</b>					
• Strategy 1: Formalize marketing and outreach across departments					
○ Objective 1: Develop and implement a Branding Plan	Ravi Yalamanchi	CEO	December 31, 2018	Branding Plan implemented	
▪ Operational Tactic 1: Hire a consultant to develop Branding Plan	Ravi Yalamanchi, David Leclerc, Angela Hood	CEO, VP – Asset Development and VP – Community Development	June 30, 2018	Consultant hired	
○ Objective 2: Create and implement a Marketing and Outreach Plan	Ravi Yalamanchi	CEO	March 31, 2019	Marketing and Outreach Plan implemented	
▪ Operational Tactic 1: Hire a consultant to develop Marketing and Outreach Plan	Ravi Yalamanchi, David Leclerc, Angela Hood	CEO, VP – Asset Development and VP – Community Development	June 30, 2018	Consultant hired	
▪ Operational Tactic 2: Identify key audiences for marketing and outreach by department	David LeClerc	VP – Asset Development	June 30, 2018	Key audiences identified	
	Angela Hood	VP – Community Development	June 30, 2018		
▪ Operational Tactic 3: Dedicate staff to oversee implementation of marketing and outreach strategies	David LeClerc	VP – Asset Development	September 30, 2018	Staff dedicated to overseeing strategies	
	Angela Hood	VP – Community Development	September 30, 2018		
• Strategy 2: Deepen current partnerships and develop new partnerships for collaboration					
○ Objective 1: Increase communication with current partners	Division Heads & Ravi Yalamanchi	Division Heads & CEO	Ongoing	Communication increased with current partners	
▪ Operational Tactic 1: Schedule quarterly site visits in each department with current partner organizations	David LeClerc	VP – Asset Development	Ongoing	Quarterly site visits scheduled	
	Angela Hood	VP – Community Development	Ongoing		
○ Objective 2: Identify new partnerships for collaboration	Division Heads & Ravi Yalamanchi	Division Heads & CEO	December 31, 2018		
▪ Operational Tactic 1: Reach out to community organizations to determine current projects and collaboration potential	David LeClerc	VP – Asset Development	September 30, 2018	20 organizations contacted	
	Angela Hood	VP – Community Development	September 30, 2018	20 organizations contacted	
▪ Operational Tactic 2: Work with community organizations, non-profits, businesses, financial institutions, educational and health institutions, and units of government in identifying needs that MCD can meet	Division Heads & Ravi Yalamanchi	Division Heads & CEO	December 31, 2018	Cross-collaboration with 10 organizations achieved	
○ Objective 3: Explore potential for satellite offices	Division Heads & Ravi Yalamanchi	Division Heads & CEO	September 30, 2018	Potential for satellite offices determined	
▪ Operational Tactic 1: Conduct a Community Survey to determine need and demand for satellite offices throughout MCD's service area	David LeClerc	VP – Asset Development	September 30, 2018	Survey completed	
	Angela Hood	VP – Community Development	September 30, 2018		
○ Objective 4: Develop partnerships to provide a range of development services to MCD clients and community members	David LeClerc	VP – Asset Development	December 31, 2018	20 Community partners contacted	
	Angela Hood	VP – Community Development	June 30, 2018	20 Community partners contacted	
○ Objective 5: Standardize intake process	Angela Hood	VP – Community Development	December	Intake process	

and develop coordinated entry systems for Continuum of Care partner organizations			31, 2019	standardized	
<b>• Strategy 3: Increase access to safe and affordable housing</b>					
○ Objective 1: Develop a new loan product designed to stabilize current housing stock	David LeClerc	VP – Asset Development	December 31, 2019	Funding mechanism developed	
▪ Operational Tactic 1: Conduct a Customer Survey to determine need and demand for new affordable housing loan product	David LeClerc	VP – Asset Development	March 31, 2019	Customer survey conducted	
▪ Operational Tactic 2: Determine underwriting parameters and product features for new loan product following Customer Survey	David LeClerc	VP – Asset Development	June 30, 2019	Underwriting parameters and loan features determined	
▪ Operational Tactic 3: Pilot new loan product	David LeClerc	VP – Asset Development	December 31, 2019	New loan product piloted	
○ Objective 2: Determine potential for MCD to develop new housing stock in service area	Ravi Yalamanchi & Board	CEO & Board	June 30, 2019	Potential for new housing stock determined	
○ Objective 3: Continue to support housing alternatives with comprehensive options ranging from homelessness, prevention, stabilization, low income and aging populations.	Angela Hood	VP – Community Development	Ongoing	Continuum of Care and Collaboration Partnership	
<b>• Strategy 4: Support workforce development and job creation</b>					
○ Objective 1: Continue to sustain YouthBuild Program	Angela Hood	VP – Community Development	Ongoing		
▪ Apply for funding through Department of Labor	Angela Hood	VP – Community Development	December 31, 2018	Funding applications submitted to Department of Labor	
○ Objective 2: Plan and Implement Pre-Apprenticeship Program	Angela Hood	VP – Community Development	June 30, 2018	Launch the Pre-Apprenticeship Program	
▪ Operational Tactic 1: Apply for AmeriCorps Program	Angela Hood	VP – Community Development	June 30, 2018	Application submitted for AmeriCorps Program	
<b>• Strategy 5: Support small business development</b>					
○ Objective 1: Implement SBA Community Advantage Loan Program	David Leclerc	VP – Asset Development	March 31, 2018	Begin to issue CA loans	
○ Objective 2: Plan and Implement BizBox	David Leclerc	VP – Asset Development	February 28, 2018	Sign MOU's and agreements with partners	
○ Objective 3: Implement Revolving Loan Funds from Investors	David Leclerc	VP – Asset Development	Ongoing		
<b>Goal 2: Align staffing and infrastructure to support growth</b>					
<b>• Strategy 1: Determine current and future staffing needs by department</b>					
○ Objective 1: Formalize succession planning across organization	Ravi Yalamanchi	CEO	December 31, 2018	Succession planning formalized	
▪ Operational Tactic 1: Revise Succession Plan for CEO	Ravi Yalamanchi & Board	CEO & Board	June 30, 2018	CEO Succession Plan revised	
▪ Operational Tactic 2: Develop internal succession planning for each department	David LeClerc	VP – Asset Development	December 31, 2018	Internal Succession Plan developed	
	Angela Hood	VP – Community Development	December 31, 2018		
▪ Operational Tactic 3: Provide professional development opportunities for current staff members	Ravi Yalamanchi	CEO	Annually	Professional development opportunities provided to staff member annually through NTI and	

				other industry trainings	
○ Objective 2: Conduct an assessment of department needs (staffing, salaries, space, tech, etc.)	David LeClerc	VP – Asset Development	September 30, 2018	Assessment completed	
	Angela Hood	VP – Community Development	September 30, 2018		
○ Objective 3: Create and implement a Staffing Allocation Plan	Ravi Yalamanchi	CEO	December 31, 2018	Staffing Allocation Plan implemented	
● Strategy 2: Improve internal communication processes					
○ Objective 1: Hold quarterly cross-divisional meetings	Ravi Yalamanchi	CEO	Ongoing	Quarterly meetings held	
○ Objective 2: Update staff on important projects and events occurring across organization following monthly management meetings	David LeClerc	VP – Asset Development	Monthly	Staff updates provided	
	Angela Hood	VP – Community Development	Monthly		
○ Objective 3: Schedule semi-annual staff outings	Ravi Yalamanchi	CEO	Ongoing	2 staff events held annually	
● Strategy 3: Update infrastructure to align with organizational needs					
○ Objective 1: Complete a Systems Analysis	Ravi Yalamanchi	CEO	June 30, 2018	Systems Analysis completed	
▪ Operational Tactic 1: Hire a consultant to conduct Systems Analysis	Ravi Yalamanchi	CEO	March 31, 2018	Consultant hired	
▪ Operational Tactic 2: Determine if any technical responsibilities can be outsourced	Ravi Yalamanchi	CEO	June 30, 2018	Technical responsibilities evaluated	
○ Objective 2: Research external IT firms	David LeClerc	VP – Asset Development	June 30, 2018	External IT firms researched	
○ Objective 3: Research capabilities of Client Management Systems following Systems Analysis	David LeClerc	VP – Asset Development	June 30, 2018	Client Management Systems researched	
<b>Goal 3: Expand resources including grants and fee income to support growth and sustainability</b>					
● Strategy 1: Increase available grant funding and revenue sources by department					
○ Objective 1: Develop and implement a Funding Plan	Division Heads & Ravi Yalamanchi	Division Heads & CEO	September 30, 2018	Funding Plan implemented	
▪ Operational Tactic 1: Hire consultant to develop a Funding Plan	Division Heads & Ravi Yalamanchi	Division Heads & CEO	June 30, 2018	Consultant hired	
○ Objective 2: Increase total revenue by 3% annually	Ravi Yalamanchi	CEO	Annually	Total revenue increased by 3% annually	
▪ Operational Tactic 1: Determine feasible revenue increase in each department	David LeClerc	VP – Asset Development	September 30, 2018	Annual revenue to be increased by 10%	
	Angela Hood	VP – Community Development	September 30, 2018	Annual revenue to be increased by 3%	
○ Objective 3: Increase organizational self-sufficiency to at least 20%	Ravi Yalamanchi	CEO	June 30, 2021	Organizational self-sufficiency at 20%	
● Strategy 2: Maintain CDFI Certification					
○ Objective 1: Submit Annual CDFI Certification application	David LeClerc	VP – Asset Development	Annually	Annual CDFI Certification application submitted	
○ Objective 2: Continue to meet 60% lending threshold to certified Target Market	David LeClerc	VP – Asset Development	Ongoing	60% lending threshold met	

## CHAPTER 5/ STRATEGIC PLAN MONITORING & EVALUATION GUIDELINES

The plan should be monitored by a special committee comprised of Board delegates, MCD's CEO, and key department Directors. The committee should meet quarterly to review the plan and determine progress toward goals.

If any given strategy fails to produce a positive impact or the objectives are not met by the anticipated timeline, strategies and objectives will be revised or replaced with new tactics agreed upon by the committee.



## APPENDIX A/KEY INFORMANT DISCUSSION GUIDE

1. Please describe your role at MCD.
2. In your own words, how would you describe MCD's mission?
3. How would you describe MCD's market? Is there room for growth within the current market, or is there potential for expansion? Where? What populations?
4. What is working well at MCD? What are MCD's biggest challenges?
5. How do you think MCD is positioned in the market?
  - a. How can MCD improve its marketing and visibility in the CDFI industry?
  - b. How can MCD improve its marketing and visibility to potential borrowers in the community?
  - c. How can MCD improve its marketing and visibility to potential affordable and supportive housing community partners?
6. Who do you believe are MCD's competitors?
7. How do you think stakeholders such as funders, investors, clients, and government agencies view MCD and the services that it provides? What is this perception based on?
8. What type of impact does MCD have on its market? How do their products and services contribute to community and economic development in the market?
9. What is going on in your market that you think MCD can take advantage of? Be wary of?
  - a. What potential partnerships exist in the community? How can MCD effectively use partnerships to increase its potential pipeline?
10. What factors have most successfully contributed to growth for MCD? What are the potential scenarios for future growth?
11. Where do you see MCD in 5 years? In 10 years?
12. Is there anything else you would like to add?

## APPENDIX B/DETAILED SECONDARY DATA BY ECONOMIC INDICATOR

Based on MCD's Target Market of a 123-census tract Investment Area in Michigan, FUND Consulting conducted a secondary data analysis including the latest data from publicly available sources including: the U.S. Census Bureau; Bureau of Labor Statistics; Prosperity Now (formerly CFED); and the CDFI Fund.

### TARGET MARKET

This section contains data at the national level and for the state of Michigan, Lapeer County, Saginaw County, Shiawassee County, Genesee County, and the cities of Flint, Detroit, and Lansing.

### POPULATION

2015 U.S. Census Bureau data shows the following population statistics.

- While the overall population in the U.S. increased by 4.1% from 2010 to 2015, the state of Michigan, Lapeer County, Saginaw County, Shiawassee County, and Genesee County experienced population decreases over the same period of 0.5%, 1.9%, 2.9%, 3.5%, and 4.0% respectively.
- From 2010 to 2015, the city of Flint in Genesee County experienced a population decrease of 7.4%. This is slightly lower than the population decrease of 9.1% in the city of Detroit over the same period but higher than the decrease of 1.0% in the city of Lansing.
- The most significant population increases from 2010 to 2015 include a 16.5% increase in the African American population in Lapeer County, an 11.5% increase in the Hispanic population of 11.5%, and an increase in the Asian population in Lapeer County and Shiawassee County of 34.3% and 35.3% respectively.
- The most significant population decreases from 2010 to 2015 include a 7.5% decrease in the White population in the city of Flint, a 22.5% decrease in the African American population in Shiawassee County, a 7.4% decrease in the Hispanic population in the city of Flint, and a 15.0% decrease in the Asian population in the city of Flint.
- While the White population has decreased in each area (except the city of Detroit) from 2010 to 2015, the Hispanic and Asian populations have increased in each area over the same time period with the exception of Genesee County and Flint.

	Total Population		White Population			Black Population			Hispanic Population			Asian Population		
	2015 Population	Change 2010-2015	2015 Population	2015 % of Pop.	Change 2010-2015	2015 Population	2015 % of Pop.	Change 2010-2015	2015 Population	2015 % of Pop.	Change 2010-2015	2015 Population	2015 % of Pop.	Change 2010-2015
United States	316,515,021	4.1%	232,955,055	73.6%	3.6%	39,880,893	12.6%	5.0%	54,124,069	17.1%	13.4%	16,235,305	5.1%	14.5%
Michigan	9,900,571	-0.5%	7,821,451	79.0%	-0.9%	1,386,080	14.0%	-1.2%	465,327	4.7%	8.7%	267,315	2.7%	11.9%
Lapeer County	88,235	-1.9%	84,487	95.8%	-2.1%	1,122	1.3%	16.5%	3,917	4.4%	8.1%	415	0.5%	34.3%
Saginaw County	196,479	-2.9%	147,890	75.3%	-3.2%	36,160	18.4%	-5.3%	15,862	8.1%	3.4%	2,307	1.2%	4.5%
Shiawassee County	69,113	-3.5%	66,900	96.8%	-4.1%	317	0.5%	-22.5%	1,884	2.7%	11.5%	299	0.4%	35.3%
Genesee County	415,874	-4.0%	311,074	74.8%	-4.2%	84,838	20.4%	-3.0%	13,308	3.2%	6.0%	4,159	1.0%	-4.0%
Flint city	99,802	-7.4%	39,414	39.5%	-7.5%	54,953	55.1%	-7.1%	3,719	3.7%	-7.4%	393	0.4%	-15.5%
Detroit city	690,074	-9.1%	92,590	13.4%	14.7%	552,875	80.1%	-12.0%	52,996	7.7%	8.5%	8,700	1.3%	-7.1%
Lansing city	114,485	-1.0%	70,439	61.5%	-3.6%	24,930	21.8%	-2.9%	14,077	12.3%	-5.2%	4,731	4.1%	11.5%

## EDUCATION

2015 U.S. Census Bureau data shows the following education statistics.

- The percentage of residents over the age of 25 that have earned at least a high school diploma as of 2015 is higher in the counties of Lapeer (90.8%), Saginaw (89.8%) and Shiawassee (91.7%) compared to the U.S. (86.7%) and state of Michigan (89.6%). The percentage of residents over the age of 25 that have earned at least a high school diploma as of 2015 in Genesee County (89.3%) is above the U.S. but slightly below the state.
- The percentage of residents over the age of 25 that have earned at least a high school diploma as of 2015 in the city of Flint (82.9%) is above the city of Detroit (78.3%) but below the city of Lansing (87.6%).
- The percentage of residents over the age of 25 that have earned at least a bachelor's degree in 2015 in the counties of Lapeer (17.5%), Saginaw (15.9%), Shiawassee (19.0%) and Genesee (19.3%) is lower than the U.S. (29.8%) and state (26.9%).
- The percentage of residents over the age of 25 that have earned at least a bachelor's degree as of 2015 in the city of Flint (11.2%) is below the city of Detroit (13.5%) and the city of Lansing (25.7%).

	2015 Population with HS Diploma	2015 Population with BA/BS Degree
United States	86.7%	29.8%
Michigan	89.6%	26.9%
Lapeer County	90.8%	17.5%
Saginaw County	89.8%	15.9%
Shiawassee County	91.7%	19.0%
Genesee County	89.3%	19.3%
Flint city	82.9%	11.2%
Detroit city	78.3%	13.5%
Lansing city	87.6%	25.7%

## INCOME & POVERTY

- 2015 Census data shows the median household incomes (MHI) in the counties of Saginaw (\$43,042), Shiawassee (\$48,233), and Genesee (\$42,327) are lower than the U.S. MHI of \$53,889. Further, the MHIs in all counties except Lapeer are lower than the MHI in the state of Michigan (\$49,576). The MHI in Lapeer County (\$52,996) is on par with the U.S. MHI and above the state MHI.
- As of 2015, the MHI for the city of Flint (\$24,862) is below the MHI for the cities of Detroit (\$25,764) and Lansing (\$35,563).
- The 2015 poverty rate in the counties of Saginaw (18.3%) and Genesee (20.9%) are above the national and state poverty rates of 15.5% and 16.7% respectively while the poverty rates in the counties of Lapeer (10.6%) and Shiawassee (14.4%) are below national and state rates.
- Further, the 2015 poverty rate in the city of Flint (41.2%) is above the poverty rate in the cities of Detroit (40.3%) and Lansing (29.6%).
- From 2010 to 2015, the population living in poverty in Lapeer County showed the largest decrease at 3.6% while the population living in poverty increased by the greatest amount in Genesee County at 15.5%.
- Over the same period, the population living in poverty in the city of Flint (12.6%) increased at a slower rate than the population in neighboring cities of Detroit (16.8%) and Lansing (19.8%).

	<b>Median Household Income (MHI) (2015)</b>	<b>Poverty Rate (2015)</b>	<b>Growth in Population Living in Poverty (2010-2015)</b>
United States	\$53,889	15.5%	12.3%
Michigan	\$49,576	16.7%	12.8%
Lapeer County	\$52,996	10.6%	-3.6%
Saginaw County	\$43,042	18.3%	-1.1%
Shiawassee County	\$48,233	14.4%	3.6%
Genesee County	\$42,327	20.9%	15.5%
Flint city	\$24,862	41.2%	12.6%
Detroit city	\$25,764	40.3%	16.8%
Lansing city	\$35,563	29.6%	19.8%

## UNEMPLOYMENT

April 2017 Bureau of Labor Statistics data shows the following for unemployment.

- As of April 2017, the unemployment rates in Lapeer County (5.0%) are higher than the U.S. and state rates of 4.4% and 4.7% respectively while unemployment rates in the counties of Saginaw (4.1%), Shiawassee (4.0%), and Genesee (4.3%) are below the national and state rates.
- The unemployment rate in the city of Flint (7.7%) is below the unemployment rate in the city of Detroit (8.4%) but exceeds the unemployment rate in the city of Lansing (4.2%).

	<b>Unemployment Rate, April 2017</b>
United States	4.4%
Michigan	4.7%
Lapeer County	5.0%
Saginaw County	4.1%
Shiawassee County	4.0%
Genesee County	4.3%
Flint city	7.7%
Detroit city	8.4%
Lansing city	4.2%

## UNBANKED & UNDERBANKED

2015 Prosperity Now data shows the following for unbanked and underbanked households.

- The percentage of unbanked and underbanked households in the counties of Lapeer (19.5%), Saginaw (26.2%), and Shiawassee ( 21.6%) are below the percentage of unbanked and underbanked households in the U.S. (27.7%) and state (23.8%). The percentage of unbanked and underbanked households in Genesee County (27.8%) is on par with the U.S. (27.7%) but exceeds the percentage of households at the state level (23.8%).
- The percentage of unbanked and underbanked households in the city of Flint (42.0%) is below the percentage of unbanked and underbanked households in the city of Detroit (48.4%) but significantly above the percentage of households in Lansing (32.2%).

	Percent Unbanked Households (2015)	Percent Underbanked Households (2015)
United States	7.7%	20%
Michigan	5.7%	18.1%
Lapeer County	4.1%	15.4%
Saginaw County	7.8%	18.4%
Shiawassee County	5.6%	16.0%
Genesee County	8.4%	19.4%
Flint city	17.3%	24.7%
Detroit city	19.9%	28.5%
Lansing city	11.6%	20.6%

## HOUSING ENVIRONMENT

The following housing and homeownership characteristics are based on 2015 U.S. Census Bureau data.

- The homeownership rates in the counties of Lapeer (83.1%), Saginaw (72.2%), Shiawassee (76.1%), and Genesee (69.5%) are higher than the U.S. rate of 63.9%. Further the homeownership rates in each county are higher than the state rate of 71.0%, with the exception of Genesee County at 69.5%.
- The homeownership rate in the city of Flint (55.8%) is lower than the state and U.S. rates of 71.0% and 63.9% respectively but higher than rates in the city of Detroit (46.6%) and the city of Lansing (50.3%).

	Occupancy Characteristics		
	Total Units	Owner-occupied	Renter-occupied
United States	116,926,305	63.9%	36.1%
Michigan	3,841,148	71.0%	29.0%
Lapeer County	32,682	83.1%	16.9%
Saginaw County	77,925	72.2%	27.8%
Shiawassee County	27,409	76.1%	23.9%
Genesee County	165,268	69.5%	30.5%
Flint city	40,260	55.8%	44.2%
Detroit city	255,580	46.6%	53.4%
Lansing city	47,338	50.3%	49.7%

## SMALL BUSINESS ENVIRONMENT

- According to the Census Bureau's County Business Patterns survey, the number of small business establishments in Saginaw, Shiawassee, and Genesee Counties has decreased from 2010 to 2015 by 5.3%, 3.7%, and 3.3% respectively. Alternatively, the number of small business establishments in Lapeer County has increased by 2.6% over the same time period.

	Number of Small Business Establishments (less than 50 employees)		
	2010	2015	Change 2010-2015
United States	7,024,751	7,246,470	3.2%
Michigan	208,106	207,056	-0.5%
Lapeer County	1,528	1,567	2.6%
Saginaw County	4,261	4,036	-5.3%
Shiawassee County	1,149	1,107	-3.7%
Genesee County	7,556	7,303	-3.3%

## POLICY

Michigan falls within the mid-range on all measures of supportive policy, as indicated by the 2017 Prosperity Now (formerly CFED) Assets & Opportunities Scorecard State Profile.

- Michigan ranks 27th out of all 50 states and the District of Columbia overall when all 61 issue areas and measures are compared.
- Michigan ranks 33<sup>rd</sup> out of 51 for its Financial Assets and Income policies, adopting five out of the 20 policies Prosperity Now measures in this area. The state does not protect against abusive debt buying practices, does not authorize state funding for individual development accounts, and does not provide consumer protections against payday lending or predatory installment loans.
- Michigan ranks 32<sup>nd</sup> out of 51 for its Business and Jobs policies, adopting two out of the 10 policies Prosperity Now measures for this area. The state is not on track to provide an adequate minimum wage by 2022, does not cover all classes of workers in its state minimum wage requirements, does not provide adequate unemployment benefits, and does not require paid leave policies or expanded FMLA.

- Michigan ranks 14<sup>th</sup> out of 51 for its Housing and Homeownership policies, adopting six of the 12 policies that Prosperity Now measures. The state does not offer direct lending programs for first-time homeowners, does not require third-party reviews of potential foreclosures, does not offer Section 8 protections for renters, and does not provide tenant foreclosure protections.



## APPENDIX C/DETAILED ANALYSIS OF COMPETITION BY INSTITUTION COMPETITOR COUNTS

### CDFI COMPETITORS

- The number of CDFIs per 1 million people in the city of Flint (20.0) is almost ten times greater than the number of CDFIs per 1 million people in the state (2.7) and nation (3.5).
- The counties of Lapeer and Shiawassee have no CDFIs located within county limits.
- There are 39 certified CDFIs providing financial products and development services to residents located in MCD's service area.

	Number of CDFIs			
	All CDFIs	Microenterprise	Small Business	Affordable Housing
United States	1,095	176	597	680
Michigan	27	6	17	19
Lapeer County	0	0	0	0
Saginaw County	1	0	1	1
Shiawassee County	0	0	0	0
Genesee County	3	1	2	2
Flint city	2	1	1	1
Lansing city	2	1	2	2
Detroit city	4	0	3	4

	Number of CDFIs per 1 Million People			
	All CDFIs	Microenterprise	Small Business	Affordable Housing
United States	3.5	0.6	1.9	2.1
Michigan	2.7	0.6	1.7	1.9
Lapeer County	0	0	0	0
Saginaw County	5.1	0	5.1	5.1
Shiawassee County	0	0	0	0
Genesee County	7.2	2.4	4.8	4.8
Flint city	20.0	10.0	10.0	10.0
Lansing city	17.5	8.7	17.5	17.5
Detroit city	5.8	0	4.3	5.8

	Certified CDFIs with Overlapping Target Markets with MCD			
	Service Area	Low-Income, Minorities or Women Targeted	Loan Products	Total Assets
Blueprint Investment Fund	LA, MI, MN, MS, IL, IN, NY, WI	✓ Low-income	✓ Microenterprise	\$394,000
First Children's Finance	IA, KS, MI, MN, MO, ND, SD, TX, WA, WI	✓ Low-income	✓ Community Facilities	\$8,619,000
Frankenmuth Credit Union	Michigan		✓ Depository Services ✓ Personal/Consumer ✓ Auto	\$470,666,000

			<ul style="list-style-type: none"> <li>✓ First Mortgages</li> <li>✓ Small Business</li> <li>✓ Commercial Real Estate</li> <li>✓ Payday Alternative</li> </ul>	
IFF	IL, IA, IN, KS, MI, MN, MO, NE, ND, OH, SD, WI		<ul style="list-style-type: none"> <li>✓ Affordable Housing Development</li> <li>✓ Nonprofit</li> <li>✓ Community Facilities</li> <li>✓ Health Facilities</li> </ul>	\$234,335,000
Opportunity Resource Fund	MI		<ul style="list-style-type: none"> <li>✓ First Mortgages</li> <li>✓ Affordable Housing Development</li> <li>✓ Microenterprise</li> <li>✓ Small Business</li> <li>✓ Commercial Real Estate</li> <li>✓ Community Facilities</li> <li>✓ Mixed-use</li> </ul>	\$11,050,169,000
Primary Care Development Corporation	CA, LA, SD, WI, MI, MD, NY, VT, NH, MA, NJ, NY		<ul style="list-style-type: none"> <li>✓ Health Facilities</li> </ul>	\$74,464,000
CASE Credit Union	Ingham, Clinton, Livingston, Shiawassee, Ionia, and Jackson Counties, MI		<ul style="list-style-type: none"> <li>✓ Depository Services</li> <li>✓ Personal/Consumer</li> <li>✓ Auto</li> <li>✓ First Mortgages</li> <li>✓ Small Business</li> </ul>	\$274,540,000
Community Choice Credit Union	Genesee, Lapeer, Livingston, Macomb, Oakland, St. Clair, Washtenaw, Wayne, Allegan, Kent, Monroe, and Ottawa Counties, MI		<ul style="list-style-type: none"> <li>✓ Depository Services</li> <li>✓ Personal/Consumer</li> <li>✓ Auto</li> <li>✓ First Mortgages</li> <li>✓ Small Business</li> <li>✓ Agriculture</li> <li>✓ Commercial Real Estate</li> </ul>	\$853,406,000
Liberty Bank and Trust Company	LA, MS, KS, MO, MI, IL		<ul style="list-style-type: none"> <li>✓ Depository Services</li> <li>✓ Personal/Consumer</li> <li>✓ Auto</li> <li>✓ Credit Builder</li> <li>✓ First Mortgages</li> <li>✓ Small Business</li> <li>✓ Commercial Real Estate</li> </ul>	\$286,349,000
Calvert Social Investment Foundation	National		<ul style="list-style-type: none"> <li>✓ Affordable Housing Development</li> <li>✓ Small Business</li> <li>✓ Nonprofit</li> <li>✓ Community Facilities</li> <li>✓ Other CDFI</li> </ul>	\$251,374,000
Capital Impact Partners	National with a focus on Detroit, MI	✓ Low-income	<ul style="list-style-type: none"> <li>✓ Affordable Housing Development</li> <li>✓ Multi-Family</li> <li>✓ Small Business</li> <li>✓ Commercial Real Estate</li> <li>✓ Health Facilities</li> <li>✓ Healthy Foods</li> </ul>	\$224,983,000
Community Development and Affordable Housing Fund, LLC	National	✓ Low-income	<ul style="list-style-type: none"> <li>✓ Affordable Housing Development</li> <li>✓ Multi-Family</li> </ul>	Unavailable
Community Development Trust, LP, The	National	✓ Low-income	<ul style="list-style-type: none"> <li>✓ Affordable Housing Development</li> <li>✓ Multi-Family</li> </ul>	Unavailable
Community Housing Capital	National	✓ Low-income	<ul style="list-style-type: none"> <li>✓ Personal/Consumer</li> <li>✓ Affordable Housing Development</li> <li>✓ Multi-Family</li> </ul>	\$56,884,000

			<ul style="list-style-type: none"> <li>✓ Green</li> <li>✓ Commercial Real Estate</li> </ul>	
Community Reinvestment Fund, LLC	National	✓	<ul style="list-style-type: none"> <li>✓ Affordable Housing Development</li> <li>✓ Multi-Family</li> <li>✓ Small Businesses</li> <li>✓ Community Facilities</li> </ul>	\$289,953,000
Corporation for Supportive Housing	National		<ul style="list-style-type: none"> <li>✓ Affordable Housing Development</li> </ul>	\$81,559,000
Disaster Response Fund U.S., Inc.	National	✓ Low-income	<ul style="list-style-type: none"> <li>✓ Affordable Housing Development</li> <li>✓ Small Business</li> <li>✓ Community Facilities</li> <li>✓ Disaster Recovery</li> </ul>	Unavailable
Enterprise Community Loan Fund, Inc.	National	✓ Low-income	<ul style="list-style-type: none"> <li>✓ Affordable Housing Development</li> <li>✓ Multi-Family</li> <li>✓ Commercial Real Estate</li> <li>✓ Nonprofit</li> <li>✓ Community Facilities</li> </ul>	\$147,517,000
Grow America Fund	National		<ul style="list-style-type: none"> <li>✓ Affordable Housing Development</li> <li>✓ Multi-Family</li> <li>✓ Small Business</li> <li>✓ Commercial Real Estate</li> <li>✓ Nonprofit</li> <li>✓ Community Facilities</li> </ul>	\$73,582,000
Housing Assistance Council	National	<ul style="list-style-type: none"> <li>✓ Low-income</li> <li>✓ Native Americans</li> </ul>	<ul style="list-style-type: none"> <li>✓ Affordable Housing Development</li> <li>✓ Multi-Family</li> <li>✓ Nonprofit</li> <li>✓ Community Facilities</li> <li>✓ Health Facilities</li> </ul>	\$57,153,000
Impact C.I.L., LLC	National	✓ Low-income	<ul style="list-style-type: none"> <li>✓ Affordable Housing Development</li> <li>✓ Multi-Family</li> <li>✓ Green</li> <li>✓ Community Facilities</li> <li>✓ Health Facilities</li> </ul>	Unavailable
Institute for Community Economics	National	✓ Low-income	<ul style="list-style-type: none"> <li>✓ Affordable Housing Development</li> <li>✓ Multi-Family</li> <li>✓ Community Facilities</li> <li>✓ Health Facilities</li> </ul>	Unavailable
Local Initiatives Support Corporation	National		<ul style="list-style-type: none"> <li>✓ Affordable Housing Development</li> <li>✓ Commercial Real Estate</li> <li>✓ Nonprofit</li> <li>✓ Community Facilities</li> </ul>	\$429,213,000
Mercy Loan Fund	National	✓ Low-income	<ul style="list-style-type: none"> <li>✓ Affordable Housing Development</li> <li>✓ Multi-Family</li> </ul>	\$44,489,000
National Housing Trust Community Development Fund	National	✓ Low-income	<ul style="list-style-type: none"> <li>✓ Affordable Housing Development</li> <li>✓ Multi-Family</li> <li>✓ Green</li> <li>✓ Nonprofit</li> <li>✓ Community Land Trust</li> </ul>	\$11,492,000
NeighborWorks Capital	National	✓ Low-income	<ul style="list-style-type: none"> <li>✓ Affordable Housing Development</li> <li>✓ Green</li> <li>✓ Commercial Real Estate</li> </ul>	\$37,923,000
Raza Development	National	✓ Low-income	<ul style="list-style-type: none"> <li>✓ Affordable Housing</li> </ul>	\$110,739,000

Fund, Inc.		✓ Minorities (Hispanic)	Development ✓ Nonprofit ✓ Community Facilities	
Reinvestment Fund, Inc., The	National	✓ Low-income	✓ Affordable Housing Development ✓ Community Facilities ✓ Health Foods	\$277,166,000
The Disability Fund, Inc.	National	✓ Disabled	✓ Affordable Housing Development ✓ Small Business ✓ Commercial Real Estate ✓ Nonprofit ✓ Community Facilities ✓ Health Facilities	\$11,941,968
The Housing Partnership Network, Inc.	National	✓ Low-income	✓ Personal/Consumer ✓ Affordable Housing Development ✓ Multi-Family ✓ Small Business ✓ Nonprofit ✓ Community Facilities	\$15,886,000
Coastal Ventures III Limited Partnership	National	✓ Low-income	✓ Small Business	Unavailable
Community Development Transportation Lending Services	National		✓ Microenterprise ✓ Small Business	\$5,466,000
The Community Development Venture Capital Alliance	National and international		✓ Small Business	\$4,282,000
Local Enterprise Assistance Fund	National	✓ Low-income	✓ Small Business	\$3,055,000
National Minority Supplier Development Council Business Consortium Fund, Inc.	National	✓ Minorities	✓ Small Business	\$6,542,000
Shared Capital Cooperative	National	✓ Minorities (Hispanic)	✓ Microenterprise ✓ Small Business ✓ Commercial Real Estate	Unavailable
TELACU Community Capital	National		✓ Microenterprise ✓ Small Business ✓ Commercial Real Estate	\$8,118,000
NDC Community Impact Loan Fund	National: AK, AZ, CA, CO, CT, FL, ID, IA, MI, MN, MT, NM, ND, SD, WA, WI, WY		✓ Affordable Housing Development ✓ Small Business ✓ Commercial Real Estate	Unavailable
Lendistry	National		✓ Small Business	Unavailable

## APPENDIX D/DETAILED PEER & FINANCIAL ANALYSIS

### CDFI FUND MPS RATIOS

While the CDFI Fund has moved away from using the defined Minimum Prudent Standard (MPS) ratios to assess CDFI portfolio health as of the 2017 CDFI Program funding round, these ratios are still utilized across the CDFI industry. As such, FUND recommends that MCD use the MPS ratios as a way of ensuring the organization remains in line with industry standards. The following table provides a comparison of MCD's MPS ratios to the CDFI Fund's MPS ratios for CDFI loan funds. Based on its 2016 financials, MCD exceeds each of the CDFI Fund's MPS ratios with the exception of self-sufficiency.

Financial Metric/ Loan Portfolio Quality	Calculation	MCD - 2016	CDFI Fund MPS
Deployment Ratio	(Total Gross Loans Receivable + Equity Investments + Total Commitments) / (Total Net Assets Available for Financing + Total Adjusted Notes Payable)	125.2%	≥50%
Net Asset Ratio	Net Assets / Total Assets	76.4%	≥20%
Net Income	Total Income – Total Expenses	\$717,632	\$0
Self-sufficiency Ratio	Total Earned Revenue / Total Pre-tax Operating Expenses	7.8%	≥40% for non-profits
Operating Liquidity Ratio	(Unrestricted Cash and Cash Equivalents) / (.25*(Total Pre-tax Operating Expenses – Loan Loss Provision)	165.9%	≥100%
Current Ratio	Current Assets / Current Liabilities	700.6%	≥125%
Weighted PAR90+	Dollar Amount of Outstanding Loans / Total (Gross) Loan Portfolio	1.9%	≤10% (Small Business)
Annual Net Loan Loss Ratio	Net Charge-Offs / Total Outstanding Loan Portfolio	0.0%	≤5% (Small Business)
Loan Loss Reserve Ratio	.5*PAR90+ < LLR > 1.5PAR90+	309.1%	.5*PAR90+<LLR>1.5PAR90+

### OFN SIDE BY SIDE

Each year, OFN releases the *Side by Side* report which includes peer group analyses by sector for member institutions. In the most recent report, released in 2016 with 2015 data, MCD's peer group is comprised of 13 business loan funds with total capital of \$5 million to less than \$10 million. When compared to its peer group using 2015 data, MCD is on par with the group average for the number of full-time employees but falls below the group average for Total Capital, Total Cumulative Financing, and Total Financing Outstanding.

Financial Metric	MCD	Business Loan Funds with Total Capital of \$5 Million to Less Than \$10 Million
Total Capital	\$5,378,294	\$6,804,831
Total Cumulative Financing	\$6,344,887	\$23,601,580
Total Financing Outstanding	\$2,386,385	\$4,175,470
Number of Full-Time Employees	11	11