

2018 Letter from the President & CEO

REVITALIZATION

In 1975 Trellis was incorporated as Neighborhood Housing Services of Phoenix with a mission to revitalize neighborhoods. For 43 years Trellis has brought residents and the community to the table to transform impoverished neighborhoods into economically viable and healthy communities. Those of you who have followed our efforts know that we started in the Coronado neighborhood and, over the years, have worked extensively in Garfield to improve the physical environment—as well as help create wealth and open opportunities for residents. In 2018 we stepped up our efforts on the commercial corridor that lies between these two neighborhoods. This targeted revitalization is a critical part of our community development work and is instrumental in the overall neighborhood revitalization of these two communities.

Working collaboratively with Local Initiatives Support Corporation, the Phoenix Community Alliance, the City of Phoenix and Banner University Medical Center and with local and national financial contributors—including JP Morgan Chase, Wells Fargo and the Federal Home Loan Bank of San Francisco—has enabled Trellis to make great strides in revitalizing what we are calling the *Miracle Mile on McDowell Road*.

To this end, a branding campaign and logos have been developed for this area. Regularly scheduled neighborhood clean-ups have brought out active volunteers and an active social media presence has engaged followers and supporters. The monthly revitalization committee meetings see up to three dozen corporate, nonprofit, small business, local government and resident attendees and, City-owned parking-lot signage has been obtained. We've also seen active participation by the corridor businesses in the *Local First Fall Festival* that featured over 200 vendors and thousands of participants. Additionally, local businesses were introduced to lenders and participated in financing workshops. Much-needed shade trees were planted!

And, that's only the beginning. Up-coming plans include: mural projects, whitebox treatments for vacant storefronts, alley lighting and signage, special events, and capital improvements. Even a community celebration is in the works.

Trellis believes that if a neighborhood's business district is strong, the surrounding neighborhood benefits through economic opportunities, entry-level jobs, workforce training and convenient access to goods and services for residents. We truly believe that the *Miracle Mile on McDowell Road* commercial corridor is primed to become a thriving main-street destination and provide Phoenix neighbors with a vibrant mix of walkable, community-driven services.

Trellis continued to bring our core programs of homeownership counseling and education, financial access, and neighborhood developments to the community. We are currently working on the development of a possible dozen new, single-family homes in the Garfield neighborhood, and a total of 20 new townhomes along the *West Camelback Corridor*—in close proximity to the 19th Avenue and Camelback light rail station. We submitted our first-ever Low Income Tax Credit Application for the developments of 40 lease-to-own townhomes in the *Sunnyslope Community* and began pre-development work for the creation of approximately 40 homes on property owned by Trellis in *South Phoenix*. Trellis will continue to re-energize our clients by growing our *Financial Coaching* program that helps our clients turn financial knowledge into positive financial behaviors.

We said farewell to 2018 on sound financial footing and are optimistically looking forward to 2019 and the prospect of even greater economic impacts for homeowners, neighborhoods and the communities in which we work.

Patricia Garcia Duarte, President & CEO

2018 IMPACT



87

new homeowners were created.

1,124

were assisted with housing advice, education and coaching.

\$5.8 MM

in mortgage financing provided.

5

new homes built.

TRELLIS' IMPACT FROM 1975 TO 2018:



3,571

families were helped to purchase their first home.

316

homes built or rehabilitated.

42,221

Number of families or individuals educated or counseled in financial management and/or how-to-buy a home.



\$149MM

Originated and/or facilitated more than 2,000 mortgage loans totaling \$149MM.

4,800

struggling homeowners were saved from foreclosure.

BY THE NUMBERS

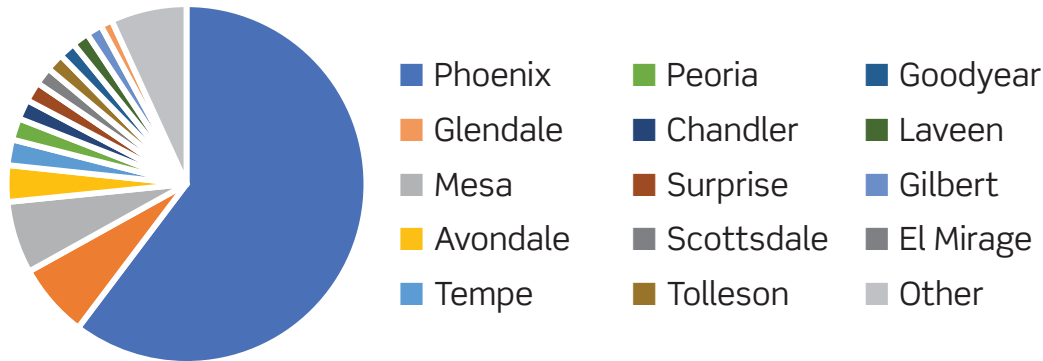
DEMOGRAPHICS: WHO ARE OUR CLIENTS? TOTAL: 1,124 in 2018

HOUSEHOLD
28%
 Female-single parent
29%
 Married with children

GENDER
59%
 Female
41%
 Male

AGE
7.3%
 18 - 23
54.5%
 25 - 44
24.6%
 45 - 64

WHERE TRELIS CLIENTS LIVE:

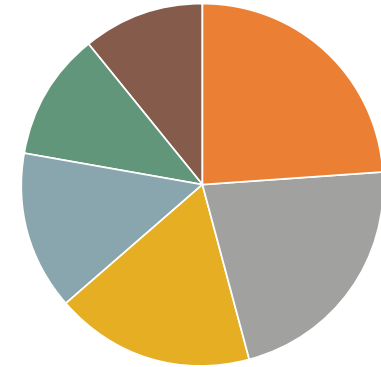


INCOME:

Nearly 79% are low-moderate income, based on HUD criteria

(2018: Family of 4 = at or below \$55,300)

EMPLOYERS:



- Healthcare Support
- Office and Administrative Support
- Business and Financial
- Education, Training and Library
- Food Preparation and Serving
- Transportation and Material Moving

FINANCIAL COACHING:

49 points

Average Credit Score Improvement

\$4,419

Average Increase in Savings

\$2,461

Average Debt Reduction

CONTRIBUTORS

\$100,000+

NeighborWorks America
Freddie Mac
JPMorgan Chase Foundation

\$50,000- \$75,000

Arizona Community Foundation & Phoenix IDA
Wells Fargo Foundation
State Farm
Banner University Medical Center
Local Initiative Support Corporation (LISC)

\$10,000 - \$40,000

Federal Home Loan Bank of San Francisco/AHEAD
Bank of America
Johnson Bank
BBVA Compass Bank
National Bank of Arizona
Northern Trust Bank
Alliance Bank

\$7,500 AND UNDER

Thunderbird Charities /Mutual of Omaha Bank
US Bank
NNA Fund
Mutual of Omaha Bank
Bank of Arizona
First Bank
BMO Harris
Chase
Bankers Trust
BBVA Compass
City of Avondale
Arizona Central Credit Union

CONTRIBUTORS

INDIVIDUAL DONORS

Stephen Anderson
Arizona Gives Day
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PHOTO HIGHLIGHTS



Staff members at an outreach event help raise awareness of Trellis programs and services.



Wells Fargo presents a check to Trellis and *The McDowell Road Revitalization Committee* for its work along the *Miracle Mile*.



Trellis clients participate in one of Trellis' *Financial Coaching* classes.



Maribell Valdez – the first Trellis *Home Advisor* to obtain her *HUD Certified Housing Counseling Certification*.



Just before his two-year homeownership anniversary, Mr. Torres, a Trellis client, shares his story with a group of social workers.

2018 FINANCIALS

Consolidated Statements of Activities

	12/31/18	12/31/17
SUPPORT AND REVENUE		
Public Support		
Government grants	\$588,909	\$883,537
Non-government grants and contributions	606,333	694,155
Contributions in-kind	172,091	59,660
TOTAL SUPPORT	1,367,333	1,637,352
Revenue		
Fees	484,469	883,213
Interest income on mortgages	221,625	176,385
Net sales of property inventory	23,496	35,962
Investment income	1,660	1,110
Other revenue	91,036	75,293
TOTAL REVENUE	822,286	1,171,963
TOTAL SUPPORT AND REVENUE	2,189,619	2,809,315
EXPENSES		
Program Services		
Home buyer counseling and education	424,179	585,674
Loan services	544,597	747,698
Affordable housing development	414,460	383,317
Neighborhood revitalization	67,084	40,461
La Ciudad, LLC	104,828	120,975
TOTAL PROGRAM SERVICES	1,555,148	1,878,125
Supporting Services		
Management and general	446,750	927,452
Resource development	54,173	49,003
TOTAL SUPPORTING SERVICES	500,923	976,455
TOTAL EXPENSES	2,056,071	2,854,580
OTHER CHANGES IN NET ASSETS		
Gain on sale of assets	46,851	102,504
CHANGE IN NET ASSETS	180,399	57,239
NET ASSETS, BEGINNING OF YEAR	10,580,315	10,523,076
NET ASSETS, END OF YEAR	\$10,760,714	\$10,580,315

2018 FINANCIALS

Consolidated Statements of Financial Position

	12/31/18	12/31/17
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$3,941,491	\$2,948,510
Restricted cash	237,822	236,958
Promises to give	100,000	100,000
Government receivables	40,856	60,322
Mortgage loans receivable, current	144,757	122,398
Note receivable, current	-	235,490
Other receivables	35,752	39,010
Prepaid expenses and deposits	79,721	88,338
Property inventory	2,591,242	2,914,117
TOTAL CURRENT ASSETS	7,171,641	6,710,500
PROPERTY AND EQUIPMENT, net	2,011,381	2,166,101
OTHER ASSETS		
Mortgage loans receivable, net of current portion and allowance	5,329,213	4,511,054
Investments	81,725	70,494
TOTAL OTHER ASSETS	5,410,938	4,581,548
TOTAL ASSETS	\$14,593,960	\$13,458,149
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$164,242	\$110,610
Deferred revenue	425,812	173,648
Line of credit	842,112	842,112
Due to City of Phoenix	58,334	58,334
Deferred compensation liability	81,725	70,494
Notes payable, current	40,364	234,490
TOTAL CURRENT LIABILITIES	1,612,589	1,489,588
NOTES PAYABLE , net of current portion	2,220,657	1,388,246
TOTAL LIABILITIES	3,833,246	2,877,834
NET ASSETS		
Without donor restrictions	8,309,787	7,992,845
With donor restrictions	2,450,927	2,587,470
TOTAL NET ASSETS	10,760,714	10,580,315
TOTAL LIABILITIES AND NET ASSETS	\$14,593,960	\$13,458,149



Learning. Lending. Building.

2018 Annual Report Revitalization



Trellis

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