





# 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

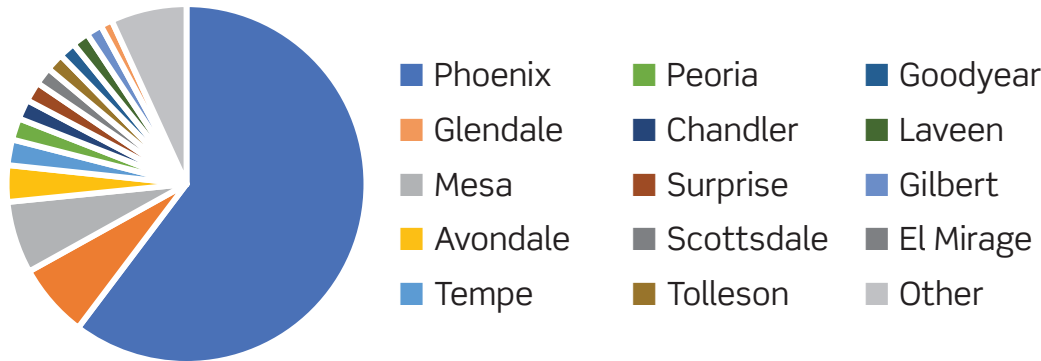
## DEMOGRAPHICS: WHO ARE OUR CLIENTS? TOTAL: 1,124 in 2018

**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:

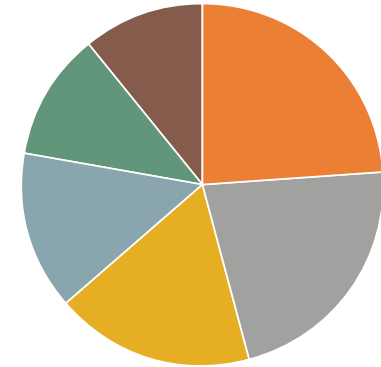


## INCOME:

**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  
Frank Barrios  
Marcia Busching  
Reid Butler  
Ed Celaya  
Angelo Chin Foo  
CJ Hager  
Mark Hager  
Patricia Garcia Duarte  
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Robert (Bob) Parsons  
Art Perez  
Alicia Ruiz  
Claudia Shultz  
David Schwake  
Kate Wells  
United Way Valley of the Sun Donors

## 2018 BOARD OF DIRECTORS

### TRELLIS

Dave Brown  
Marcia Busching  
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Elizabeth Chavez  
Angelo Chin Foo  
Elora Diaz  
CJ Hager  
Abraham James III  
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Robert (Bob) Parsons (Treasurer)  
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Sima Thakkar  
Kate Wells

### TRELLIS COMMUNITY DEVELOPMENT

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Elizabeth Chavez  
Alicia Ruiz (Vice Chair)  
Bill Scheel (Chair)  
David Schwake (Treasurer)  
Chester Seabury (PhD) (Secretary)  
Hugo Tapia (PhD)

# 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
<b>SUPPORT AND REVENUE</b>		
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
<b>EXPENSES</b>		
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
<b>OTHER CHANGES IN NET ASSETS</b>		
Gain on sale of assets	46,851	102,504
<b>CHANGE IN NET ASSETS</b>	180,399	57,239
NET ASSETS, BEGINNING OF YEAR	10,580,315	10,523,076
<b>NET ASSETS, END OF YEAR</b>	\$10,760,714	\$10,580,315



# 2018 FINANCIALS

## Consolidated Statements of Financial Position

	12/31/18	12/31/17
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
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
<b>TOTAL CURRENT ASSETS</b>	<b>7,171,641</b>	<b>6,710,500</b>
PROPERTY AND EQUIPMENT, net	2,011,381	2,166,101
<b>OTHER ASSETS</b>		
Mortgage loans receivable, net of current portion and allowance	5,329,213	4,511,054
Investments	81,725	70,494
<b>TOTAL OTHER ASSETS</b>	<b>5,410,938</b>	<b>4,581,548</b>
<b>TOTAL ASSETS</b>	<b>\$14,593,960</b>	<b>\$13,458,149</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
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
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,612,589</b>	<b>1,489,588</b>
<b>NOTES PAYABLE</b> , net of current portion	<b>2,220,657</b>	<b>1,388,246</b>
<b>TOTAL LIABILITIES</b>	<b>3,833,246</b>	<b>2,877,834</b>
<b>NET ASSETS</b>		
Without donor restrictions	8,309,787	7,992,845
With donor restrictions	2,450,927	2,587,470
<b>TOTAL NET ASSETS</b>	<b>10,760,714</b>	<b>10,580,315</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$14,593,960</b>	<b>\$13,458,149</b>



Learning. Lending. Building.

## 2018 Annual Report

## Revitalization



### Trellis

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