

Our Virtual Year

2020 ANNUAL REPORT



Trellis 

Learning. Lending. Building.

2020 Letter from the President & CEO

Our Virtual Year - What a Year!

Globally, I think we can all agree that 2020 was unprecedented. It will be remembered as a year of uncertainty and uncharted territory that required many adaptations from all of us. It was also an extremely uncomfortable year that had us questioning the social fabric of our nation to better understand how we got here.

The interconnectedness between housing and health was never more apparent as we looked for safety and survival during the pandemic. Home became the place for us to quarantine, work, attend school, worship, heal and recover. Sadly, we know that those without a home became more exposed and more vulnerable to catching the virus. As documented in Richard Rothstein's insightful book, *The Color of Law*, "enforced residential neighborhood racial segregation has been devastating for generations of African Americans who were denied the right to build wealth through homeownership."

BUT IT WASN'T ALL BAD

Despite the year's challenges, Trellis helped 105 new first-time home-buyers move into their homes. In partnership with FirstBank, 10 first-time home-buyers benefited from down-payment assistance. U.S. Bank Foundation invested in a new, down-payment program to help build homeownership rates among low-to-moderate income individuals and families.

Trellis also provided much needed emergency funding to over 700 struggling households, thanks to *Wildfire* (formerly *Arizona Community Action Program*) via a contract with the City of Phoenix-CARES Act. In addition, Trellis was a recipient of PPP funding from National Bank of Arizona.

Several small businesses along *Miracle Mile on McDowell* were able to access PPP funding from MariSol Credit Union. Republic Services supported storefront improvements and technical assistance. And, our partners at LISC Phoenix, NeighborWorks America, and Wells Fargo continued to leverage these investments to help sustain Trellis' Community Building & Engagement Department.

In 2020, Trellis was awarded our first *Low Income Housing Tax Credit*, the most important resource for creating affordable housing in the United States today, thanks to the *Arizona Department of Housing* and our financing partners: *National Equity Fund, U.S. Bank and the City of Phoenix/Housing Department*.

By quickly adapting to teleworking, due to previous technology improvements, Trellis was able to continue our programs and services on line, while protecting our clients and staff members.

LOOKING TO THE FUTURE

Recognizing the important role we all have in helping find solutions for housing equity and fairness, Trellis remains optimistic about the future. We plan to build more affordable housing, to prepare more home-buyers, to provide support to small businesses, and to secure needed financing to help with neighborhood revitalization and stabilization.

In solidarity,

Patricia Garcia Duarte, President & CEO

Trellis' Impact Aggregate From 1975 To 2020:

3,818

helped families purchase their first home

318

built or rehabilitated homes

45,957

trained or counseled families and individuals

2,100 LOANS

originated mortgage loans totalled **\$163MM**

Overview: Our Housing Counseling/Financial Capability and Home-buyer Education Services in 2020

RESPONSE TO COVID19 IMPACTS IN 2020:

1614 received Home-buyer Education counseling services and referrals

RECEIVED EMERGENCY ASSISTANCE:

714 totaling **\$2.4MM** in mortgage/rent and utility assistance



MIRACLE MILE ON McDOWELL COMMERCIAL CORRIDOR IN 2020:

provided technical support and PPP Loans to small businesses and artists who adorned our Corridor

with fantastic, colorful murals

LENDING SERVICES IN 2020:

56 loans originated for a total of **\$9.5MM**



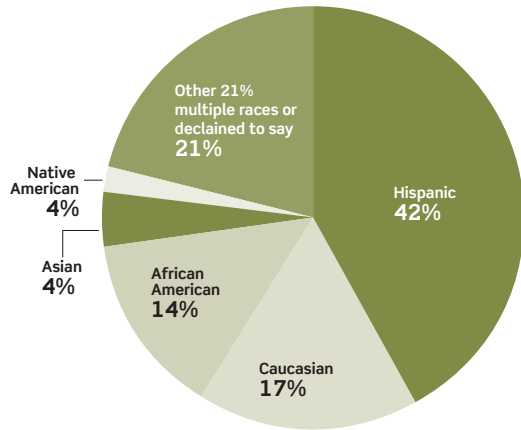
REAL ESTATE DEVELOPMENT IN 2020:

received *Low Income Housing Tax Credit* reservation for *Trellis@Mission* – a 43-unit rental community with lease-to-own

opportunities. We continued developing *Trellis@Colter* during 2020 as well.

BY THE NUMBERS 2020

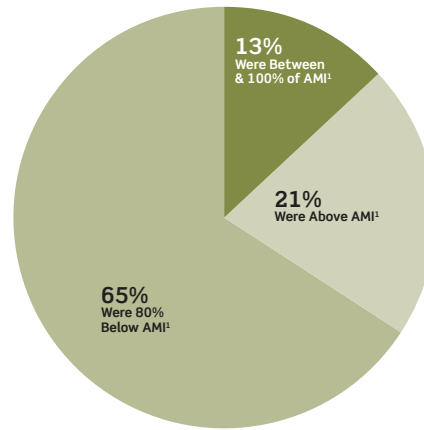
Ethnicity



Ethnicity: 42 percent of clients were Hispanic; 17 percent Caucasian; 14 percent African American; 4 percent Asian; 2 percent American Indian/Alaska Native; 21 percent are other multiple races or chose not to respond.

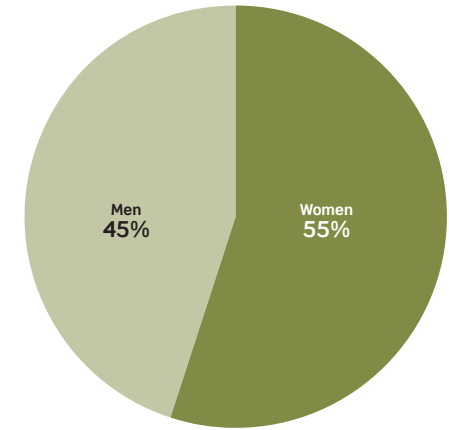
DEMOGRAPHICS:

Income Level



Income Level: 65 percent were below 80 percent of Area Median Income (AMI); 13 percent were between 80-100 percent of AMI; and 21 percent were above 100 percent of AMI.

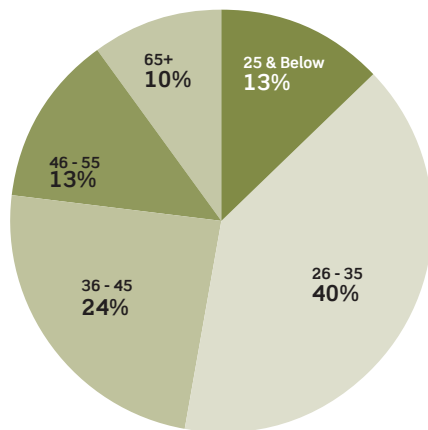
Gender



Gender: Females leading the way with 55 percent of clients.

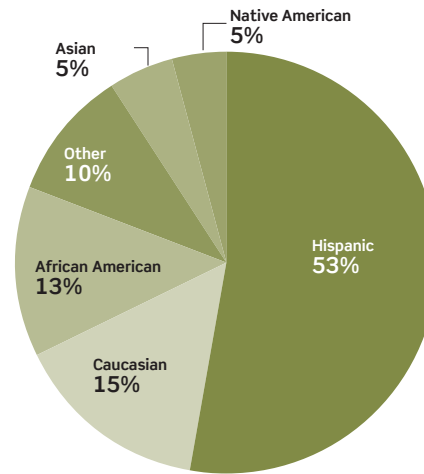
¹AMI (Area Median Income)

Age



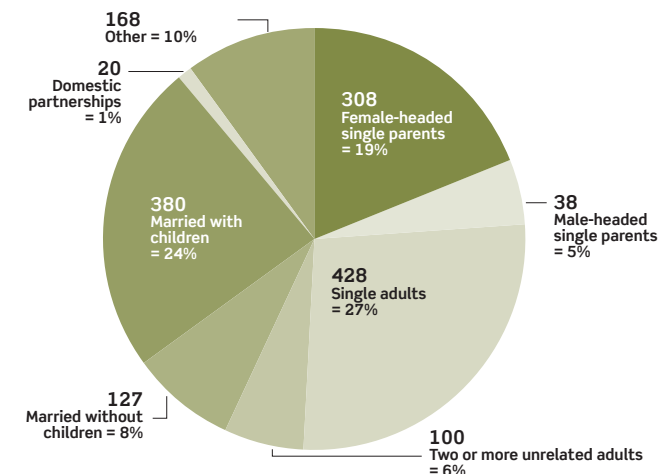
Age: 13 percent are 25 years or younger; 40 percent are between 26-35 years old; 24 percent are between 36-45 years old; and, 23 percent are 46 years of age or older.

105 Homeowners Created



105 Homeowners Created: 53 percent Hispanic; 15 percent Caucasian; 13 percent African American; 10 percent Other; 5 percent Asian, and 4 percent American Indian.

Household Types



Household Type: 19 percent female-headed single-parent household, 5 percent male-headed single-parent household, 27 percent single adults, 6 percent two or more unrelated adults, 24 percent married with children, 1 percent domestic partnerships and 10% Other.

BY THE NUMBERS 2020

Financial Capability

Increased Credit
Scores
37 POINTS

Reduced Debt by
Average of
\$325.38

Increased Savings
With an Average of
\$824.92

From insecure to safe and thriving. Jesse buys a home!

Jesse, like many Trellis' clients, is a single parent of two young school-age children. Jesse's kids and his *Weimaraner* lived in a home with his parents, his grandmother and various cousins. The kids' school was across town. Home life, work and parenting in cramped and noisy conditions became chaotic; life for Jesse's small family was stressful and difficult.

He knew that he needed to get a place for himself and his kids that was secure and affordable. He knew little about homeownership and money management, so he decided to take an 8-hr. ONLINE financial literacy course at **Trellis' Training Center**. This started him down the road. "I organized my paper work, created a budget and started saving money." Next, Jesse

enrolled in a *Homebuying* course that explains financial-literacy basics and processes, plus actively connects clients with home-ownership resources: Realtors, lenders, inspectors and affordable housing options suitable for clients' incomes and situations.

After persevering, early in 2020, Jesse finally signed "closing documents" on his new home. He and his kids moved in right before the nationwide COVID-19 quarantines. Jesse's resolve to find a safe "security zone" for his family had been realized. Security, safety and the intimacy of home-ownership provided a haven for everyone to ride out the quarantines. Jesse *finally* has a tangible investment in his family's future and Trellis AZ is proud to be an integral part of his story.

2020 Corporate Donors

\$100,000 AND ABOVE

NeighborWorks America
JPMorgan Chase & Co.
Freddie Mac
U.S. Bank Foundation

\$25,000 TO \$55,000

State Farm
Kurt Warner *First Things*
First Foundation
Wells Fargo
Bank of America
Comerica Bank
Western Alliance Bank
National Bank of Arizona
Northern Trust Bank

\$10,000 AND BELOW

Pacific Premier Bank
BMO Harris
CIT Bank
City of Avondale
BOK Financial
First Bank
Banker's Trust

2020 Board Of Directors

TRELLIS

Brown, Dave (until 1/20)
Browning, Chase (until 6/20)
Busching, Marcia
Butler, Reid
Chavez, Elizabeth (until 6/20)
Chin Foo, Angelo
Eisenbarth Hager, C.J.
Faussette, Summer
James III, Abraham B.
Kaiser, Christoph (until 2/20)
Longoria, David
Martinez, T. Ramona
Miller, Jameson
Montes, Gina
O'Connell, Tim
Perez, Arturo
Roberts, Cyndi
Romero, Michael
Ruiz, Alicia
Solorio, Christian
Thakkar, Sima
Thomas, Katie
Wells, Kate

TRELLIS COMMUNITY DEVELOPMENT

Anderson, Stephen
Butler, Reid
Chavez, Elizabeth (until 6/20)
Romero, Michael
Ruiz, Alicia
Scheel, Bill
Schwake, David (until 2020)
Seabury, Dr. Chester
Solorio, Christian
Tapia, Hugo

Individual Contributors

Stephen Anderson
Karly Baier
Alexia Bednars
Dean Begay
Amanda Bennett
Jeffry Bisschop
Peter Bisschop
Andrew Brow
Marcia Busching
Amber Courter
Karin Crawford
Mark Davis
Katie Delahoyde
Ed Drummond
Jesse and Patricia Duarte
Melissa & Alex Forber
Cynthia Gaughan
Gloria Gonzalez

Steve Hanson
Ashley Harder
Carolyn Harder
Travis Harris
Katherine Krietor
Michael Kelly
Linda Lederman
Melanie Lewis
Lucas Lindsey
Sandra Lineweaver
Cecile Mahieux
Joel McCabe
Jameson Miller
Jennifer Murian
Tim O'Connell
Angela Olsen
Art Perez
Doreen Pollack

Devney Preuss
Joan Prior
Cynthia Ricketts
Marcia Rosenberg
Alicia Ruiz
David Schwake*
Brian & Bridgette Smith
Sarah Stadler
Cathy Stark
Leah Tan
Daniel Thompson
Joseph Velasquez
Kathey Wagner
Linda Watt
Ellen Williams
Various Valley of the Sun
United Way Individual
Donors

* David Schwake



Fellow board member David Schwake, RD has passed away. Mr. Schwake was a hunger advocate and a champion for the West Valley. He had recently retired as Food Service Director at Litchfield School District.

He was a legacy board member at Neighborhood Housing of Southwest Maricopa County (now Trellis Community Development). Collectively, he was on our Board from 2008 to 2020 and was instrumental with the affiliation of the two organizations in 2013 and last served as Treasurer for TCD.

Many of you know that David was extremely involved in the community with countless Kiwanis and food-related organizations, like St. Mary's Food Bank Alliance. He will be missed.

May he Rest In Peace.

Photo Highlights



Unity Mural—(l to r)—Jerome and Vanessa Young (Owners of Lionetti Barber Supply), Edgar Fernandez & Jeff Slim. Funded by Banner University Medical Center Phoenix, Wells Fargo and FHLBank San Francisco in partnership with LISC Phoenix and Phoenix Community Alliance



McDowell Gateway Arch—Artist Michelle Stuhl; Photo by Michael Kelly



Unity Mural—Artists Jeff Slim and Edgar Fernandez; Voted Best Mural Phoenix 2020



Together We Rise—Mural by Hugo Medina. Funded by Downtown Phoenix INC



MEALS FROM THE MILE—Trellis/McDowell Miracle-Mile-Merchant Fund-raiser for First Line Heroes at Banner University Medical Center. Photos: (top left, clock-wise) a. Banner Staff; b. Sokheang and Seth Kim; c. Jeremy Lindsey/Banner, Andu Hassan/Authentic Ethio African Spices; and Dean O'Byrne/ Froth Coffee; d. Aza Maltai/Banner and Michael Kelly/Trellis

2020 Financials

Consolidated Statements of Activities Year Ended December 31, 2020

	12/31/20	12/31/19
SUPPORT AND REVENUE		
Public Support		
Government grants	\$3,680,004	\$542,052
Non-government grants and contributions	1,105,648	1,164,447
Contributions in-kind	52,924	37,871
TOTAL SUPPORT	4,838,576	1,744,370
Revenue		
Fees	1,016,669	552,465
Interest income on mortgages	269,915	274,775
Net sales of property inventory	(121,458)	
Investment income	3,524	3,329
Other revenue	112,301	59,371
TOTAL REVENUE	1,280,951	889,940
TOTAL SUPPORT AND REVENUE	6,119,527	2,634,310
EXPENSES		
Program Services		
Home-buyer counseling and education	307,880	399,392
Loan services	722,035	1,081,518
Affordable housing development	424,895	291,292
Neighborhood revitalization	119,841	125,504
Emergency assistance	2,882,420	
La Ciudad, LLC	104,375	99,701
TOTAL PROGRAM SERVICES	4,561,446	1,997,407
Supporting Services		
Management and general	372,930	483,959
Resource development	33,291	49,016
TOTAL SUPPORTING SERVICES	406,221	532,975
TOTAL EXPENSES	4,967,667	2,530,382
CHANGE IN NET ASSETS	1,151,860	103,928
NET ASSETS, BEGINNING OF YEAR	10,864,642	10,760,714
NET ASSETS, END OF YEAR	\$12,016,502	\$10,864,642

2020 Financials

Consolidated Statements of Financial Position December 31, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$2,989,701	\$3,684,144
Restricted cash	-	253,496
Promises to give	-	80,000
Government receivables	78,374	40,319
Mortgage loans receivable, current	154,860	152,300
Other receivables	322,787	94,533
Prepaid expenses and deposits	189,007	77,371
Property inventory	5,533,961	3,913,390

TOTAL CURRENT ASSETS

	9,268,690	8,295,553
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PROPERTY AND EQUIPMENT, net	1,925,971	1,949,921
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OTHER ASSETS

Mortgage loans receivable, net of current portion and allowance	5,697,727	5,779,450
Investments	139,813	111,971

TOTAL OTHER ASSETS

	5,837,540	5,891,421
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TOTAL ASSETS

	\$17,032,201	\$16,136,895
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$753,529	\$403,185
Deferred revenue	258,165	546,950
Line of credit	1,370,260	1,928,112
Due to City of Phoenix	53,334	58,334
Deferred compensation liability	139,813	111,971
Notes payable, current	27,062	(31,840)

TOTAL CURRENT LIABILITIES

	2,602,163	3,016,712
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NOTES PAYABLE, net of current portion

	2,413,536	2,255,541
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TOTAL LIABILITIES

	5,015,699	5,272,253
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NET ASSETS

Without donor restrictions	10,097,744	8,881,179
With donor restrictions	1,918,758	1,983,463

TOTAL NET ASSETS

	12,016,502	10,864,642
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TOTAL LIABILITIES AND NET ASSETS

	\$17,032,201	\$16,136,895
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Our Virtual Year

Trellis

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