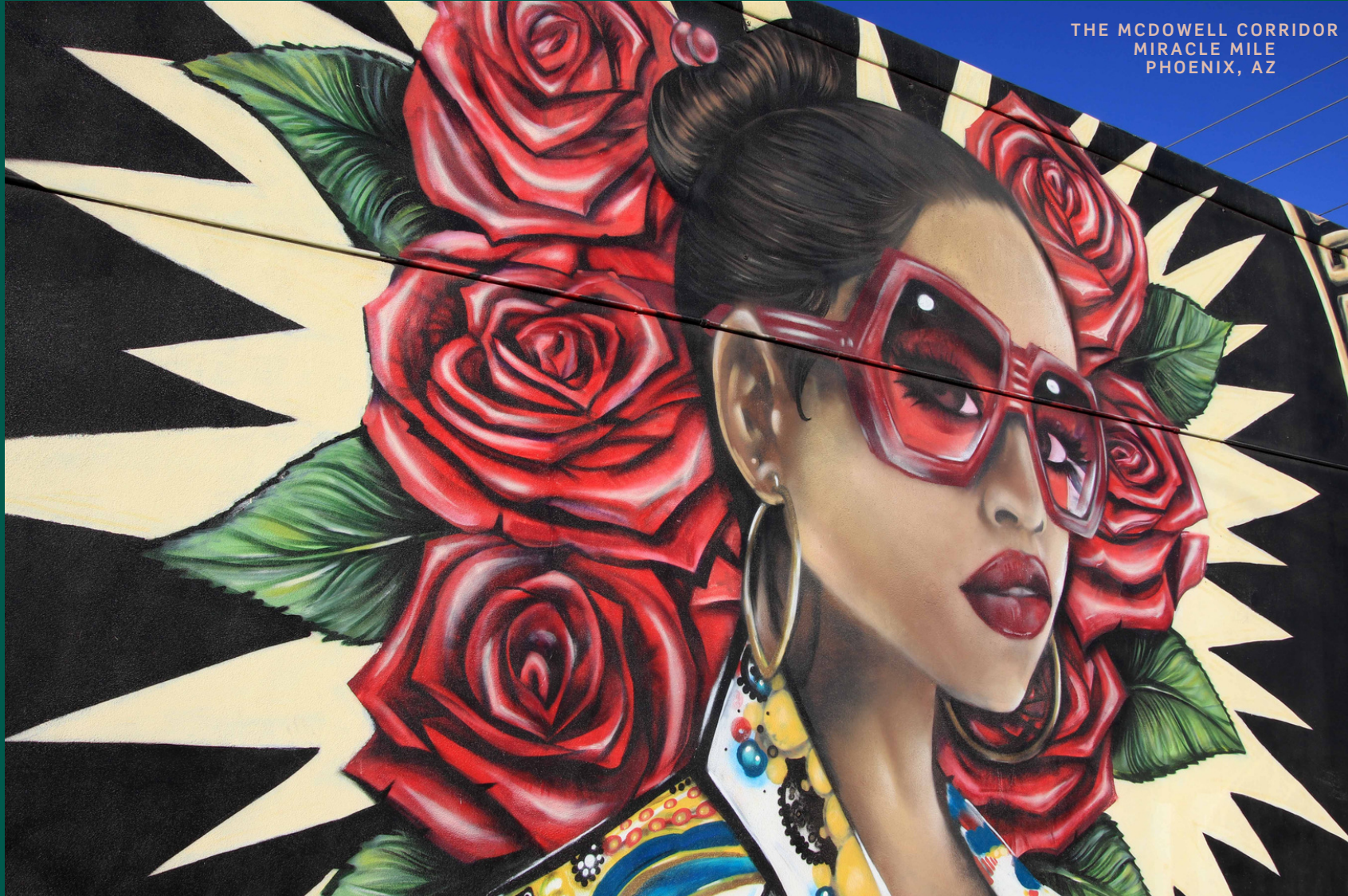


2021 Annual Report

Trellis 
Learning. Lending. Building.

The Future Is Bright



ANNUAL OVERVIEW
Letter from our CEO

TRELLIS MILESTONES
& Highlights

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FACES OF TRELLIS
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Letter from the CEO

JOEL MCCABE | INTERIM PRESIDENT & CEO

The Future Is Bright

It is my privilege to submit our 2021 Annual Report and financials, and to address the loyal supporters of Trellis as we reflect upon another unprecedented year. Like the rest of the world, it was yet another year where we had to pivot, adjust, and respond while we balanced the demands of living and working in a singular place and adapting to doing more with less. This year further exacerbated the inequities that exist in the communities we serve, reinforced our “why we do what we do”, and strengthened our resolve to continue to move forward in the face of adversity.

Fortunately for Trellis, we know the art of building. Not only do we know how to build from the ground up, but we know how to take things down to the studs and rebuild them—all with limited resources. We rely heavily on our experience, our nimbleness, our operational efficiencies, our exemplary employees, and the generosity of donors who believe in our mission. It is a blueprint that has served us well for nearly 47 years!

One of Patricia’s takeaways in the 2020 Annual Report was that our home became our place for us to quarantine, work, educate, worship, heal and recover and that through our experience we would rise like the proverbial Phoenix from the ashes and come together to face our challenges as a community. But as the pandemic lingered throughout 2021, we came to realize the importance that a home plays in our personal safety and the stability of our communities, yet the optimism of rising together unfortunately left many in our underserved communities behind in the ashes without the real opportunity to attain reasonable and affordable homeownership. At a time of escalating home prices, diminishing inventory and rising interest rates, the incremental gains we made pre-pandemic in closing the homeownership gap for women and minorities has unraveled and it may be some time before we are able to regain that momentum. Where it seems we are now all finding common ground is that there is a collective vulnerability that we are all experiencing, and it is an unsettling feeling. Many people are beginning to see the light and are enlightened to the plight of the underserved as they are feeling a bit more susceptible to the housing crisis happening in metro Phoenix. We are all meeting now at the intersection where those who have a home cannot afford to leave it and those who do not have a home know that homeownership gets further in the distance.

We have to ask ourselves—can Phoenix keep up with the current pace and what will the end result be? The 2021 insights into the Phoenix housing market are astounding—one in four properties are investor owned, the median home price rose nearly 30% over the year, and there is under a month’s worth of inventory for all of Maricopa County. What that means for Trellis is that our services are needed now more than ever. Through Emergency Rental Assistance, our housing counseling team assisted 308 individuals to sleep a little bit better because we were able to extend a helping hand. Our lending department closed on 99 loans (over \$20M in volume) and helped those families begin a journey towards generational wealth through homeownership. In 2021, we broke ground on two exciting projects—an infill project in Avondale where we will focus on different building and sustainability standards so we can produce the most cost effective and energy efficient homes possible for our clients for long term sustainability, and our first ever Low-Income Housing Tax Credit project in the Sunnyslope neighborhood of Phoenix that brings 43 rent-to-own townhomes to low-income individuals.

We must continue to look for the bright spots and stay in our light while we simultaneously acknowledge the challenges ahead. These are very complex times for an economy whose historic growth is clearly not reaching all Americans and it is creating what feels like an insurmountable divide between the haves and the have-nots. But in that divide, we will continue to do what we do best—and that is build. Brick by brick, homeowner by homeowner, family by family. As our projects grow in scope and scale, and as the need continues to rise, Trellis will continue to do what we have always done by working to remove barriers and building a future that we all can call home.

The future is bright with opportunity!



Trellis™

2021 Overview

COMMITTED TO THE MISSION

OUR VISION

An Arizona where everyone has a place to call home.

OUR MISSION

Trellis is dedicated to making stable homes and communities possible through educating, building and lending.

OUR STRATEGIC PLAN

Our focus is to work with cross-sector partners to advance social enterprise, increase sustainability and advocate the value of home.

Photo captions: this page

Top: Avondale Mayor Kenn Weise joined us for the Trellis at Avondale groundbreaking on Nov. 16th

Bottom: Phoenix Mayor Kate Gallego joined us for the Trellis at Mission groundbreaking on Dec. 2nd



The Future Is Bright

To know where we are going, look at where we have been since 1975

Learning.

created **3,905** first-time homebuyers

trained or counseled **47,174** individuals and families

Lending.

originated **2,200** mortgage loans
totaling **\$165.5M**

Building.

Built or rehabilitated **318** homes.



2021 Milestones

WE HAVE A LOT TO BE PROUD OF!

By The Numbers

Housing Counseling
& Education
counseled **1257**
individuals and families
creating **84** homebuyers

Trellis Mortgage, LLC
originated **99** loans in 2021 for
\$20,768,288
in volume

Trellis Real Estate
Development
66 housing units in
construction
and/or production

For Communities in
Crisis COVID relief
distributed **\$2.4M**
in mortgage/rent and utility
assistance to individuals and families

Trellis Realty
sold **47** properties
Totaling
\$12,584,824

Community Building &
Engagement
\$175K in landscaping and
beautification projects
helped launch **5** new
businesses
\$120K in Business Technical
Assistance

Client Improvement
Financial Capability:
42 points increased client credit scores
on avg. by
\$243 reduced client debt
on avg. by
\$1,817 increased client savings
on avg. by

Client Demographics:

Ethnicity: 83% of our clients served classify as Non-White (predominately Hispanic)	Income Level: 65% were below 80% AMI (Area Median Income) Individual \$44,250 Family of 4: \$63,200
Gender: We served 55% women vs. 45% men	Age: 77% of clients we served were under age 45 (40% were 25-35 yrs)



Trellis

Reflecting on our Milestones

2021 HIGHLIGHTS PER BUSINESS UNIT

The Future Is Bright

Building.

GLENN KARLSON -DIR OF REAL ESTATE DEVELOPMENT

While the impacts of COVID and logistical challenges for building supplies continued to cause delays in the delivery of Trellis at Colter, the Real Estate Development team had a lot to celebrate in 2021.

We were able to break ground for 3 homes in Avondale and we broke ground for our very first LIHTC project--Trellis at Mission. Trellis at Mission will be an anchor business model for affordable housing within Phoenix and we are excited that we could take on a project of this scope and scale.



Learning.

BRENDA LOPEZ - DIR OF HOMEOWNERSHIP

We often rely on our Housing Counselors to identify trends and to stay ahead of issues facing our clients in Maricopa County. They are our front line and they hear firsthand the issues facing our low income clients. We are incredibly proud of the work they do.

Despite the extreme market conditions, extremely low inventory and significant price increases, we were still able to create 87 new homeowners in 2021!

Lending.

HELGA GALAN

Trellis has been involved in a partnership with a fellow NeighborWorks organization looking to make a significant impact in homeownership among BIPOC communities.

DANIEL THOMPSON

At the end of 2021, the name and website for Arboles Home Mortgage was retired and our lending services are now back home under the Trellis brand. Trellis Mortgage, LLC moves forward with the same staff and services our clients have come to expect.

Realty.

JOEL MCCABE

According to AZ Regional MLS, the 2021 numbers are staggering. Phoenix Metro ended 2021 with the median home value at \$326,800 and the median sale price was \$419,000. Affordability took a big hit as 44.1% of homes sold above the list price and the median sales price is up 30.9% in the last year.

Community Building and Engagement.

MICHAEL KELLY

Direct business technical assistance, as well as storefront improvement and beautification grants, have left the 80 small businesses that call the McDowell Miracle Mile home safer & more beautiful--an example of how Community Building and Engagement can shape stable communities.

While the pandemic negatively impacted small businesses nationwide, those on the Miracle Mile were able to not only rebound and grow, but some actually expanded and several more moved in.

Trellis was able to facilitate exciting changes through grant funds, including lighting of the arch, additional landscaping and safety features, and other beautification projects to drive traffic to our small businesses.





2021 Partners and Benefactors

Trellis TOGETHER WE MAKE AN IMPACT

The Future Is Bright

A Note from Michelle Bell, our Director of Resource Development

While 2020 blurred into 2021, the effects of the pandemic and an economic downturn has resulted in an unprecedented housing boom, which has brought about a whole new set of challenges to an organization that has long been dedicated to bridging the housing, racial, and generational wealth divide. The events of the past few years will likely have long-lasting and profound implications on the housing and non-profit sectors as a whole and our partnerships with funders and benefactors will play a critical role in our future. Nonprofits, like Trellis, are dealing with limited resources while the communities they serve need help now more than ever. As we look to the future, I am convinced that Trellis will deliver on its mission with great intention, and we will continue to be innovative and resourceful as we navigate the bumpy road ahead and as we look to have our 4000th homeowner cross the threshold in this upcoming year.

By investing in Trellis, you invest in building a brighter future where everyone has a place to call home regardless of race, gender, or socio-economic background. We are so grateful for your support and partnership.

2021 COMMUNITY PARTNERS

Architectural Resource Team | AZ Community Foundation | CPLC | H&B | Home Matters of Arizona | LISC | National Equity Fund | Raza Development | Rocky Mountain CRC | ROI Properties | SPS Architects | Sundt Foundation | Valley of the Sun United Way Donors | Kroger Community Giving



45th ANNIVERSARY PARTNERS AND SPONSORS

ASU-Arizona State University | Bankers Trust | Becker Boards | Burch & Cracciolo | Define Mortgage Solutions | Gammage and Burnham Attorneys at Law | Gorman & Company, Inc | Hilton Phoenix Resort at the Peak | Hector Medina | Kurt Warner | Laura Thurbon | Levine Investments, LP | Mark Miller | Mary Ann Rodriguez | Phoenix Community Alliance | Phoenix Suns Charities | Pivotal Group | Raul Molina @ The Mint Dispensary | The Trellis Board of Directors | U-Haul | Wells Fargo

2021 INDIVIDUAL DONORS

Sally Arnold | Monica Ayala | Michelle & Todd Bell | Jeffry Bisschop | Peter Bisschop | Barbara Boone | Noble Bread | Stephanie Brewer | Teresa Brice | Reid Butler | Richard C. Cole Jr. | Rita Carrillo | Angelo Chin Foo | Karen Davis | Mark Davis | Betty Drake | Jesse Duarte | Gema Duarte Luna | Sandra Ferniza | Dennis Fernandez | Charley Freericks | Patricia Garcia Duarte | Reginald Givens | Irene Gomez | Andy Gordon | Judy Greene | CJ Hager | Lauren Hinson | Lupe Hernandez | Nico Howard | Matthew Jewett | John Juarez | Carole Kauffman | Katherine Krietor | Robert Kubicek | Guillermo Loaiza | Andrew Loubert | Lizeth Manriquez | Ramona Martinez | Joel McCabe & Curtis Parhams | Patrick McNamara | Jameson Miller | Katherine Miller | Gina Montes | Jason Morris | Tim O'Connell | Refugio Payan | Arturo Perez | Jodi Powers | Devney Preuss | Mary Ramirez | Marci Ro | Inman Rouce | Alicia Ruiz | Maureen Salloom | Bill Scheel | Joshua Shade | Radhika Siva | Brian Smith | Hugo Tapia | Sima Thakkar | Katie Thomas | Daniel Thompson | Serena Unrein | Gabriel G Urias | Yvette Uriondo | Henry Wade | Emerson Yearwood | James Zorn



Trellis

Events

HIGHLIGHTS FROM 2021



45th Anniversary Virtual Celebration

Trellis at Colter Grand Opening

Trellis at Avondale Groundbreaking

Trellis at Mission Groundbreaking

Mercado on McDowell #HopeUSA

Photo captions: this page

Top right: We celebrated our 45th Anniversary with a virtual event

Mid right: Folklorico dancer at the Mercado community event sponsored by Wells Fargo #HopeUSA

Bottom right: Trellis at Colter grand opening celebration

Top left: Colorful murals grace the McDowell Miracle Mile, including this one at Lionetti's

Mid left: Phoenix Mayor Kate Gallego celebrated the Mercado community event with us, thanks to a generous #HopeUSA grant from Wells Fargo

Bottom left: Rainbow Donuts got a signage upgrade, thanks to a grant from Republic Services





2021 Faces of Trellis

CLIENTS, STAFF & BOARD

The Future Is Bright





Trellis Helps Clients Like Rosa Achieve Their Dreams of Homeownership!

In the summer of 2021, Rosa became a first-time homeowner after renting the same apartment for over eleven years. "It's like a miracle," Rosa says, and she credits Trellis for guiding her along the homebuying journey. Rosa had been saving for years, but down payment assistance through the WISH program and U.S. Bank were instrumental in helping Rosa achieve her dream of homeownership.

On behalf of the Trellis Board of Directors and Trellis staff,

We would like to extend our sincerest appreciation to Reid Butler, Alicia Ruiz DVM, and Dr. Chester C. Seabury for their time, dedication, and support by serving on the Trellis Community Development Board of Directors.





Reid Butler

Alicia Ruiz

Chester Seabury

*Thank you
We are better because
of your service!*



Trellis
www.TrellisAZ.org

2022 TRELLIS BOARD OF DIRECTORS

CHAIR	MEMBERS
Abraham B. James III	Angelo Chin Foo
	Summer Faussette
	David Longoria
VICE CHAIR	Gina Montes
Marcia J. Busching	Tim E. O'Connell
	Cyndi Roberts
	Michael D. Romero
TREASURER	Christian Solorio
Jameson Miller	Katie Thomas
	Bill Scheel
SECRETARY	Gabriel Jaramillo
Sima Thakkar	Pedro Chaves
	Fabio Garcia

TRELLIS COMMUNITY DEVELOPMENT BOARD OF DIRECTORS

CHAIR	MEMBERS
Ramona T. Martinez	Rebecca H. Brooks
VICE CHAIR	Art Perez
Hugo A. Tapia (Ph.D.)	Christian Solorio
SECRETARY	
Michael D. Romero	

2021 - Staff New to Trellis

Left to Right: Michelle Bell, Wendy Vallecillo, Maryisela Ocampo, Denise Gonzales, Melissa Auge, Lori Johnson, Dana Payton



Meet Silvi and Shane, a Trellis Client Success Story!

Meet Silvi and Shane, another Trellis client success story! The pair was referred to Trellis through the City of Phoenix Section-32 housing program as one of several organizations that provide a Homebuyer Education Class for first time homebuyers, which Trellis offers along with potential down payment assistance and a variety of other services. Trellis financial counselor, Teresa Torres, met with Silvi and Shane to assess their needs and start the ball rolling toward home ownership.





Finance Report

Trellis 2021 CONSOLIDATED STATEMENT OF ACTIVITIES

The Future Is Bright



Through the Community Building & Engagement efforts of Trellis, the McDowell corridor began to make a comeback after the impacts of COVID. Trellis is committed to the creation of stable communities where everyone has a place to live, work, and be safe.

After a six-month closure, a popular Ethiopian restaurant in Phoenix is back with a bigger space and shinier look. Ethiopian immigrants Anduale Hassan and his wife Elsabet Tiruneh opened Authentic EthioAfrican restaurant a decade ago at 18th Street and McDowell Road. What started as an almost entirely takeout operation from a sparsely adorned shop has reopened as a renovated sit-down restaurant and bar with wait staff and live performances from Afro-beat and jazz musicians. (Credit: AZCentral)

2021 FINANCIALS Consolidated Statements of Activities Year Ended December 31, 2021

	12/31/21	12/31/20
SUPPORT AND REVENUE		
Public Support		
Government grants	\$ 4,220,323	\$ 3,680,004
Nongovernment grants and contributions	766,992	1,105,648
Contributions in-kind	210,613	52,924
Special event contributions	105,470	-
TOTAL SUPPORT	5,303,398	4,838,576
Revenue		
Fees	1,066,798	1,016,669
Interest income on mortgages	250,062	269,915
Net sales of property inventory	(50,539)	(121,458)
Investment income	26	3,524
Other revenue	57,495	112,301
TOTAL REVENUE	1,323,842	1,280,951
TOTAL SUPPORT AND REVENUE	6,627,240	6,119,527
EXPENSES		
Program Services		
Homebuyer counseling and education	311,492	307,880
Loan services	710,200	722,035
Affordable housing development	455,380	424,895
Community building and engagement	315,716	119,841
Emergency assistance	3,465,908	2,882,420
La Ciudad, LLC	126,118	104,375
TOTAL PROGRAM SERVICES	5,384,814	4,561,446
Supporting Services		
Management and general	541,096	372,930
Resource development	119,071	33,291
TOTAL SUPPORTING SERVICES	660,167	406,221
TOTAL EXPENSES	6,044,981	4,967,667
OTHER CHANGES IN NET ASSETS		
Impairment of property inventory held-for-sale	(2,590,675)	-
CHANGE IN NET ASSETS	(2,008,416)	1,151,860
NET ASSETS, BEGINNING OF YEAR	12,016,502	10,864,642
NET ASSETS, END OF YEAR	\$ 10,008,086	\$ 12,016,502

The Future Is Bright

Finance Report

2021 CONSOLIDATED STATEMENT OF FINANCES



2021 FINANCIALS

Consolidated Statements of Financial Position

December 31, 2021

	12/31/21	12/31/20
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,698,654	\$ 2,989,701
Promises to give	40,000	-
Government receivables	14,850	78,374
Mortgage loans receivable, current	144,439	154,860
Other receivables	41,561	322,787
Prepaid expenses and deposits	124,588	189,007
Property inventory held-for-sale	6,027,531	5,533,961
TOTAL CURRENT ASSETS	8,091,623	9,268,690
PROPERTY AND EQUIPMENT, net	2,003,933	1,925,971
OTHER ASSETS		
Mortgage loans receivable, net of current portion and allowance	5,145,828	5,697,727
Note receivable	169,150	139,813
Investments	173,013	139,813
Investment in limited partnership	400,000	-
TOTAL OTHER ASSETS	5,887,991	5,837,540
TOTAL ASSETS	\$ 15,983,547	\$ 17,032,201
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 1,608,460	\$ 753,529
Deferred revenue	310,058	258,165
Line of credit	1,444,980	1,370,260
Due to City of Phoenix	53,334	53,334
Deferred compensation liability	173,013	139,813
Notes payable, current	370,995	27,062
TOTAL CURRENT LIABILITIES	3,960,840	2,602,163
NOTES PAYABLE, net of current portion	2,014,621	2,413,536
TOTAL LIABILITIES	5,975,461	5,015,699
NET ASSETS		
Without donor restrictions	8,298,245	10,097,744
With donor restrictions	1,709,841	1,918,758
TOTAL NET ASSETS	10,008,086	12,016,502
TOTAL LIABILITIES AND NET ASSETS	\$ 15,983,547	\$ 17,032,201



As part of the generous grant funds received from the Wells Fargo nationwide HopeUSA Initiative, Trellis brought hope to the small businesses of the McDowell corridor in time for our 2021 holiday Mercado event. The new banners highlight the variety of shops and services that can be found along the Miracle Mile and provide a small business community identity for our local businesses.



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0018281
NMLS 1705737/MORTGAGE BROKER
0947045

JOEL MCCABE
DESIGNATED BROKER
TRELLIS REALTY, LLC
LIC # BR 564461000

#ROC 257107
TRELLIS CONSTRUCTION



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