

Building a Future

The Contributions of Community Development Corporations in Texas

Volume 6



Table of Contents

Introduction	9
History of CDC's	11
TACDC Policy Priorities 2009	13
Case Studies	
ACCION Texas	14
Affordable Homes of South Texas, Inc.	18
Brazos Valley Affordable Housing Corporation	21
CDC of Brownsville	25
Foundation Communities	29
WOMAN, Inc.	34
Conclusion	38

Building a Future:

The Contributions of Community Development Corporations in Texas

(TACDC) is a non-profit statewide membership association of Community Development Corporations (CDCs) and related non-profit, government and for-profit entities engaged in producing affordable housing and community economic development.

Cover photo:

Clockwise from front: Raquel Gonzales, 17; Huburto Alvarado, 17; Clendon Mader, 18; Nick Searcy, 18; Terrence Stewart, 16; and Shamia Pope, 18; stand before the entryway to the house they built as a part of the partnership between the Brazos Valley Council of Governments, Workforce Solutions Brazos Valley, the city of Bryan, Blinn College and the Bryan school district.



The Windwood subdivision created through the Community Development Corporation of Brownsville.

Mission Statement

TACDC's mission is to enhance community development throughout Texas. We accomplish this through the implementation of strategic initiatives including supporting a network of experienced community development professionals, offering comprehensive membership services, and conducting programs designed to build the capacity and improve the productivity of Texas CDCs. We also strive to improve communications among our own network and between the CDC industry and the rest of Texas.



Volunteers helping to build a house for the CDC of Brownsville.

Governance Structure

TACDC is governed by a member-elected, volunteer board of 15. All board members represent non-profit organizations deeply involved in community development.

The TACDC Roundtable, which advises the board on policy and technical issues, includes these Board members as well as representatives of national financial intermediaries, private lending institutions, and businesses who support TACDC's work with their financial and staff resources.

2008-2009 TACDC Board of Directors

Officers

President - Norman Henry, Builders of Hope

Vice-President - Nick Mitchell-Bennett, CDC of Brownsville

Secretary - Madlyn Bowen, Center on Independent Living CDC [COIL]

Treasurer - David Diaz, Midland CDC

Past-President - Tom Wilkinson, Brazos Valley Affordable Housing Corporation

Directors

Robert (Bobby) Calvillo, Affordable Homes of South Texas Inc.

Michael Willard, Austin Habitat for Humanity

Gerald Carlton, East Dallas Community Organization

Sylvia Ford, Corpus Christi CDC

Stephan Fairfield, Covenant Community Capital

Rodolfo Cantu, Nueces County Community Action Agency

Samuel Hom, Pecan Village, Inc. /MHMRA

Richard Farias, Tejano Center for Community Concerns

Michaëlle Wormly, Women Opting for More Affordable Housing Now, Inc. (WOMAN, INC.)

Annie Payton, El Paso Community Action Program - Project Bravo, Inc.

To learn more about TACDC or to download a membership application, please visit www.tacdc.org

Acknowledgements

Report Authors:

Clare Duncan
Deena Perkins

Original Survey Design and Report Author:

Michael Oden Ph.D.

Contributor:

Steve Carriker

Research Project Managed by:

Steve Carriker

Design Provided by:

Deena Perkins

Photos Provided by:

ACCION Texas
Affordable Homes of South Texas, Inc.
Brazos Valley Affordable Housing Corporation
CDC of Brownsville
Foundation Communities
WOMAN Inc.

For additional copies, please contact:

Texas Association of Community Development Corporations
1524 S. IH 35, Suite 310
Austin, TX 78704
(512) 916-0508 office
(512) 916-0541 fax
info@tacdc.org
www.tacdc.org

© 2009, Texas Association of Community Development Corporations

Author's Notes

The authors wish to thank the following individuals for their many contributions to the success of the 2008 survey: Eduardo Magaloni, Nicole Schwulera, Fiona Murphy Mazurenko, Helen Nguyen, Dr. Michael Oden, and the authors of earlier volumes who developed the basic methodology, design, and research principles that shape this work. We would also like to thank the organizations, and particularly their staff, who completed the survey and contributed their stories and photographs for inclusion in this report. This report would not have been possible without their help.

Authors' Biographies

Clare Duncan

Clare Duncan is pursuing a master's degree from the LBJ School of Public Affairs at the University of Texas at Austin. Clare's interest in social and economic development, particularly affordable and supportive housing has led her to focus on these issues in her coursework and career experience. As the policy and research associate charged with this publication, Clare spent significant time collecting these stories from the selected CDCs as well as drafting this report. Clare earned her B.A. in Sociology from the University of Notre Dame.

Deena Perkins

Deena Perkins is the Director of Policy and Research at the Texas Association of CDC's. Deena works with CDCs to develop their policy priorities and serves as an advocate on behalf of CDCs to the Texas Legislature and the Texas Congressional Delegation. Deena received her Master's of Science in Social Work with an emphasis on policy and her bachelor's degree in journalism from the University of Texas at Austin.

Original Survey Design and Report Author

Michael Oden, Ph.D.

Michael Oden, Associate Professor in the Community and Regional Planning Program at the University of Texas at Austin, focuses his research on local and regional development issues. His work on economic development, affordable housing, and growth and development in high technology regions led him to collaboration with such diverse entities as the State of Michigan, the Office of Economic Cooperation, and Development in Paris and the Appalachian Regional Commission.

Methodology

This report is based on detailed information gathered from six CDCs and CDFIs in Texas, as well as from previous surveys of CDCs and CDFIs conducted in 2000, 2002, 2004, and 2006. The purpose of this report is to better understand the work of CDCs and CDFIs working to improve housing and economic opportunities in the communities they serve. Rather than attempt to quantify the production of CDCs and CDFIs, this publication focuses on a half dozen diverse organizations that are representative of the type of work being done in Texas. These case studies show an in-depth look into how these example organizations receive funding, overcome obstacles, and work to improve housing and economic opportunities in their communities.

The organizations selected as case studies are TACDC member organizations who are involved in the provision of affordable housing, commercial development, and business lending in underserved communities. The organizational information in this report was gathered using an expanded version of the 2006 survey, which also included data specifically focused towards the growth, funding, obstacles, and successes of the organization.

The data tables and figures in this report draw on the results of the 2000, 2002, 2004, and 2006 surveys. A total of 253 organizations responded to one or more of the surveys. It should be noted that not all respondents answered each survey. The actual respondents captured in all data tables and figures is indicated by survey year when available.



Celebrating at Foundation Communities.

Introduction

Non-Profit Organizations and the Future of the Community

The Texas Association of Community Development Corporations is pleased to bring you this edition of “Building a Future” highlighting the outstanding accomplishments of community-based non-profit organizations. Some of these organizations use the term “Community Development Corporation,” or “CDC” in their names. Others identify themselves differently, such as “Habitat for Humanity,” “Peoplefund,” or “Foundation Communities.” What they all have in common is a mission to improve the lives of people in their communities, whether it is through attractive, affordable housing; small business development; or essential community services.

The broadest area of enterprise for CDCs is in affordable housing, particularly helping underserved neighborhoods. Aside from putting people in affordable housing, CDC work helps raise the value of neighboring property. CDC’s use all kinds of tools to serve the residents of their neighborhoods: downpayment assistance, Low-Income Housing Tax Credits, bond financing through TSAHC and local bonding authorities, assistance from the State Housing Trust Fund (appropriated by the Legislature), and CRA investments by private banks. They also provide financial literacy training and various social support services that help potential and recent buyers be successful homeowners.

Home ownership promoted by CDCs is much more successful than average, with the delinquency and foreclosure rates below even “A” paper standards and far below the sub-prime mortgage delinquency rates one hears so much about these days. While CDC clients are low- and moderate-income and would otherwise be targets for the purveyors of sub-prime mortgages, people who obtain their home and mortgage through CDCs pay fair prices, get excellent

interest rates, and favorable loan terms. They are also educated on homeowner challenges and how to deal with them.

John C. Dugan, the U.S. Comptroller of the Currency and the man in charge of overseeing CRA regulations, had this to say about CRA investments in affordable housing: “CRA is not the culprit in subprime mortgage abuses . . . indeed, the lenders most prominently associated with subprime mortgage lending abuses and high rates of foreclosure are NOT subject to CRA.” Dugan went on to say “CRA-related mortgages offered in conjunction with NeighborWorks organizations (a network of CDCs) performed on a par with standard conventional mortgages. NeighborWorks foreclosure rates were .021 percent for the second quarter compared with 4.26 percent of subprime loans and .61 percent of conventional conforming mortgages.” Clearly, single-family home ownership facilitated through CDCs is by all measures successful and a stabilizing influence in the housing market.

Despite the great successes CDCs have had in enabling home ownership for thousands of Texans, home ownership is not for everyone. Whether the issue is age, mobility, finances, or special needs, many Texans are best served through decent, safe, sanitary, and attractive multifamily housing. Thousands of Texas families are improving their circumstances through education, job experience, and financial savings while living in multifamily housing developed through programs such as LIHTC.

While both non-profit and for-profit entrepreneurs do a great job developing multifamily housing for limited-income residents, it is the non-profit CDCs which strive to house the hardest to serve: people with disabilities, single-parent families, displaced veterans, and very low-income persons who are at risk of homelessness.

Only CDCs and similar non-profit organizations are willing to leverage the resources and forego profits in order to develop and maintain housing for many of the people in these groups. Thanks to the efforts of CDCs, thousands of at-risk Texans who might otherwise be homeless, or housed at state expense in institutions or jails, are living productive lives in privately financed, attractive, and appropriate facilities where they receive the supportive social services they need.

But the future of the community goes beyond good housing. Many CDCs are key to business development and job creation across the state. Small business loan funds like ACCION or Peoplefund not only make capital available to small entrepreneurs through loans, they also provide education, training, and technical assistance that conventional business lenders cannot. Their high rate of success has meant moving hundreds of people out of poverty and allowing them to grow into not only successful business owners, but employers and taxpayers as well. The ultimate goal of small business loan funds, many of them certified as Community Development Financial Institutions by the U.S. Department of Treasury, is to “graduate” their clients as worthy customers for commercial banks and to enhance the stability of the community through the jobs their clients create.

CDCs are always sensitive to the needs of the communities they serve and can be catalysts or avenues through which the greater community needs are achieved. Across Texas, CDCs not only create new homeowners, develop and maintain multifamily housing, and assist small business; they also do things as diverse as provide computer access to low-income residents and schoolchildren, house health clinics, provide financial literacy training, assist working people with their Earned Income Tax Credit, administer Individual Development Accounts (IDAs) to put people on the road to financial independence, and develop other facilities for essential community services.

There is one thing in common with all successful CDCs, and it is highlighted by the six stories in this volume: CDCs must have the capacity to do the work their communities need. Housing finance is complicated; small business lending takes particular ex-

pertise; managing multifamily projects is not for the uninitiated; and providing social services to at-risk residents requires very special training and skills. The capacity to handle these tasks does not come automatically, and too many community-based non-profit organizations, despite the great need and their best efforts, simply do not possess the capacity to produce to their full potential. What the most successful CDCs usually share in common is that at some time and in some way, they have been blessed with resources for capacity building – the opportunity to train their employees, hire appropriate professional consultation, and markedly improve their ability to carry out their missions.

I hope you enjoy reading the stories of six Texas CDCs and how they achieved success as organizations and, more importantly, for the communities they serve. Keep in mind that seeds must first sprout before you can have plants, and plants must then grow before they bear fruit. TACDC is proud to be working to build the capacity of CDCs in our state to “grow and bear fruit” and welcomes the support of cities, counties, state, and private partners in the efforts to enhance the work of non-profit community development for the benefit of our residents.

*Sincerely,
Steven A. Carriker
Executive Director*

History of CDCs

A Community Development Corporation (CDC) is a community-based organization whose mission is to serve low-income families and underserved neighborhoods. Community Development Corporations (CDCs), sometimes known as Neighborhood Development Corporations, Community-Based Organizations, or Community Housing Development Organizations, vary in size, organizational structure, and in their primary mission. CDC boards of directors are comprised of member representatives of the communities they serve, with community residents and stakeholders serving on each board.

The concept of the CDC has been around since the 1960's and the Great Society programs of the Johnson administration. Originally, many of these community-based organizations, neighborhood associations, and other groups working to improve conditions in low-income neighborhoods focused on education, counseling, improvement of the housing stock, and crime control. While this effort was effective in the beginning, it became increasingly difficult for organizations to do this without significant government support.

Furthermore, both those engaged in the field of community economic development and those who funded these efforts realized that focusing on trying to bring people out of poverty by moving them out of their neighborhoods was expensive, ineffective, and still did not eliminate the problems of poor neighborhoods.

Community Development Corporations (CDCs) began appearing in the 1970s and 1980s as a local answer to the problems communities were facing. Many did not bear the CDC label in their name (and still don't), yet they identify themselves as such -- Habitat for Humanity and Neighborhood Housing Services are two examples of large CDCs. In addition, many who started out in community organizing for civil rights efforts moved into the community economic development field as a new approach to improving their neighborhoods.

CDCs and others in the field discovered that the best way to begin to solve the problems in low-income neighborhoods was to generate more home-grown business activity. The first CDC activities centered on housing - a primary need for poor families. During the 1990s, the evolution of federal programs such as the Community Development Block Grant (CDBG) and the HOME Program enabled many CDCs to become successful at improving their communities through improving housing and building assets that could remain a part of the community.

Today, CDCs develop real estate for housing and commercial properties, offer economic development services such as loans to small businesses in low-income areas, and operate other programs and services that help improve the quality of life in their communities. The strength and effectiveness of CDCs come from this community-based focus, which allows them to tailor projects and programs to the specific needs and situations of their community. CDCs help communities take a proactive role in their economic, political, and social development. They are able to accomplish their goals and mission by partnering with other non-profits, banks, private corporations, and other private sector institutions.

CDCs that provide direct loans and technical assistance to small businesses are known as Community Development Financial Institutions (CDFIs). These organizations may generally be considered CDCs whose primary focus is business lending. Throughout this report, organizations that are primarily housing developers will be identified as "CDCs" and Community Development Financial Institutions will be identified as "CDFIs."

The Community Revitalization Act (CRA) was modernized in the 1990s and also supported the growth of these home-grown initiatives by spurring bank investment into poor neighborhoods and into CDCs. By the end of the 1990s, more CDCs began to develop business initiatives that could help them become self-sufficient, and would

also serve their constituents through asset-building, job development and other forms of revitalization. This marked a change in direction from a previous focus on social services alone.

CDCs developed housing in the forms of apartments, single-family subdivisions, and homeless shelters. They also began to develop commercial real estate in an effort to bring retailers and services such as insurance agents, doctors, and supermarkets back into the neighborhoods. Some even started loan funds to offer small businesses loans when these businesses could not secure traditional financing. Simultaneously, the U.S. Treasury initiated a program called the Community Development Financial Institutions (CDFI) Fund to help create community loan funds

and banking institutions, which could spur more investment by banks and others into poor neighborhoods. Some CDCs created CDFIs or were created as CDFIs to offer access to capital for housing, small business development, and more.

Today, the community economic development movement is thriving, with CDCs and CDFIs developing creative and sustainable solutions to the problems facing low-income communities. In Texas, TACDC has identified over 400 CDCs who work in housing, economic development, lending, job training, community services and much more.



A pool is one of the many amenities in a Foundation Communities apartment complex.

TACDC Policy Priorities 2009

Housing Trust Fund

- * Increase Funding
- * Secure a dedicated source of revenue
- * Improve program administration

Residential Property Taxes

- * Keep current single-family exemptions for non-profit development
- * Improve multi-family appraisal system to benefit low-income tenants

Improve State Program Administration

- * Assure equitable rules in TDHCA programs
- * Continue the Texas State Affordable Housing Corporation
- * Create a Recovery Fund in the Texas Residential Construction Commission

Foreclosure Prevention

- * Provide the public with homebuyer education
- * Support workouts and alternatives to foreclosure

Promote Homeownership and Asset Sustainability

- * Support matching funds for Individual Development Accounts
- * Support programs to maximize EIC refunds
- * Support urban Land Banking to redevelop abandoned properties



ACCION

TEXAS

Lending. Supporting. Inspiring.

Coming from a family of bakers, Ernesto and Guadalupe Rodriquez had a dream to own and run their own bakery. However, they didn't have the means to buy their own business, so they baked hojarascas, a Mexican cookie, out of their small and ineffective home kitchen. Then, with the help of an ACCION, Texas loan, they were able to achieve their dream and own La Princesita Bakery.

Founded in 1994 in San Antonio, ACCION, Texas has provided 9,300 loans to over 6,200 individuals in over 90 counties in Texas. They are a state-wide Community Development Financial Institution (CDFI) that has 12 offices in San Antonio, Austin, Arlington, Brownsville, Corpus Christi, Dallas/Fort Worth, El Paso, Houston, Laredo, and Edinburg. Their mission is to provide credit to small businesses that do not have access to loans from commercial sources to help microentrepreneurs strengthen their businesses, stabilize and increase their incomes, create additional employment and contribute to the economic revitalization of their communities.

With the ACCION loan, the Rodriquez's were able to buy a commercial oven, refrigerator, and hire employees, increasing production by 75 percent as well as their food offerings to include pastel tres leches, empanadas, conchas, and other Mexican sweet breads. They plan to expand their store to include a coffee shop as well as open another store in Laredo with a bigger market.

Technical assistance

Technical assistance provided by ACCION, Texas, particularly helped Arga, a young single mother from the Third Ward of Houston, who wanted to make an impact

on her community. She decided to open a natural organic food restaurant and nutrition store in her neighborhood and in 2004 Sunfired Foods was born. In the first few years, the store had very few products but a growing clientele and Arga struggled to keep up with the demand. ACCION, Texas stepped in and provided her with a \$13,000 loan as well as technical assistance. She used the funds and assistance to increase her inventory, hire a staff of six - including putting herself and her father on the payroll - as well as holding healthy eating, cooking, and exercise classes. ACCION, Texas helped her to get her business thriving. "I received education through them, and a lifetime of learning and resources. That is what I appreciate most." In 2007, Arga was selected as the Wachovia-ACCION, Texas Microentrepreneur of the Year for the Houston Region.

ACCION, Texas provides an array of loans, such as small business loans and SBA 504 loans at long-term fixed rates. These loans are designed to promote economic development by financing major fixed assets, such as buildings, ranging between \$5-10 Million. They also provide home mortgage loans with fixed interest rates based on project risk. An average ACCION, Texas loan is \$15,993, with the majority of loans ranging from \$500 to \$50,000.

Other stories

Working as a cab driver in San Antonio, Alejandro Perez wanted to start his own company with his cab driver friends. With the help of a \$500 loan from ACCION, Texas he was able to secure the permits needed to be an independent driver. His company, San Antonio Cab, has been a successful business for nine years.

“ACCION, Texas has been a big part of my business,” says Mr. Perez. “They got me on my feet and helped get me through the rough times.” He has acquired another loan with plans to expand his business and buy another cab.

Two other clients that ACCION, Texas loans helped are Norma and Marly Payan, a mother/daughter team who design dresses. Norma started sewing and designing outfits in her home 30 years ago. With the help of a loan from ACCION, Texas, Norma was able to open a custom dress business in downtown El Paso. Since the move, the business has grown and improved and after her daughter Marly returned from college, they were able to add a larger clientele, thus expanding the business even more. Recently, Marly took part in a citywide fashion show with her own designs. Norma says that it was with the help of ACCION, Texas that their dreams were able to come true.

ACCION, Texas provides loans to any legal small business in Texas that meets certain eligibility; they do not exclude anyone based on occupation. In addition, none of their services have a waiting list. They served 854 clients in 2007 alone. Since ACCION, Texas clients are unable to receive loans from conventional banks, they tend to have low incomes averaging \$29,616, compared to Texas’ median family income (MFI) of \$52,355. Twenty percent of their clients earn approximately 80 percent MFI, while half earn approximately 50 percent MFI, and 10 percent earn approximately 30 percent MFI. Of their clients, 67 percent are Hispanic, 16 percent are African-American, and 14 percent are Anglo American, while 45 percent of borrowers are women. Forty six percent of their clients have been in business for less than a year, while 32 percent have been in business three years or more. Typical clients use more than one ACCION, Texas loan.

Clients can apply for these loans online since ACCION, Texas was one of the first micro-lender to offer on-line applications. In 2007, only 4.2 percent of ACCION, Texas portfolios were at risk, defined as past due by 30 days. Since the organization began, ACCION, Texas has only lost 8.75 percent of all their 9,313 loans. This shows the strength of this organization to provide loans responsibly and effectively.

ACCION, Texas receives funding



Guadalupe and Ernesto Rodriguez with some of their baked goods at La Princesita Bakery.

from the US Department of Treasury CDFI Fund, as do other Community Development Financial Institutions. Grants and low-interest loans from external sources have also helped to build their general loan fund. They receive grants from an extensive array of sources ranging from the government (federal, state, and local), private foundations, corporations, individuals, banks, religious communities, and other nonprofit organizations. Some of the donors include Bank of America, Annie E. Casey Foundation, Chase Bank, USAA, HUD, and US Department of Treasury. They are still searching for other low-cost capital they can lend to clients. Programs such as the Texas Capital Access Program (TCAP), which ACCION, Texas participated in from March 2002 to November 2004, would be an excellent funding resource for rural locations as it was extremely successful at helping “high risk” small business owners. Using the \$200,000 funding from the State of Texas, ACCION, Texas provided 830 loans for \$5,183,701 and created or sustained 2,151 full time jobs through the program. However, this program is no longer available.

TECHNICAL ASSISTANCE

In addition to providing and administering direct loans, ACCION, Texas provides technical assistance, financial literacy, Individual Development Account programs, and financial advocacy services to their clients through collaboration with



Norma and Marly Payan show off their designer dresses.

the Small Business Administration and the Service Corp of Retired Executives (SCORE).

Due to the clients they serve, and the areas where they are located, these technical assistance services greatly benefit their clients' business practices and success. Currently they are able to provide some basic assistance, but with staff limitations, they can do little more. Thus, more funding for these programs would help to provide better loans and increase the success of the businesses. They would also like to provide accounting and marketing services.

PARTNERSHIPS

ACCION, Texas has successfully provided over \$74.4 million in loans,

partly due to their excellent partnerships in Texas communities. They have worked to create partnerships with government entities, banks, and Small Business Development Centers for loan referrals in every community where they serve. Some of their partners include the El Paso Chamber of Commerce, National Foundation of Women Business Owners, Sisters of Charity, Fort Worth Business Assistance Center, and the Plan Fund. They also collaborate with CDFIs across the country through their innovative Microloan Management System to create a network of CDFIs, which strengthen each other and share information and ideas.

One particular partnership that is unique and very successful is with the City of Corpus Christ, where they work to reduce loan interest rates for clients. Before this program, ACCION, Texas' interest rates were at 12 percent, a high rate that was necessary to cover organizational costs. Since 2004, the City of Corpus Christi has provided ACCION, Texas funds to reduce interest rates from 12 to 5.5 percent. This helps to reduce local clients' interest payments by up to \$5,000, allowing them to strengthen their businesses with this money. They hope to extend this program in Houston and Dallas through partnerships with the United Way of Greater Houston and the Rees-Jones Foundation. Without this external assistance, these reductions would not have been possible for clients.

The Summit on Microfinance in the U.S. that ACCION, Texas hosted in 2007, which included a keynote address by Federal

Table 25. Housing and Economic Development Services Offered by CDCs and CDFIs, 2006

Services	No. of CDCs
Manage Construction	76
Provide Direct Loans to Home buyers	41
Provide Home Purchase Financing Assistance	38
Administer Loan Funds for Housing Development	29
Package/Originate Home Mortgages for Other Lenders	16
Service Mortgage Loans for Other Lenders	12
Administer Loan Funds for Business Development	7
Provide Direct Loans for Small Business Owners	6
Provide TA to Small Business Owners	5
Provide Equity Investments to Small Businesses	1
Total Number of Housing and Economic Development Services	231
Total number of CDCs Providing Housing and Economic Development Services	120

Reserve Chairman Ben Bernanke, has also extended their visibility on the national stage while broadening their partnerships.

Partnerships have also helped to deal with the issues of providing loans to rural communities and the colonias. Due to geographical inaccessibility, high-credit risk, and low loan volume, it is too costly for ACCION, Texas to operate there without external assistance. They are able to deal with these issues somewhat by collaborating with agencies in these regions such as Small Business Development Centers, local banks, and local Chambers of Commerce.

MICROLOAN MANAGEMENT SERVICES

One particularly successful program ACCION, Texas has developed is the Microloan Management Services (MMS) system, which uses 14 years of data to provide their automated credit scorecard and internet loan applications. Through this program, they have helped micro-lenders all across the US improve their portfolios, making them the loan-servicing hub across the country. It is through this system that ACCION, Texas developed a tailored credit scoring system that uses a statistical payoff probability model to reduce its delinquency rates, which were at an all-time high in 2003. They also allowed loan officers to have more control over their individual portfolios. This system has helped to reduce delinquent loans by 30 percent, the lowest delinquency rate in their history. This system would not be possible without their Wachovia Next Award winnings, which funded the initial stages of this project.

CONCLUSION

ACCION, Texas has helped thousands of small business owners live their dreams and improve their lives, as well as their communities. This organization's work helps to increase creative, innovated, and successful businesses in Texas that without their help would not be able to qualify for a conventional loan and operate. These successes have provided Texas with economic and job growth, while also bringing more hard-working individuals like Norma and Marly Payan, Arga, Alejandro Perez, and Ernesto and Guadalupe Rodriguez into the mainstream business community. ACCION, Texas' growth in the loan business has resulted in a number



Arga creates nutritional dishes she will showcase at her store, Sunfired Foods in Houston.

of awards for their service in advancing community development. In December 2007, they became the first winner of the Wachovia Next Award of \$2.75 million (sponsored by the Opportunity Finance Network and MacArthur Foundation) out of over 600 other CDFI with less than \$50 million in assets. In 2006, they were the Ernst & Young Entrepreneur of the Year as a Social Finalist in the Central Texas Region.

ACCION, Texas could continue to expand its services if more funding was available. With additional funding they could provide more loans to rural areas that are currently unreachable. In addition, they could provide more technical assistance to their clients. This would help their clients develop more successful and long-lasting businesses improving economic development and creating more jobs all across the state.

For more information about ACCION, Texas Please Contact:

Janie Barrera
President & CEO
jbarrera@acciontexas.org

www.acciontexas.org
2014 S. Hackberry
San Antonio, TX 78210
Phone: 210.226.3664
Fax: 210.533.2940

AFFORDABLE HOMES OF SOUTH TEXAS, INC.

Five years ago Josephina Lopez needed a place to stay. Unable to afford her own home, Josephina and her daughters bounced between the homes of friends and family until a friend told her about Affordable Homes of South Texas, Inc. (AHSTI). By using her salary as a nursing assistant, as well as selling tamales and enchiladas,

brothers and sisters at home. Although at the time the family's income was too low to qualify for a home, through the support of AHSTI the Cruz family was able to rent a home that was currently vacant for five years at a low monthly rent so Jose Jr. could attend college. Five years since and Jose Jr. is a Yale graduate with a degree in Biomedical Engineering and is attending graduate school at Texas A&M School of Rural Public Health and may attend medical school in the near future. In addition Mr. Jose Cruz Sr. is now working with an offshore oil rig company and the family closed on and now owns their home.

Lopez, Aleman, and the Cruz family benefited from Affordable Home of South Texas Inc., whose mission is to enhance the quality of life for residents in Hidalgo County, the city of McAllen and the surrounding rural areas. Since their founding in 1976, AHSTI has provided housing to over 2,800 low-income, working families like Josephina Lopez and the Cruz family who otherwise could not qualify for a conventional home loan. The New Beginnings Program has also provided 25 new 800 square feet accessible homes to low-income elderly residents of McAllen who are physically and or mentally disabled such as Anita Aleman.

AHSTI provides construction services, which include residential subdivision developments, new home construction, and rehabilitation of substandard homes within the City of McAllen using federal, state, local, and private funds. In 2007 alone they produced 100 new owner-occupied homes and rehabilitated 7 owner-occupied homes. They plan to produce and rehabilitate a similar number of units between 2008 and 2009.

In addition to construction, AHSTI provides home purchase financing assistance using Community Development Block Grants (CDBG) and HOME funds for units within residential subdivision developments as well as for single site construction and rehabilitations. Under these grants they have administered over 1,500 mortgages estimated at over \$32



One of the three bedroom, two bath homes from AHSTI. This home is in the Encinos Los IV subdivision.

Ms. Lopez was able to raise \$2,500 for the required down payment. She is now a proud homeowner, paying \$534 a month for her mortgage, property taxes, and homeowner's insurance. She considers her new home - a white brick, three-bedroom, two-bathroom house in a Los Encinos Neighborhood - a "dream come true" and an opportunity for a better life for herself and her daughters.

Anita Aleman, who has diabetes and osteoporosis, used to live in a small frame house with bad plumbing, leaking ceilings, and rotting walls and floors. The house was so small that she could not maneuver her wheelchair around. Through the AHSTI New Beginnings Program, Aleman received a safe, accessible home where she could use her wheelchair.

Jose Cruz Jr. received a VAMOS scholarship to attend college at Yale University. However, he was unable to attend because his family needed him to work and support his parents and six

million. Over the last 32 years AHSTI has only foreclosed on three homes. In addition, AHSTI provides a number of other financial services, which includes homebuyer education and counseling assistance programs, individual development accounts, and financial literacy education. AHSTI is able to provide these services because they are certified as both a Community Housing Development Organization (CHDO) by the State of Texas and the City of McAllen and as a Community Development Financial Institution (CDFI) by the U.S. Department of Treasury.

AHSTI provides these services to clientele that range from 20 to 85-years-old, 38 percent of whom are single parents. In 2007 alone, over 100 individuals and 100 families, who typically learned about AHSTI through word of mouth, were served. In 2007, AHSTI's clients made salaries that put them at 50 percent or below the area median family income (AMFI), which is currently set at \$22,000.

A large part of AHSTI's success in maintaining affordable housing is due to support from the City of McAllen, whose leaders understand that it is an important economic development tool and can provide significant revenue for the city through taxes. It has been this eager support from the McAllen community that has been crucial in helping the organization grow and develop geographically. The organization has also received financial support through federal and state avenues.

Several years ago AHSTI received a forgivable \$800,000 loan from the Texas Housing Trust Fund to construct a residential development called Los Encinos Del Norte in northwest McAllen. Josephina Lopez is now one of the residents in this subdivision of 181 homes. In addition to this loan, AHSTI received money through the City of McAllen, the McAllen Housing Finance Corporation, and the Rio Grande Valley Multibank for a total of \$8.5 million dollars for the Los Encinos Del Norte project. However, it was the Housing Trust Fund loan which allowed them to leverage additional money from further sources.

AHSTI's other program, the New Beginnings Program, is made possible through a collaboration of community leaders who felt a program was needed to help establish safe and decent homes for low income elderly and disabled residents of the city. These new residences replaced



This home is also in the Encinos Los IV subdivision.

their old homes, which were typically in disrepair. New Beginnings residents are only required to pay \$80 a month for their property taxes and home insurance because they typically live on a small fixed income. As Ms. Aleman says, "The bedrooms are bigger. The shower is bigger too. I can put my shower sitter in there now. I can take my bath easier now." Like Ms. Aleman, the low-income elderly and disabled residents who have taken part in this program are able to have the peace of mind, knowing they now live in a safe and decent, affordable home. In addition to the residents' benefits, the City of McAllen and all the community's residents also benefit from the revitalization of these old rundown homes into attractive new homes. AHSTI would not be able to provide this successful program without community support, as well as the CDBG funds that finance it.

Unfortunately, lack of funding is a major problem for AHSTI. In fact, since their original Housing Trust Fund loan, AHSTI has been unable to secure any additional HTF loans or grants due to limited funds available through the Trust Fund and a competitive application process. Not only have Housing Trust Fund loans and grants been harder to receive, but there has been a gradual decline in all forms of funding in the last few years. This has hampered AHSTI's ability not only to develop more residential housing developments, but also leverage HTF loans for additional funding. Due to this situation, many residents have



been put on a waiting list, which has reached as high as 300.

Affordable Homes of South Texas Inc.'s service to the community of McAllen for the past 32 years has resulted in thousands of families receiving badly needed affordable homes and financial services. The work of this organization is crucial to improving the lives of Texans such as Josephina Lopez, Anita Aleman and the Cruz family. It is the strong infrastructure and stable capacity that has helped AHSTI grow into the successful organization that it is today and has allowed it to provide new services.

Their determination to provide affordable housing and financial services has resulted in significant recognition by national housing foundations. For example, AHSTI has received the Fannie Mae Foundation's Maxwell Award for Excellence and was an Honoree in the Builder Category for Project of the Year under the HOPE (Home Ownership Participation for Everyone) awards by the National Association of Realtors.

With additional and more permanent funding sources, such as the Housing Trust Fund, Affordable Homes of South Texas, Inc. and other similar community development corporations can continue to expand and provide more affordable housing and comprehensive services

benefiting all of Texas. It is also important that more partnerships are created, such as the relationship between AHSTI and the City of McAllen, to better leverage funds and develop creative programs to provide more services with available resources. These actions are crucial in order to provide hard working families in Texas the opportunity to live the American dream and own one's own home.

For more information about Affordable Homes of South Texas, Inc. Please Contact:

Robert Calvillo, Executive Director
rcalvillo@ahsti.org

www.ahsti.org
1420 Erie Avenue
McAllen, Texas 78501
Phone: 956/687-6263
Fax: 956/682-9751

BRAZOS VALLEY AFFORDABLE HOUSING CORPORATION

Mike and Kelly Smith were renting a trailer home and living with their three children and Kelly's mother in Navasota, Texas. Then, with the help of the Brazos Valley Affordable Housing Corporation they were able to buy a three-bedroom, two-bath home. The Smith family is thrilled with their new home and their future in it.

Brazos Valley Affordable Housing Corporation (BVAHC), a non-profit community development organization created to deliver safe, decent, and affordable housing, was founded in 1992 by the Board of Directors at the Brazos Valley Council of Governments. Along with affordable housing, they provide commercial development and financial counseling to over 200 low-income individuals and families annually. Between 2006 and 2007, BVAHC constructed 20 new homes and since their founding they have produced approximately 120 units. They also provide major and minor home repairs with the Area Agency on Aging for the elderly and disabled. They encourage community development, economic growth, and general improvement to the standard of living for all the residents of the areas they serve through networking

and/or forming of partnerships with other non-profits, for-profits, and governmental entities. BVAHC serves the seven counties of Brazos, Burleson, Grimes, Leon, Madison, Robertson, and Washington.

When BVAHC first started building homes in Navasota, they had trouble selling them due to affordability issues and a limited group of qualified buyers. In addition, families did not want to be the first to move into the subdivision now known as Washington Park. However, once a few families began moving in, others did as well and currently 15 homes have been completed. One such person who took the lead in cultivating a community at Washington Park was Latishia Polk who bought the second home in the neighborhood with the assistance of BVAHC. It is a great success story of a true economic driver that would not be possible without the subsidies that were available.

Brazos Valley Affordable Housing Corporation created the Washington Park subdivision through a partnership with the City of Navasota, the Texas Office of Rural Community Affairs (ORCA), and the Gulf Coast Trades Center. Funding included a \$400,000 grant from ORCA to the City of Navasota for street and infrastructure installation, construction financing from the



Mike and Kelly Smith get their new home with the help of BVAHC.

Table 13. Sources of CDC Housing and Commercial Development Funds, 2005

Development Capital Source	Amount	Share
Sale of Low-Income Housing Tax Credits	\$86,098,768	41.1%
Banks	\$40,656,511	19.4%
Federal Programs	\$27,064,909	12.9%
Private Activity Bonds	\$13,600,000	6.5%
501(c) (3) Bonds	\$13,600,000	6.5%
Other	\$12,308,155	5.9%
Equity	\$8,319,219	4.0%
Local Governments	\$5,353,697	2.6%
Intermediaries	\$1,735,322	0.8%
State of Texas Housing Trust Fund	\$321,200	0.2%
CHDO Property Tax Exemption	\$266,311	0.1%
Total All Projects		

Includes year 2006 survey respondents.

Note: Some sources of funds may have been awarded over one or more prior years and used for development in 2005.

Brazos Valley Community Development Corporation (the CDFI and for-profit multi-bank CDC) to BVAHC, and a YouthBuild grant through HUD and the Brazos Valley Workforce Development Board to the Gulf Coast Trades Center to finance the labor. This funding resulted in completed three and four bedroom, two-bath, 1225-1400-square-foot homes that belie what is normally thought to fall under the category of “affordable housing.” Without these partnerships, and CHDO funding from the Brazos Valley HOME Consortia, this subdivision would not have been possible.

BVAHC also assisted in creating the Brazos Valley Community Development Corporation (a CDFI and for-profit CDC) in 2001 in which six banks invested,

providing capital for mortgages and construction financing. This partnership has allowed for greater leveraging of public funds for programs such as this one.

Additional BVAHC homes, including some built in the Washington Park subdivision, were built through partnerships with eight local high schools including Brenham, Bryan, Buffalo, Calvert, Madisonville, Navasota, North Zulch, Somerville in their Construction Trades and Ag Mechanics Educational programs. Working closely with the schools, as well as the cities, BVAHC finds city-owned properties that fit the needs of the program and provides interim financing, construction expertise for students, and locates buyers. This program has been very rewarding for the students, homeowners, and the communities at large, producing affordable housing and increasing the Texas base local workforce while providing affordable housing.

Nick Searcy, a recent Bryan High School graduate, heard about this program at a local community college. The process teaches the students how to work together and complete a substantial project. After two weeks of classroom instruction, Nick and 11 other students and recent graduates began construction with the help of licensed workers. Within two months they had completed a 1,300-square-foot, three-bedroom house frame for a qualified low-income family in the area. During the process, many of the students actually received job offers from other area builders. Searcy may consider a future career as a builder after he finishes college.

This program would not be successful without the support of the HOME Consortia for the Brazos Valley. The support of the HOME Consortia, which budgets annually the use of HOME funds in the region, has enabled BVAHC to partner with local governments and schools, as well as prisons. The HOME Consortia is also crucial for a number of BVAHC’s other programs such as major home repairs, mortgage loans, and the creation of affordable subdivisions such as





Washington Park. Since HOME funds are designated in five year plans, it has helped provide consistency in BVAHC's funding. This allows BVAHC more flexibility and creativity because they do not have to worry about funding annually; therefore, they can implement and assist more low- and moderate-income citizens through affordable housing.

BVAHC also provides assistance through home ownership counseling and financial literacy classes. They have counseled an average of 1,400 people via classes and the phone annually. This is a crucial service because BVAHC has found education to be the largest barrier to homeownership in their service area. In addition, they have provided over 280 families with down payment assistance and mortgage loans. BVAHC also provides commercial development in their service region. They produced approximately 70,973 square units of commercial space between 1994-2005 in parking lots and drives. From 2006 to 2007, they rehabilitated 336,600 square units.

Brazos Valley Affordable Housing Corporation provides these services to both

their clients as well as the community at large and they do not have a waiting list. In 2007 alone, BVAHC assisted approximately 260 individuals and families. The area median family income (AMFI) is \$41,800 and in 2007 95 percent of their clients made salaries of 80 percent MFI, while five percent made salaries of 50 percent MFI.

BVAHC receives most of their funding through HUD's HOME program. However, they also receive funding through a number of grants from the CITI Foundation, One Star Foundation, TACDC, TDHCA, US Treasury CDFI fund, as well as seven local banks, and city and county government.

This house was constructed in partnership with the Texas Department of Criminal Justice-Holiday Unit. The house is partially constructed, then the home is moved to a lot where the finish out is completed.

Table 4, 5, 6. Housing Acquisition and Development by CDCs, through 2005

Housing Type	Prior to 1994		1994-2003		2004-2005	
	Number of Units	Percent of Total	Number of Units	Percent of Total	Number of Units	Percent of Total
New Rental Units	1,143	15.8%	6,161	14.8%	2,550	39.5%
Acquired or Rehabilitated Units	2,264	31.3%	23,958	57.3%	1,171	18.1%
New Owner-Occupied Units	2,370	32.8%	8,477	20.3%	1,473	22.8%
Rehabilitated Owner-Occupied Units	1,451	20.1%	3,168	7.6%	1,269	19.6%
Total New or Rehabilitated Units	7,228	100.0%	41,764	100.0%	6,463	100.0%

Prior to 1994 to 2003: Includes years 2000, 2002, 2004 and 2006 survey respondents, 2004-2005: Includes year 2006



Finally BVAHC receives supplementary funding from purchasing the Carter Creek Center retail development and 40 units at the Oak Creek Condo complex.

CONCLUSION

Brazos Valley Affordable Housing Corporation's service to the community of Bryan for the past 16 years has helped improved the lives of many of its residents such as Mike and Kelly Smith, Nick Searcy, and Latishia Polk. Cooperative partnerships with local municipalities, counties, the Gulf Coast Trade Center, the State Prison, and Regional High Schools have also provided many opportunities to help low-income individuals and families in the region. This service has resulted in significant recognition through awards such as the Texas Association of Local Housing Finance Agencies' Special Achievement Award in 2003 as well as the National Association of Development Agencies' Innovation Award in 2003.

However, BVAHC has had to overcome a number of challenges throughout their history. For example, due to the lack of available funding, Brazos Valley CDC has only been able to provide 18 home mortgages (of which only one has been foreclosed). They are currently waiting on a grant from the US Treasury's CDFI funds in order to increase the number of loans. However, they will not currently be increasing the types of services they provide. Another concern of BVAHC is that they are unable to provide more for special needs populations because of restrictions on HOME funds as well as large numbers of low-income residents in need

of affordable housing in their service area. BVAHC suggests the need for a medium priority ranking for special populations such as the homeless, elderly, and disabled because these groups have unique needs that tend to be expensive to address.

BVAHC also states that the biggest barriers for commercial development by CDC's is a lack of federal and state funding, a lack of partnerships between non-profits and the private sector, and the financial requirements and regulations that make it more risky than residential construction.

With additional funding and partnerships, Brazos Valley Affordable Housing Corporation can continue to expand and provide more affordable housing and comprehensive services benefiting all of Texas. The HOME Consortia is crucial for this to be successful. By providing some stability in their funding sources, BVAHC is able to be more flexible and creative in their programs and other sources of funding.

For more information about Brazos Valley Affordable Housing Corporation Please Contact:

Tom Wilkinson
Executive Director
twilkinson@bvahc.org

www.bvahc.org
4001 Suite 180, E. 29th Street
Bryan, Texas 77801
Phone: 979.595.2809
Fax: 979.595.2816

Community Development Corporation of Brownsville

Clarence Lee Jimmie dropped out of high school in the 11th grade and soon realized it was a mistake. Then he discovered the Community Development Corporation of Brownsville's (CDCB) YouthBuild program, a dropout recovery and affordable low-income housing construction program. Through CDCB, Jimmie was able to earn his GED and is now enrolled in classes at the University of Texas at Brownsville and Texas Southmost College while looking for a job. He describes YouthBuild as his "second chance."

The YouthBuild program links job training, classroom instruction, and affordable housing construction to help high school dropouts earn their GED. The program also includes child-care, transportation, a training stipend, and higher education financial assistance. Since 1996, it has been awarded nine HUD YouthBuild grants for a total of \$5.3 million. This funding has allowed 408 students to participate in the program. Of the students who enrolled, 237 graduated after building 99 homes (58 percent). In addition, regardless of whether they graduated from the program or not, 114 enrolled students (28 percent) obtained their GED and 232 enrolled students (57 percent) got a job or went on to college. Students do not have to

graduate from the program or obtain their GED to benefit from participating; many got jobs along the way through CDCB's job placement program, while others increased their educational placement.

The Community Development Corporation of Brownsville (CDCB) was founded in 1974 and has since been providing safe, decent, and affordable housing, loans, and financial education to residents of the City of Brownsville, southern Cameron County, and surrounding communities. They are currently the largest non-profit single family affordable housing provider for homeownership in Texas. Since 1997 they have built and/or financed 2,106 affordable homes in their service area. In 2006 alone, CDCB provided 85 affordable homes and since 1998 they have produced nine percent of all new homes in the area. They are located in Brownsville



Houses in Brownsville before reconstruction.



House for one of the OCC clients.

They provide these services on a first-come, first-serve basis.

MUTUAL SELF HELP/ BOOTSTRAP PROGRAM

CDC of Brownsville has three main housing programs, including a Mutual Self- Help/ Bootstrap Program which helps families earning less than 60 percent AMFI reach homeownership.

This program requires

families to take part in building their homes as well as others' homes. Six to ten families work for over a year building each family's home, only moving in after all are complete. Each family is required to contribute to building 65 percent of their home and the others' homes through sweat equity, which reduces the loan amount for each by as much as \$12,000. Seventeen self-help groups have completed 102 homes and have six more under construction in both CDCB's affordable housing subdivisions and in the colonias. No home built through this program has been foreclosed on since 2001.

Marisela Guerrero, a mother of seven, took part in this program, working with five other families and construction trainers to help build homes for themselves and others while working a part-time job. She described her home as her "Dream come true. Actually a dream come true for all of our families." In addition, this program allowed the families to go from not knowing each other to counting on each other for support.

CDCB utilizes a number of different funding streams for this program. For rural areas in Cameron County this includes USDA Rural Development 523 grants

CDCB utilizes a number of different funding streams for this program. For rural areas in Cameron County this includes USDA Rural Development 523 grants

CDCB utilizes a number of different funding streams for this program. For rural areas in Cameron County this includes USDA Rural Development 523 grants

Table 20. CDFI Loan Number and Volume, through 2005

Loan Type	Prior to 2002		2002		2003		2004		2005	
	No.	Volume	No.	Volume	No.	Volume	No.	Volume	No.	Volume
Business/ Existing Business/ Start-Up	448		61		60		59		59	
Housing	22		6		35		18		61	
Mortgages	2	137,000	0	-	3	261,500	56		121	
Micro-enterprise			252		234		152		170	
Total			997				783		706	

Prior to 2002: Years 2002 and 2004 respondents, 2002-2003: Year 2004, 2006 respondents, 2004-2005: Years 2006 respondents.



University of Texas at Brownsville students construct new homes through the CDC self-help program.

for construction supervision and program management totaling \$809,000 and HUD SHOP loans totaling \$750,000, and RD 502 loans with rates ranging from one percent to 5.75 percent based on income and adjusted annually. CDCB also uses Texas MRB and Texas Bootstrap loans in the City of Brownsville to finance these homes, allowing families to pay under \$550 PITI per month.

HOUSING INFORMATION AND EDUCATION CENTER

CDC of Brownsville provides educational classes for the City of Brownsville and the surrounding communities in addition to their affordable housing production. CDCB runs a Housing Information and Education Center, a certified housing counseling agency, which provides educational classes for people who want to become homeowners but don't know how. This center provides counseling on home repairs and home buying through a Comprehensive Housing Counseling Program. This program helps people understand the homeownership process, mortgages, budgeting, and how to avoid foreclosures. Carlos and Hortencia Alvarez took this course to better understand how to buy a home for their growing family and avoid the pitfalls, learning about set-asides for taxes and house maintenance. They knew having this information was crucial after watching others deal with the issues and problems of being a homebuyer. Soon after the course they were able to finalize the paperwork, which would enable them to own their own home. Other neighborhood-based workshops and activities provided include first-time homebuyer workshops, credit fairs, IDA programs, EITC tax preparations, consumer



education workshops, and a down-payment assistance program.

However, an increase in technical assistance for non-profit staff, particularly for specifically designed programs such as these, is crucial to improve the effectiveness of this organization and these programs.

RURAL & COLONIA LOAN PROGRAM

One of CDCB's most successful loan programs is their Rural & Colonia Loan Program, a public private affordable housing initiative for South Texas border colonias and rural areas in Cameron and Willacy Counties which provides affordable housing of long-term value, improves general living conditions, meets residents' income and cultural needs, and expands the local tax base. This program is run through their partnership with Rio Grande Valley Multibank, a certified Community Development Financial Institution (CDFI), through which nine stockholder institutions, area builders, and State, Federal and Private funders participate. Thanks to CDCB's Rural & Colonia Loan Program the RGV Multibank can provide long term mortgage loans at below market rates to families they would normally deny credit for traditional mortgage programs.

Colonia families earning less than 50 percent AMFI can receive a secure 20 year loan with a 3.5 percent interest rate, which the banks funds 50 percent, and CDCB funding the rest with zero percent interest. The Rural and Colonia Loan Program with their Affordable Housing Loan Programs (AHLP) currently total 542 loans with \$12.2 million in outstanding loans, with only a delinquency rate of 3.51 percent.

This program receives funding from HUD's Rural Housing and Economic Development (RHED) grant, State of Texas Colonia Self Help Center, State HOME Funds, and FHLB AHP Funds, to leverage private sector funds available through Rio Grande Valley Multibank (through four of its member banks JP Morgan Chase, Wells Fargo, Texas State Bank and International Bank of Commerce) which has committed to providing \$2.4 million for below market interest rate loans for colonias and rural families under RCLP. This partnership has allowed CDCB to leverage private money in an innovative way, helping to improve the program and the colonias it serves. However, an overall lack of creativity in funding requirements reduces this innovation and private sector investment, leading to frustration for CDCB in many of the other programs they are involved with.

CONCLUSION

CDC of Brownsville's work in the City of Brownsville and Cameron and Willacy Counties for the past 34 years has made it the largest non-profit provider of single family affordable housing for homeownership. This has benefited these communities greatly, especially for people such as Clarence Lee Jimmie, Marisela Guerrero, and Carlos and Hortencia Alvarez. It is through their extensive funding sources that CDCB is able to provide these services.

CDCB achievements in affordable housing have made them recognized for a number of national housing awards. These awards include a 1999 Recipient of the Maxwell Award of Excellence, a Maxwell Award of Excellence Finalist, a recipient of the Federal Home Loan Bank System Community Partnership Award, and the State of Texas Housing Finance Agency Special Achievement Award.

However, CDC of Brownsville has come across a number of situations which obstruct their ability to provide services in the most efficient and affordable manner; for example, the lack of funding provided for entire projects, such as their neighborhood redevelopment/rehabilitation projects for those earning less than 30 percent AMFI which are almost impossible to complete with a single HOME or HTF award. Also the increase in documentation required by state, federal, and local funders, as well as the inconsistent interpretations and cross purpose documentation requirements by different entities for the same funds has caused problems, all which increase administrative costs, duplication, slows production, and reduces funds to homebuyers. While their Mutual Self Help/ Bootstrap program is very successful, it is very expensive administratively and it is hard to find conventional loans for these families. Therefore, if it was not for these USDA/RD 523 grants, HUD SHOP loans, USDA/RD 502 loans, Texas MRB loans, and Texas Bootstrap loans this program would not be able to exist and these homes would not be affordable.

It is CDCB's ability to both produce new housing, in an efficient and affordable manner, as well as to provide financing for low income families to purchase the housing produced, that has allowed them to reduce their dependency on federal, state, and local funding sources, as well as ensure that families receive more "bang for their buck" when both purchasing and financing through CDCB.

For more information about Community Development Corporation of Brownsville Please Contact:

Nick Mitchell - Bennett

Executive Director

nmitchell@cdeb.org

www.cdeb.org

901 E. Levee Street

Brownsville, TX 78520

Phone: 956.541.4955

Fax: 956.541.4990





After living off and on at the Salvation Army and with friends, Solomon* had nothing but a backpack as his sole possession. He could not make ends meet with his minimum wage jobs. He was unable to find decent and sustainable work in the restaurant management industry as he desired.

Now he lives in housing provided by Foundation Communities, a Community Development Corporation that empowers low-income families and individuals to improve their educational and economic standing permanently. Through Foundation Communities, Solomon has succeeded in reaching his goal of overseeing a team of people for a catering company that does events at the Hilton and Austin Convention Center. He describes his time at the Garden Terrace as a stepping-stone to a new life.

Since 1991, Foundation Communities has served over 17,000 clients in the Austin and Dallas-Forth Worth areas. They operate 10 affordable housing communities in Austin and three similar communities in the Dallas-Fort Worth area. However, Foundation Communities believes services are as crucial as housing in improving peoples' lives and helping them move out of poverty.

One of the cornerstones of their program is the case management provided to clients, which helps residents reach necessary programs and assistance such as health care, counseling, and employment. Foundation

Communities also offers a number of other programs for both adults and children, including after-school tutoring, structured educational summer programs, community minded teen groups, money management and financial literacy classes, EITC tax preparations, computer training, English as a second language classes, community gardening, GED classes, home-buyer counseling, and IDA accounts. In 2007, they served 17,025 families.

Foundation Communities has developed a model, which allows their organization to function with a business-like approach using rent, management fees, and interest to cover their operating expenses.

After struggling with alcoholism and depression, Darrell has found a home at Garden Terrace.





With an Individual Development Account offered through Foundation Communities, Laura Velasquez was able to save up enough money to buy a home and earn a BA in business management.

However, they also rely on grants from corporations, foundations, and individuals as well as funding from federal, state, and local government. In 2007, 79 percent of their operating revenue came from rent and property income, while 12 percent came from donations and grants. Of this revenue, 70 percent went to affordable housing, 11 percent went to community services as well as administration, and eight percent went to supportive services.

Supportive Services

In the process of developing their efficiency apartments, staff at Foundation

Communities discovered that a number of their residents have issues with drugs/alcohol, mental illness, or a “dual diagnosis.” They have come to realize how these issues hurt residents’ ability to keep housing whether it is because of their behavior, a lack of long-term care, or non-payment of rent. In fact, 40 percent of the 140 residents at Spring Terrace have such issues.

One such individual was Darrell,* who came to Garden Terrace struggling with alcoholism and depression. With the help of Foundation Communities, he was able to deal with his health issues, take college classes and work again. He has since moved out of Garden Terrace to pursue a job managing a ranch. Darrell describes Garden Terrace as “a godsend” that gave him a second chance at life.

The Children’s HOME Initiative

Alicia, Manuel, and their two children were able to apply for housing at Sierra Ridge through the Children’s HOME Initiative, which provides 38 at-risk or homeless families with reduced cost housing in one of these communities with a six-month lease, no transition deadline, and supportive services if they make an effort to increase self-sufficiency. This program helped them escape their deteriorating apartment that was affecting the children’s health as well as causing Manuel to fall into depression. They are thrilled to be living in a clean and well-maintained community. They have become very active in this community by taking English fluency classes, homebuyers education, and money management classes, which have helped them double their household income. Through this program, Alicia and Manuel have been able to pursue long-term goals and increase their self-sufficiency, family stability, and personal confidence.

This program, in which the average cost for a two-bedroom is \$400, would not be possible without funding from NeighborWorks America and their ELI Pilot Program. This funding has helped Foundation Communities pay down mortgages for three multifamily properties and permanent set-aside units for extremely low-income families.

Community Tax Center Program

Another successful program, which has made significant improvements over time, is the Community Tax Center

Table 26. Community Services Offered by CDCs and CDFIs, 2006

Service	No. of CDCs
Legal Services	69
Child Care	43
Home Buyer Counseling	39
Advocacy	32
Health Care	23
Financial Literacy Education	19
Community Organizing	18
Job Placement Assistance	18
Homeless Services	17
Emergency Food Assistance	12
Youth Services	11
Senior Programs	11
Tenant Counseling	10
Job Skills Training	2
Total Number of Community Services	324
Total Number of CDCs Providing Community Services	120
Percent of CDCs Providing Community Services	82.5%

Program, which provides free income tax preparations by over 450 IRS trained volunteers. Since taking over the program, the number of tax returns prepared has grown from 2,700 in 2004 to 17,000 in 2008, which resulted in \$21 million in refunds and tax credits via the Earned Income Tax Credit and Child Tax Credit for their low and moderate-income clients. These refunds are on average \$1,215 and have increased families' annual income by as much as 10 percent. During the 2008 tax season, this program expanded to include tax center clients' bank accounts, financial coaching, microenterprise workshops, Individual Development Accounts, and help with filing for an Individual Taxpayer Identification Number (ITIN) and FAFSA forms. They have also started to offer year around tax assistance.

Supportive Housing

Foundation Communities is a growing organization with an extensive network within the affordable housing field, yet they still encounter a number of setbacks that limits their ability to provide adequate affordable housing to the residents of Austin, Dallas, and Fort Worth.

One of the biggest issues they have encountered is the high cost of new family properties in Austin. In order to provide multi-family housing, Foundation Communities has to acquire property in the Austin residential real estate market, but they have to compete with out-of-state investors who are trying to transform these properties into high-end condominiums. This has led to grossly inflated prices averaging \$84,421 per unit or \$17 million for a 200-unit property, which is out of their price range. To deal with this obstacle, they feel the best approach is to promote their non-profit mission to the property owners before they go on the market and are out of their price range.

Foundation Communities currently has a partnership with the City of Austin to rehabilitate old hotels into supportive housing communities. In total, Foundation Communities has provided 345 efficiency apartments at Garden Terrace, Spring Terrace, and Skyline Terrace, as well as supportive services to very low-income individuals. The City has been the largest donor on all of these occupancy projects through CDBG, HOME, and GO bonds and has provided support and assistance



throughout each development process. In addition, Foundation Communities was able to leverage Housing Trust Fund money through the State for Spring Terrace and Skyline Terrace.

The most recent affordable unit is the Skyline Terrace in Austin, a 100 unit supportive housing community, which offers meeting spaces, a courtyard, and self-sufficiency programs. Rent ranges from \$373 to \$498 for individuals with annual incomes of \$24,900 or less percent of clients in these communities have maintained their housing and more than 300 individuals at risk of homelessness have benefited through this partnership between the city and Foundation Communities and helped further their goal of ending homelessness.

Of Foundation Communities' 2,040 housing units, they have redeveloped 245 rental homes in the past six years alone and they plan to redevelop an additional 115 rental homes in 2008. Foundation Communities provides some of this affordable housing in duplexes and multi-family communities for struggling low and moderate-income families, such as

One of the many families that was able to save enough money to buy their own home with the help of Foundation Communities.



at the 148-unit Sierra Ridge community. The rest of this affordable housing is their three supportive housing communities. The area median family income (AMFI) of Foundation Communities' service area is \$69,100. In 2007, 60 percent of their clients earned approximately 50 percent AMFI, 10 percent earned approximately 80 percent AMFI, and 30 percent earned approximately 30 percent AMFI.

Partnerships

It is through a number of successful partnerships around Austin, Dallas, and Fort Worth that has helped Foundation Communities develop their community and supportive services. Without these partnerships, many necessary and beneficial services could not be provided. Some partners that help provide services

to Foundation Communities' clients include Heart House, Caritas, Front Steps, Workforce Solutions, Arlington Boys and Girls Clubs, Goodwill, Travis County MHMR, Texas Home of Your Own, Any Baby Can, Lifeworks, Family Eldercare, Capital Area Food Bank, AIDS Services, Passages, and Safe Place. Finally, United Way Capital Area and NeighborWorks America provide technical and financial assistance to Foundation Communities' residents, board, and staff to help the organization grow and thrive.

Without these programs and partnerships, people like Laura Velazquez would not have reached self-sufficiency. Ms. Velazquez struggled with her family's financial stability since her divorce, until, through the help of a Foundation Communities' Individual Development Account, she was able to save up enough money to buy a home and pay for school. Living at Trails in the Park, one of Foundation Communities' properties, for two years helped Ms. Velazquez save enough money to buy a home and earn her B.A. in business management. She says, "all of this was possible because Foundation Communities took the time and money to invest in my family and me." Norma, another resident, could not find a well-paying job until she took free adult education and English classes through Foundation Communities, which helped her improve her fluency, continue her education, and develop her self-confidence, enabling her to find a good

Table 3. CDFI Operating Budget Sources, by Amount, 2005

Budget Source	Amount	Share
Interest and Fee Income	\$3,543,855	29.7%
State and City Funding	\$2,569,983	21.5%
Private Foundations	\$1,433,013	12.0%
Bank Donations	\$1,003,631	8.4%
Corporate Donations	\$159,600	1.3%
Intermediaries	\$150,000	1.3%
CDFI Fund, US Treasury	\$1,393,500	11.7%
Other	\$1,694,962	14.2%
Total		100.0%

Includes year 2006 survey respondents. Four organizations did not provide data.

job that will continue to help her family thrive.

Conclusion

Foundation Communities has helped thousands of individuals and families over the past 15 years improve their lives through affordable housing as well as community and supportive services. It is through these programs and housing that individuals, such as Laura Velasquez, Darrell, Norma, and Alicia and Manual, have been able to enhance their lives educationally and economically. Foundation Communities' mission of integrating housing and services together allow people to have stable housing and improve their lives while saving enough to possibility own their own homes or go to college. Their determination to provide affordable housing and financial services has resulted in significant recognition and approximately 20 awards. These awards include the Metropolitan Life Foundation Award for Excellence in Property and Asset Management in 2006 and 1999, the Silver Award for Municipal Excellence from the National League of Cities, and the Austin Under 40 Awards Community Service/Nonprofit Winner in 2005 (Executive Director Walter Moreau).

However, Foundation Communities could be even more successful if they had additional funds and relationships to compete with high-end investors when trying to find affordable housing sites. In

addition, supportive services desperately needs more funding so that their supportive housing sites can hire more staff and create more resources to be truly effective in helping people meet self-sufficiency. Staff has visited other supportive housing programs in Seattle, Ann Arbor, and New York City to understand better how to gain funds for their programs. While they learned that the success of other programs comes from a broad coalition of governmental and private support, Texas has a long way to go to make this possible. Issues still exist, such as the lack of connection between housing and other issues such as mental health and children, as well as the inability of local authorities to access federal funds. This lack of funding has resulted in a waiting list at all of Foundation Communities' properties.

* Names have been changed.

For more information about Foundation Communities Please Contact:

Walter Moreau
Executive Director
walter.moreau@foundcom.org

www.foundcom.org

3036 S. 1st Suite 200
Austin, TX 78704
Phone: 512.447.2026
Fax: 512.447.2026

Table 23. CDFI Capital Budget Sources, 2005

Budget Source	Amount	Share
Earned Income	\$6,149,497	29.1%
Banks	\$5,617,650	26.6%
Federal Programs	\$4,041,331	19.1%
CDFI Fund, US Treasury		
Grants or Equity Investments	\$1,950,000	9.2%
Foundations	\$1,489,875	7.0%
Religious Donations	\$1,245,000	5.9%
Other	\$369,353	1.7%
Corporate Donations	\$201,634	1.0%
Bank Grants	\$50,000	0.2%
Non-Cash In-Kind		
Contributions	\$37,464	0.2%
State and Local		
Governments	\$0	0.0%
Intermediaries	\$0	0.0%
Total		100.0%

Includes year 2006 survey respondents.



One of three transitional supportive homes provided by WOMAN, Inc., Beacon Place is located in Galveston.

Julie*, a proud resident of Beacon Place, once thought that she had no way to make it on her own. She had no employment, car, or family support and she had to take care of herself and her children. However, it was through the support of Beacon Place that she was able to live a life free from domestic violence and ultimately improve her family's life. While at Beacon Place, she has been able to find a job, save money, own a car, and start classes for a nursing degree. She has also been able to participate in the SETH program, which helps first-time buyers with a down payment on a home, as well as take part in parenting classes. Thanks to Beacon Place she has been able to stabilize her life.

Women's Opting for More Affordable Housing Now, Inc. (WOMAN, Inc.) began in 1993 to provide supportive housing for women, particularly those suffering from domestic violence, to empower their lives. Their mission is to "create affordable housing augmented by financial and emotional supportive services for women and children leaving abusive situations and other at risk populations." WOMAN, Inc. is certified as a statewide Community and Housing Development Organization (CHDO). The organization is located in Houston, yet provides supportive housing and services to 13 urban counties in Southeast Texas including the Pasadena,

Beaumont, and Galveston areas as well as all of Harris County. They work with partners and social service organizations in the area to improve affordable housing opportunities, provide supportive services, and to educate the community. Their residents must earn less than 50 percent AMFI, have an income, and be able to pay for rent and child care once stable in order to qualify for one of WOMAN, Inc. units.

WOMAN, Inc. has been the developer, lender, and builder for three permanent and transitional housing projects for multi-family uses since their founding. These include Destiny Village, which was built in 1994 in Pasadena and has 30 three- and two-bedroom units; Beacon Place in Galveston, which was built in 1999 and consists of 10 three-bedroom townhouses; and Sunshine Cove Apartments in Beaumont, opened in 2004 and is made up of 17 three- and two-bedroom units. WOMAN, Inc. also rehabilitates all their units in order to keep them safe and decent. They have approximately 55 residents at a time in their housing and have housed and helped over 650 women and children since their founding. They are also in the development stages to build another affordable housing complex within the next few years. This multi-family complex will be in the Third Ward of Houston, and will range between 20-35 units. It will be developed for abused women as well as for women veterans.

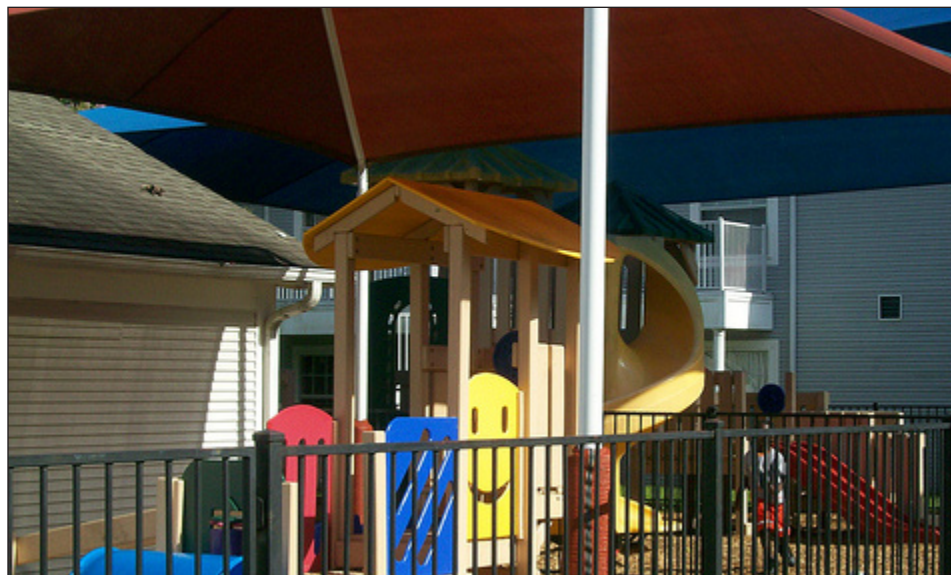
WOMAN, Inc receives its funding for its affordable housing construction through a number of different grant sources including the federal government, private foundations, and low-interest loans. Some of the past foundations that have supported WOMAN, Inc.'s work include the Swalm Foundation, the Rockwell Fund, the Houston Endowment, the Washington Mutual Foundation, the Harris and Eliza Kempner Fund, and the Simmons Foundation.

SUPPORTIVE SERVICES

WOMAN, Inc. is particularly proud of their supportive services. They believe that the best way to reach permanent housing is through self-sufficiency and they help residents work towards this goal through extensive support services available at their housing complexes. They believe having services at all of their locations is crucial to providing more comprehensive and successful results. At their sites there is case management counseling, child care assistance, rental and homebuyer assistance, parenting, job and life skills trainings, nutrition and medical intervention, transportation, homeless and youth services, IDAs, and advocacy. WOMAN, Inc. is able to provide these supportive services through a unique set of partnerships with local social service agencies. They would also like to implement legal services.

INDIVIDUAL DEVELOPMENT ACCOUNTS

One program that has proven extremely successful for WOMAN, Inc.'s clients is their Individual Development Accounts (IDA) program. WOMAN, Inc requires



Making families feel more at home is one of the goals of WOMAN, Inc. This placescape is at Destiny Village in Pasadena.

that all residents participate in this program in order to improve their financial status and reach a higher level of financial independence. When a resident leaves WOMAN, Inc.'s program they typically have approximately one to two thousand dollars in their account which they can use to pay for a down payment on a house, utilities, or other housing finances. This allows these individuals to become financially stable when they might not have otherwise been able. This program is run through the Covenant Community Capital Corporation, a local CDFI. Through the federal CDFI Fund from the U.S. Department of Treasury, this organization is able to match resident's deposits on a 2:1 basis.

This program has been particularly successful in helping women begin to save money again. Another resident of Beacon



One of the 10 homes that make up Beacon Place.



This basketball court is one of the many amenities provided by Beacon Place in Galveston.

Place has been able to budget her money and is doing a better job setting it aside through the help of this program. Before coming to Beacon Place, she had no idea that there were places for mothers to flee from domestic violence. Now she and her children are benefiting from participation through the IDA program, along with a stable job with a chance for advancement, and her own car.

PARTNERSHIPS

Programs such as the IDA are successful because WOMAN, Inc. has experienced various opportunities for local, state, and national recognition and has developed beneficial partnerships. The exposure the organization has had over the past few years in magazines and TACDC publications; sitting on panels; awards bestowed upon the organization; and participating in governmental discussions has helped them get out the word about what WOMAN, Inc. does. These different forums provide opportunities to explain to the public the importance of their mission and how it is beneficial to the community while also highlighting the critical need for additional funding. This type of exposure is crucial to non-profits trying to receive more funding or support for their programs.

As a developer of affordable housing units, WOMAN, Inc. reaches out to other non-profits looking to provide supportive housing in an effort to establish partnerships. There have been challenges, however, in

ensuring that these partners understand the amount of time it takes to develop property due to the bureaucratic process.

CAPACITY BUILDING

The opportunity for capacity building has been particularly instrumental in improving how their organization functions. For the last three years WOMAN, Inc has been in a partnership with the Local Initiatives Support Corporation (LISC). LISC has been providing them with training on board governance and board knowledge, as well as internal capacity and growth. This funding has been crucial in helping them improve their organization's functioning and how they provide supportive housing and is crucial to helping at-risk women and children.

One resident came to Sunshine Cove feeling hopeless and depressed and did not believe anything good could happen to her; however, after only 13 months she has completed a number of her goals including maintaining a checking and savings account, getting a better paying job, buying more reliable transportation, and returning to school. With the help of WOMAN, Inc. she now has a positive outlook on life, seeing the sky as limitless.

CONCLUSION

WOMAN, Inc.'s mission to provide affordable housing and supportive services to at-risk woman has been critical in helping a vulnerable population receive badly needed help in Southeast Texas. Their work not only provides affordable housing, but provides it to a group that is typically overlooked. Their focus on supportive services have been the catalyst to improving the lives of abused women by helping them focus on steps to self-sufficiency with the security of having affordable housing.

Unfortunately, finding funding for supportive services can be extremely difficult. Since these supportive services, which are connected to WOMAN, Inc's affordable housing, are contracted to local social service agencies, funding is established through grants won by these organizations for such purposes. However, there is an overall lack of available funding for supportive services, which makes WOMAN, Inc. and the other agencies have to reallocate funds to provide these services. In addition, the state has been unable to supplement recent decreases in federal

help, resulting in a larger gap in funding for these services. Instead, the federal government is pushing mainstream-style programs that are meant to fit everyone, which can be harmful to clients who do not fit into one category. If the state and federal government provided funding opportunities specifically for supportive services, the social service agencies WOMAN, Inc. contracts with could provide more services and would not have to use funds set aside for other needs to provide their current services.

WOMAN, Inc. has received a number of awards for their work in the past few years including the 1999 Maxwell Award for Excellence in Production of Low-Income Housing from Fannie Mae and an award from the RGK Foundation. The Maxwell Award was particularly important to WOMAN, Inc. because it was their first national award and recognition, which has given them a sense of pride for their accomplishments during their first five years in business.

It is crucial that these services are funded so that more individuals can benefit from the work WOMAN, Inc. is already doing. In addition, supportive housing programs need to be given more exposure in Texas so that these organizations have the ability to share their successes and benefit from state-wide support.



Entrance to Beacon Place.

For more information about WOMAN, Inc., please contact:

Michaelle Wormly, AICP
Executive Director
womaninc@pdq.net

www.womaninc.us
P.O. Box 571898
Houston, TX 77257
Phone: 713.869.9727
Fax: 713.869.7278

Table 14, 15. CDC Commercial Development Square Footage, through 2005

Development Type	Prior to 1994	1994 - 2001	2001-2003	2004	2005	Total
New Office/ Retail	40,600	530,660	86,000	23,000	33,100	713,360
New Industrial	0	30,200	0	0	0	30,200
New Other	0	277,173	0	0	0	277,173
Acquired or Rehabilitated Office/ Retail	2,000	544,100	62,750	39,000	0	647,850
Acquired or Rehabilitated Industrial	0	90,000	0	0	0	90,000
Acquired or Rehabilitated Other	0	178,473	0	0	0	178,473
Total Square Footage	42,000	1,650,606	148,750	62,000	33,100	1,936,456

Prior to 1994-2003: Includes years 2000, 2002, 2004 and 2006 survey respondents. 2004-2005: Includes year 2006 survey respondents.

Conclusion

Community Development Corporations and Community Financial Institutions lead Texas in providing affordable housing as well as economic and community services to low-income families. The six organizations showcased in this publication highlight some of the programs CDCs and CDFIs are currently providing. The diversity in available services allows organizations to provide low-income families with a multi-faceted approach to improving their situation.

These organizations have developed this diverse collection of programs using a wide array of funding sources, including federal, state, and local government sources as well as private investment, in order to provide the most efficient and effective services to those who need them. However, these organizations have worked hard to become successful. They have faced numerous challenges, whether it is the lack of funding available to provide their programs, the lack of creativity in program regulations which hurts innovation and private sector investment, or a lack of awareness of the issues surrounding housing special need populations such as the elderly or homeless.

The CDC industry is continuing to grow and provide further resources, services, and financial support to their communities. The CDC industry is a strength that should be expanded and supported during these turbulent economic times. It is organizations such as the ones highlighted here that are able to provide loans responsibly helping to strengthen the housing market for the long-term. With more funding and flexibility, CDCs and CDFIs can continue to benefit their communities and the State of Texas in an efficient, responsible and supportive way. A summary of the programs, funding, and challenges of the organizations in the publication can be found in the following paragraphs.

Important Programs and Funding:

- Affordable Housing
 - Affordable housing construction

- single family and multi family
- Commercial development
- Elderly home repairs
- Supportive housing
- YouthBuilds
- Rural & Colonia Loan Program
- Bootstrap/Self Help programs

- Community Development
 - Individual Development Accounts
 - Capacity Building or Technical Assistance
 - Home Buyers Counseling
 - Financial Literacy Counseling
 - Community Tax Centers
 - Youth programs -school tutoring, structured educational summer programs, community minded teen groups, GED classes
 - Computer training
 - English as a second language classes
 - Community gardening
 - Case management
- Community Relations and Funding
 - Partnerships with cities, states, corporations, other non-profits
 - CDBG funds
 - HOME funds
 - Texas Housing Trust Fund
 - Bootstrap/Self Help loans
 - CDFIs – down payment assistance, mortgage loans (originating and servicing), small business loans
 - Microloan Management Services
 - USDA/RD 523 grants
 - HUD SHOP loans
 - USDA/RD 502 loans
 - Texas MRB loans
 - HUD's Rural Housing and Economic Development (RHED) grant
 - State of Texas Colonia Self-Help Center
 - FHLB AHP Funds
 - Rio Grande Valley Multibank

Challenges for the Community Development Corporations:

- A lack of funding particularly

- for supportive services
 - for CDFI loans
 - for entire projects
 - for commercial development
 - for resources dedicated to the mentally ill, homeless, or those at risk for homelessness
- Okuhara, Greg. "City, group helps bring home dream." *The Bryan/College Station Eagle*. 16, June 2004
- Shapiro, Julie. "A Place to Call Home." *The Monitor*. 3 July 2007. Picture by Joshua Vince.
- A lack of creativity in funding requirements (focus on mainstream programs) which leads to less innovation and private investment
- Ulloa, Jazmine. "From the Ground Up, Program offers families chance to build their own homes." *The Brownsville Herald*. 27, June 2008.
- An increase in required documentation and regulation when applying for government grants particularly
 - for commercial development
- "Washington Park gains another new homeowner." *The Bryan/College Station Eagle*.
- Instable/lack of partnerships particularly
 - for commercial development
 - for supportive housing
 - with high end investors
 - A lack of specialized support for special needs groups such as the elderly and the homeless

Sources

All information used in this publication was received from the following organizations, including the cited newspaper articles:

ACCION, Texas
 Affordable Homes of South Texas Inc.
 Brazos Valley Affordable Housing Corporation
 CDC of Brownsville
 Foundation Communities
 WOMAN, Inc.

Avison, April. "Program teaches students to build, Teens construct home in Bryan." *The Bryan/College Station Eagle*.

Levey, Kelli. "Project aims to add homes in Navasota." *The Bryan/College Station Eagle*.

Long, Gary. "Wal-Mart gives \$50,000 grant to YouthBuild." *The Brownsville Herald*. 21 August 2008.

Nelsen, Aaron. "Before You Buy, Community Development Corporation educates first-time homebuyers on foreclosure risks." *The Brownsville Herald*. 21, September 2007.

2008 TACDC Roundtable Members

Bank of America - Valerie Williams
Capital One Bank - Joyce Campbell
CHASE Bank - Lisa Rodriguez
Citibank North America - Mark A. Nerio
Comerica Bank - Irvin Ashford Jr.
Enterprise Community Partners - Mark McDermott
Fannie Mae - Jason Hall
Franklin Bank - Robert Rhoades
LISC - Amanda Timm
Locke Lord Bissell & Sapp - Cynthia Bast
National Equity Fund, Inc. - Sharon Baranofsky
NeighborWorks America - Ernesto de la Garza
Texas Interfaith Housing - J.O.T. Couch
Texas Mezzanine Fund, Inc. - Theresa Acosta Lee
Wachovia - Don Gilbert
Washington Mutual - Maria Gonzales
Wells Fargo Bank - Jana Teis



TEXAS ASSOCIATION OF COMMUNITY DEVELOPMENT CORPORATIONS
1524 SOUTH IH-35, SUITE 310
AUSTIN, TEXAS 78704
PHONE (512) 916-0508, FAX (512) 916-0541
WWW.TACDC.ORG