
I. Introduction
Since its inception, the El Paso Collaborative for Community and Economic Development (the Collaborative) has operated on the premise that success is based on uniting people around common goals. Our progress over the last several years has been largely due to our ability to develop relationships and create successful partnerships. Of equal importance, we attribute our accomplishments to being good listeners. Our decision to immerse ourselves in programs vitally needed by the most marginalized residents of our community is a result of listening to their stories, and asking ourselves, “How could we not help?” Sometimes this has meant raising additional funds to cover the operating costs of such programs. We are fortunate to have received support from several contributors who believe in our mission and our work. When we see a low-wealth family enjoying their new home after their mobile home was destroyed by a fire caused by a faulty heater, it reaffirms our commitment and enhances our enthusiasm to continue our work. This report focuses on our evolvement and highlights our accomplishments in affordable housing, asset development and access to capital since 2005.

II. Letter from Board President, Rosemary Neill
The El Paso Collaborative for Community and Economic Development has a rich history. In 1994 the Ford Foundation, the El Paso Community Foundation, civic leaders and community development organizations began a dialogue designed to address the shortage of safe, affordable housing. That dialogue sparked a natural collaboration that remains the heart of today’s organization. Our mission is to facilitate affordable housing, small business and economic development in El Paso and the surrounding region. We make this happen through an array of programs that build individual and community capacity. Whether it is a family participating in a first time homebuyer’s down payment program or a small business owner taking the next step to grow a business, the Collaborative is there. Our Board is comprised of talented and committed professionals. They provide the leadership any strong organization needs. The Board’s membership reflects the continued collaboration of civic and community development leaders that founded our organization. We are a U. S. Treasury-certified Community Development Financial Institution. We are also a Neighbor Stabilization Program dedicated to stabilizing our community by purchasing and redeveloping abandoned homes and residential properties. In partnership with our dedicated staff, the Board looks forward to expanding affordable housing and providing the boost.
small businesses need to expand and prosper. Our Board and staff work tirelessly to strengthen our community and region. Our programs and services are the heart of community and economic development.

Sincerely,

Board Chairman

III. Letter from Executive Director, Delia Chavez

El Paso Collaborative for Community & Economic Development (Collaborative) was founded in 1996, is a local nonprofit organization that facilitates affordable housing for low to moderate income families, is a Community Development Financial Institute (CDFI), and provide opportunities to develop wealth in the county of El Paso and contiguous counties. Through the years, the Collaborative has traveled through peaks and valleys experiencing turbulence, challenges, and achievements along the way.

One of our biggest achievements has been staying on track with meeting our Mission while dealing with the implications of the fall of the housing industry, the mortgage market meltdown of 2006, and the overall economy. Many of our constituents suffered through the real estate market collapse. Foreclosures rose steeply affecting the banking industry as well as complex securities backed by these mortgages. Housing market renewal is more important than ever and the commitment of $10,191,000 of additional funding in 2010 from Department of HUD demonstrates the crucial role the Collaborative plays in our local community.

The Collaborative continues to position itself to remain focused on the two core services it provides: Facilitating Affordable Housing and Community Lending. As we move forward we will stay linked with banking institutions, partners and funders with plans that will bring economic benefit to our constituents as well as to our community. From our vantage point, the Collaborative's undeniable spirit, resiliency, and dedication are the real stories that we are providing in the pages that follow.

Finally, to the Collaborative staff, Board of Directors and Partners, I thank you deeply for all that you do, your engagement, and investment in our organization as well as our community.

Delia Chavez, Executive Director

IV. Mission and Vision Statement

Mission Statement

The mission of the El Paso Collaborative for Community and Economic Development is to facilitate affordable housing, small business and
economic development in El Paso and contiguous counties. The Collaborative serves the geographic, racial, ethnic and cultural diversity of its service area. It seeks partners with similar values and values them in turn by involving them in the design of its programs and services. The Collaborative implements its mission by providing loan products and development services and assistance to homeowners and potential homebuyers.

Vision Statement
We envision a community where all residents have equal access to adequate housing, education, health care and the opportunity to support themselves and their families.

V. Becoming a Community Development Financial Institution and Early Lending History
In 2001, the Collaborative was certified by the U.S. Treasury Department as a Community Development Financial Institution (CDFI) and implemented lending programs to assist nonprofits with affordable housing loans and low-income households with loans for infrastructure installation (potable water, septic tanks and utility connections). (CDFIs were created to provide access to capital to underserved populations and communities.) Through 2005 the Collaborative made 15 pre-development loans to CDCs totaling $364,050, 6 bridge loans totaling $44,200, 5 mortgage loans in the amount of $162,711, 31 home improvement loans of $36,747, 88 infrastructure loans of $99,847, 4 micro-enterprise loans of $13,000, and 7 consumer loans of $10,125 for a combined total of 154 loans totaling $730,680

Development Services History
To complement its lending, through a grant from the National Endowment for Financial Education, the Collaborative developed a unique Housing Counseling Manual for providers that serve southern border communities, i.e. a Colonia/Border Financial Literacy Manual. The Manual focused on using culturally and linguistically appropriate learning modules. One of the tools the Collaborative is most proud of is the “novelas” that present financial literacy information in a comic-book style format that is familiar to many border households. For its innovative work in financial literacy, the Collaborative was awarded the 2004 “Texas Best Award” from Texas Rural Communities, Inc.

In 2004 the Collaborative began offering financial literacy and homebuyer education workshops. All Collaborative staff are bilingual and workshops are alternately offered in English and Spanish.

Another “first” for the Collaborative was it being the first local organization to develop and implement a matched-savings program. Individual Development Accounts or IDAs, help low-wealth families to develop long-term assets such as first-home purchase, small business development or post-secondary education.

Since 2003, the Collaborative has serviced as a Volunteer Income Tax Preparation site.

VI. Financial Information
The Collaborative’s financial growth from 2006 to 2010 paints a picture of a strong, vibrant organization. In 2006 the organization’s net assets were $954,644. At the end of 2010 they had grown to $1,756,091. This is primarily due to the Collaborative being the recipient of several grant awards and, to some extent, to its loan portfolio. For 2011 additional growth is anticipated as the Collaborative implements its largest award ever, a $10,191,000 Neighborhood Stabilization (NSP) program grant from the U.S. Department of Housing and Urban Development. The ratio of
administration/supportive services to program dollars averages approximately 15% of budget.

VII. Major Accomplishments
The Collaborative’s major accomplishments lie in its ability to create community partnerships, and in its ability to develop relevant programs and services for the community it serves.

i. Lending Programs – During the time covering this report, the Collaborative has made more than 400 loans totaling over $1.1 million dollars. The overwhelming majority of these loans have been for mortgage, home improvement and consumer loans. (*The Collaborative is now more aggressively marketing its micro and small business loan programs.*)

ii. Housing Programs – Construction and Rehabilitation Programs - with funding from the Texas Department of Housing and Community Affairs – Contract for Deed Conversion with Rehabilitation Program, the Collaborative assisted 14 households by converting their Contracts of Sale to Deeds and provided funding to rehabilitate or reconstruct their sub-standard or dilapidated primary residences. It also assisted the City of Socorro, Texas to administer similar grants that assisted another 5 households. Under a separate grant from the U.S. Department of Housing and Urban Development, the Collaborative has help 3 rural/colonia residents to become homeowners, replacing their dilapidated mobile homes with new Energy Star homes. Another 5 projects are under construction. The Collaborative is in the process of building its third single-family, Energy Star home that will be sold to a low- to moderate-income household; another two new single-family homes are planned for 2011. These homes will be built on vacant struck off lots purchased from the City of El Paso at very low cost under its “Fresh Start” Program.

Neighborhood Stabilization Program (NSP2 Award) - In January 2010 the Collaborative as Lead Member of a four-member Consortia received its largest federal award ever ($1,191,000). This proposal to stabilize 22 census tracts in El Paso County, Texas was one of only 56 grants awarded in the nation during the very competitive proposal process. The strength of this proposal was in the collaborations between non-profit and for-profit agencies with proven capacity to complete the project in a timely manner and to introduce both energy-saving and green features into the homes that will be rehabilitated and sold to low-, moderate- and middle-income households or rented to low-income families.

iii. Development Services
• Individual Development Account (IDA) Programs – The Collaborative developed the first local federally-funded IDA Program in El Paso County in 2001. That program facilitated savings for low-wealth households that cumulatively saved $326,299 and resulted in 114 matched savings for long term assets (first-home, small business expansion and post-secondary education) totaling $234,036. The second IDA program facilitated savings for households that cumulatively saved $79,254 and to date has resulted in 43 matches for long-term assets totaling $142,523.
Another 31 households are still saving and are expected to be matched in the fall of 2011. Due to its capacity to administer IDA Programs, a third IDA Program was developed in partnership with the Texas Council on Family Violence and the local Center Against Family Violence to work with survivors of domestic violence. This program is being considered as a pilot program for possible replication in other areas of Texas. This program will match savings for 12-13 participants. All participants are currently saving and are not yet eligible or ready to receive matching funds.

- **Financial Literacy** – since 2005 the Collaborative has conducted 69 financial literacy workshops, attended by 1,881 individuals. (Combination of English/Spanish)
- **Homebuyer Education** – in an effort to guide prospective homebuyers through the homebuying process, the Collaborative has conducted 35 homebuyer education workshops attended by 556 individuals.
- **Individual Counseling for Micro and Small Businesses** – these customers and prospective customers received business counseling from its partners at the One Stop Business Resource Center (the One-Stop). All the partners cross refer prospective customers to partners that best meet the needs of the individual. One Stop partners also provide training in a variety of business topics. These services include use of the latest computer technology, hardware and software and extensive small business reference library of books, publications, and current management videotapes; free on-site site business counseling to prospective and current small business entrepreneurs; a Small Business Development Center that provides counseling and training in new business start-up assistance, capital formation, business planning assistance, SBA financing and business financial analysis; assistance on franchises, family-held businesses and HUB certifications; micro-lending through a branch of Accion Texas; a Contract Opportunity Center representative that offers procurement and other assistance to businesses that wish to bid on government contracts. The services offered by the One-Stop partners fill the gap for business services that the Collaborative does not provide. This is the only facet of development services provided externally. The work of the partners complements our community lending program.
- **Volunteer Income Tax Preparation** – for tax years 2005 through 2009, the Collaborative prepared 1,866 free tax returns. Five staff volunteers and one additional volunteer are providing assistance to low-wage taxpayers for the 2010 tax year currently in process.

iv. **Distinctions and Awards**
- **National Endowment for Financial Education** – Article in July/August 2005 Digest about using unconventional comic book format for financial literacy and housing counseling for border/colonia residents.
• 2005 Chamber Spotlight – feature story on El Paso Collaborative’s housing program that assisted a household with disabilities to demolish their dilapidated home and acquire a new home built in partnership with El Paso Community College.

• 2006 Chamber Spotlight – featured Collaborative’s IDA Program and financial literacy workshops.

• El Paso Times – featured article on the Collaborative’s affordable housing program. (May 31, 2007)

• El Paso Times – featured article on Collaborative’s program to help low-income households acquire home computers. (April 26, 2008)

• El Paso Times – feature on Collaborative’s signature loan product. (July 16, 2008)

Page from Comic Book Format “Novela”

• Recognition by The Office of Texas State Senator Eliot Shapleigh (District 29) for Best Practices for Wealth Creation for development of IDA Programs. (October 2009)

• Small Business Administration, Champion for Financial Services, nominated by the Greater El Paso Chamber of Commerce (May 2010)

VII. Programs and Services
The Collaborative implements its community development mission by operating a community loan fund, by providing development services, by facilitating affordable housing.

Loan Products
During this reporting period, the Collaborative has offered seven loan products.

1. Real Estate – Affordable Housing Development – offered to non-profit and for-profit affordable housing developers;

2. Community Facilities – offered to non-profit organizations;

3. First Mortgage – offered to low- and moderate-income households who are financing new construction. In some cases, refinancing.

4. Home Improvement – offered to low- and moderate-income homeowners;

5. Small Business – offered to small businesses owners with difficulties in obtaining loans from traditional sources;

6. Micro-enterprise – offered to entrepreneurs;

7. Consumer – was offered to low- and moderate income households for home computers, Energy Star appliances and to build credit, but product was discontinued in 2010.
For 2011, the Collaborative will offer subordinate mortgages in conjunction with its NSP program.

Development Services
Offered during this reporting period and continuing in 2011, the Collaborative’s development services (defined by the U.S. Treasury as activities that promote community development and are integral to the community lender’s provision of financial products (loans) are:

1. Financial Literacy Classes – offered in both English and Spanish throughout the year to potential borrowers, participants in Collaborative’s other programs and the general public;
2. Homebuyer Education Classes – offered in English and Spanish for referrals from USDA Rural Development and participants in Collaborative’s Housing Programs;
3. Individual Counseling with Micro and Small Business Loan Applicants – offered to loan applicants during loan process, and post-loan on an as-needed basis;
4. Individual Development Accounts (IDAs) – offered to households with incomes up to 200% US Poverty Guidelines. Program matches participants savings with $2 for each $1 saved up to $2,000. IDAs can be used for first-home purchase, small business development or post-secondary education.

Housing Services
The Collaborative implements a variety of programs for homebuyers and homeowners. Programs are funded by various sources, including federal, state and private sources.

2. Neighborhood Stabilization Program (NSP2) Homebuyer Assistance – offered to low-, moderate- and middle-income homebuyers. Program provides financial assistance with downpayment, closing costs and principal reduction (gap financing). Only properties purchased through the NSP2 program are eligible for assistance.
3. Homeowner Rehabilitation Assistance (HRA) – offered to low- and moderate-income homeowners residing outside the city limits of the City of El Paso in El Paso County. Eligible activities are rehabilitation of existing single-family residence or reconstruction of new house if more feasible. Funds are available from Texas Department of Housing and Community Affairs and the Federal Home Loan Bank of Dallas (if household is considered a Special Needs household).
4. Contract for Deed Conversion with Rehabilitation – offered to low-income colonia residents of El Paso County. Assistance consists of property pay-off to convert a Contract of Sale to a Deed and either rehabilitation of existing single-family residence or reconstruction of a new house if more feasible.

Other Services
Volunteer Income Tax Assistance (VITA) – free personal income tax preparation – offered to low- and moderate income taxpayers during tax season (January – April).
VII. Contributors, Partners and Supporters
During this report period, the Collaborative has created partnerships and received financial and other support from a variety of federal, state and private sources.

Federal Funding Sources
- U.S. Department of Housing and Urban Development
- U.S. Treasury Department – Community Development Financial Institutions (CDFI)
- U.S. Department of Health and Human Services – Assets for Independence
- Corporation for National Service – AmeriCorp*VISTA

State Funding Sources
- Texas Department of Housing and Community Affairs

Private Funding Sources
- Wells Fargo Bank
- Fannie Mae
- Federal Home Loan Bank of Dallas
- Bank of America
- BBVA/Compass Bank
- Center for Neighborhood Enterprise/HSBC
- The Meadows Foundation
- Texas Rural Communities, Inc.
- Freeport McMoRan Copper and Gold
- University of Texas at El Paso

Partners and Supporters
- Affordable Housing Credit Union Sponsoring Organization
- AYUDA, Inc.
- Center Against Family Violence
- Coalition for Family Economic Progress
- El Paso Community College
- El Paso Community Foundation
- Greater El Paso Chamber of Commerce
- Habitat for Humanity El Paso
- Lower Valley Housing Corporation
- Opportunity Finance Network
- Project Vida
- RAISE Texas
- Texas Council on Family Violence
- United Bank of El Paso Del Norte
- U.S. Dept. of Agriculture/Rural Development
- YWCA El Paso Del Norte Region

IX. Stories and Testimonials

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The Contract for Deed Program Helps the Castillo-Mendoza Family in El Paso County

By Sandy Garcia and Terry Newman

HOME Division – Texas Department of Housing and Community Affairs

The El Paso Collaborative for Community and Economic Development (El Paso Collaborative) is a Texas non-profit organization that has served El Paso, Texas and the surrounding area since 1996. The El Paso Collaborative offers a wide variety of loans, programs, and services including financial literacy programs, downpayment assistance, and contract for deed conversion assistance.
The HOME Program through the Contract for Deed Conversion (CFDC) Program has assisted another household in El Paso County through the El Paso Collaborative for Community and Economic Development.

Mario Castillo and Susana Mendoza are residents of Deerfield Park Colonia in El Paso County. On February 27, 1999, they entered into a contract for deed in the amount of $20,000 to purchase raw land. Because of high interest rates associated with their contract, the Castillo-Mendoza family still owed over $12,000 on their contract for deed after making payments for eleven years. Needless to say, the family is very appreciative of the HOME Program, not only for converting the Contract for Deed into a traditional mortgage, but also for the new stick-built home that replaced their substandard mobile home.

Mrs. Mendoza said four years ago a friend told her about the CFDC Program offered through the El Paso Collaborative, but at the time it seemed too good to be true. Mrs. Mendoza was very thankful to the HOME Department and the El Paso Collaborative for helping them apply to the program and for their assistance with compiling the required documentation. The Castillo-Mendoza family was so excited to move into their home and set up the Christmas tree. Mrs. Mendoza loves to cook and could hardly wait to prepare meals in her beautiful, roomy kitchen. She said her son loves to eat and was looking forward to “placing his order” at the kitchen bar.

The Castillo-Mendoza family could not say enough good things about all the assistance that El Paso Collaborative provided them during the application process. They wanted to specifically acknowledge this could not have happened without the help of El Paso Collaborative. Mrs. Mendoza said this opportunity was a gift from God and they were very grateful.

Helping Community Members One at a Time by Alma Rojo

In an effort to improve the El Paso community, the 15-year-old non-profit organization, the El Paso Collaborative for Community and
Economic Development, offers to help low to moderate-income first-time homebuyers with mortgage loans and assists small-business owners with their financial needs.

**Bertha Perea* - Lenceria Cecy**

Running your own business with limited resources can become taxing, especially when relying on the few patient customers who are willing to wait the week or two for their merchandise. For Bertha Perea, an El Paso woman who recently inherited her small business, this challenge found an answer.

“It was difficult at first because I did not have a variety of merchandise in stock,” says Perea. “Customers would turn away, not feeling comfortable buying something they had not actually seen in person.”

The merchandise in which Perea specializes is intimate apparel, including brassieres, panties, lingerie, and her big-ticket items: Colombian corsets.

“They range in price … between $120-$150,” says Perea as she waves her hand across a fully stocked display case. “I also have other brands that are more affordable starting at $15. I have something for every budget.”

The variety she has afforded herself has come from a grant for small-businesses from The Collaborative’s Individual Development Accounts (IDA), “a matched savings program whereby we matched $2 for each $1 she saved in a special account for the purpose of developing long-term assets such as a small business,” says JoAnna Guillen, Asset Development Director for The Collaborative.

News of The Collaborative’s financial assistance programs reached Perea quickly. “I heard about the Collaborative through Project Vida and through my friends who have also applied” Perea remarks.

To help Perea complete the qualification process, she also had to attend a financial literacy class and was required to submit her own business plan. Since receiving money through her IDA, Perea has managed to fully stock her quaint kiosk from floor to ceiling.

With a warm smile on her face, Perea beams with pride at how far she has come. Her clientele numbers have increased significantly, from one to two customers to eight to ten customers per day.

Perea’s shop, Lenceria Cecy, is located in the Fox Plaza Shops next to Melrose. Her business hours are Tuesday through Sunday from 11 a.m. to 5 p.m.

The IDA program is designed to help not only small-businesses, but also low- to moderate-income first-time homebuyers or post-secondary education degree seekers. This program is funded through the U.S. Department of Health & Human Services-Assets for Independence Act in conjunction with a charitable donation from Wells Fargo Bank.

The IDA grant is due to expire in September.
2011. There are currently 33 active participants. (The Collaborative is administering a separate small pilot IDA Program for survivors of domestic violence.)

*Interview translated from Spanish.

Maria Cuevas*

It was a typical day at work for Maria Cuevas, who works at the El Paso Chapter of Avance. Little did she know that a surprise visit from the El Paso Collaborative was going to change her life.

“They came and talked to us about their programs and I decided to sign up for their workshops,” Cuevas recalls. “I knew it would not hurt to try it.”

She said she attended four workshops in financial literacy and home buyer education. She then applied for the Dilapidated Mobile Home Replacement Program, the IDA Matched Saving Program, and grants funded by Federal Home Loan Bank of Dallas and Wells Fargo. The results were an increased credit score, the replacement of her mobile home, and a new life for her and her daughters.

“Everything came out perfect.”

Her mobile home, located in Horizon City, was extremely damaged. Wanting a better life for her two daughters, she went through the two-year process to her new home. She closed on April 25, 2011.

“It was like a dream come true to finally have a home for my two daughters.”

*Interviews translated from Spanish.

X. Contact Information and Website

The El Paso Collaborative is located inside the One Stop Business Resource Center at 1359 Lomaland Drive, El Paso, Texas 79935.

Telephone: (915) 590-1213 (use directory for individual staff member’s extensions)

Fax Number: (915) 590-1219

Web Address: [www.ep-collab.org](http://www.ep-collab.org)