



# 2021 ANNUAL REPORT



In 2021 cdc | come dream. come build. has met its mission and met its production and financial goals. cdc staff worked hard to pivot, adapt, and adjust with the ongoing difficulties related to the COVID-19 pandemic. This included dealing with material price increases, ramping up and rolling out emergency rental assistance and working remotely. All-in-all, cdc assisted 1,779 families with housing assistance, construction, and lending for both renters and new homebuyers. Graduated 128 homebuyer ready families, 17 YouthBuild Students and prepared taxes for 246 families. cdc launched its new "people.policy.power" (p3) policy shop with three factsheets and multiple webinars. cdc, through its CDFI assisted over 5,000 families with small dollar loans, originating just over \$4 million. cdc raised over \$45 million dollars in loans, equity investments and grants out pacing its former record by \$15 million. cdc ended the fiscal year with total assets at \$62M and Net Assets at \$20M. Holding Liabilities relatively steady at \$41M.

Despite the ongoing pandemic and racial unrest across the nation cdc continued to meet these challenges head on and assist families become more financially secure, educated, and empowered.

# Homeownership Preparation, Lending & Servicing

Through cdc's multiple homeownership products we were able to assist fifty-seven families through education and financing for their new home.

## Homebuyer Preparation

cdc's housing preparation coaches worked with over 3,000 families in 2020-2021. Moving families closer to realizing their dream of homeownership.

- **New Client Intake** – 703 families meet with a housing counselor or coach at least one time.
- **Homebuyer Ready** – 128 families became homebuyer ready.
- **Earnest Money Contract** – 87 families signed an earnest money contract.

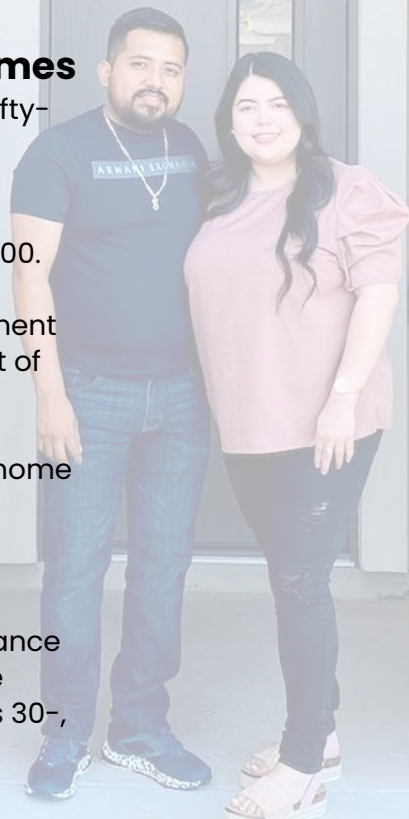
## New Homeowners & Preserved Owner-Occupied Homes

cdc originated \$6,647,316 in first and second/third lien loans assisting fifty-eight families with homeownership goals.

- **First Lien Mortgage Lending** – 50 first lien originations totaling \$5,742,166. Median income was \$33,084 and median AMFI of 63%.
- **First Lien differed reconstruction loans** – One home totaling \$84,000. Income was \$9,636 and AMFI was 23%.
- **2nd &/or 3rd Lien Loans** – 42 buyers were assisted with down payment and closing cost assistance totaling \$393,830. The median amount of assistance was \$5,500 and the average amount was \$9,377. The average AMFI was 61% and the median income was 63% AMFI.
- **Loss Mitigation** – One family assisted with loss mitigation to save home from foreclosure.

## Mortgage Loan Servicing

At years end cdc serviced a portfolio of 283 mortgage loans with a balance of \$11,769,842. Servicing mortgages for loans funded by cdc, Rio Grande Valley Multibank, Freddie Mac and Fannie Mae. cdc was able to keep its 30-, 60- & 90-day delinquency rate at an annual average of 8.29%. With zero foreclosures.



Bucket	Sep. Rate & Amount	Average Annual Rate & Amount
Current	Rate 92.08%; Amt. \$10,742,695	Rate 91.88%; Amt. \$10,702,676
30+	Rate 4.89%; Amt. \$570,274	Rate 4.40%; Amt. \$513,043
60+	Rate 1.05%; Amt. \$122,475	Rate 1.88%; Amt. \$197,853
90+	Rate 1.90%; Amt. \$221,008	Rate 2.00%; Amt. \$234,695

# Real Estate Development & Construction

The 2021 Fiscal year was a slow year for housing unit completion, both rental and ownership units. As the RGV market shifted from a majority existing unit sales to new construction sales cdc's real estate development team ramped up to meet this market shift. cdc's rental housing development completed just one small tri-plex yet started construction on eighty-nine units to be completed in 2022.

## Rental Unit Development

- **Belden Flats** – Small tri-plex in West Brownsville with two 2-bedroom units and one 1-bedroom unit was completed.
- **Jackson Street Cottages** – This nine-unit historic reconstruction in Buena Vida was started with 50% completed at year end.
- **Casitas Lantana** – A 9% LIHTC project of eighty casita units was started with an estimated 62% complete by year's end.
- Progressed on the permanent supportive housing project, **SAMANO** and the corresponding **Armand's Market** has progressed and ready to break ground. This project was approved by the Federal, State and Local historic commissions, approved funding

## Homeownership Unit Development

cdc completed construction on twenty-three (23) new homes in cdc developed subdivisions and rural colonia locations. Twenty-six (26) cdc developed lots were sold to builders for the construction of non-financed cdc homes.

Working in partnership with cdc's approved private contractors a total of sixty-one (61) new homes were under construction or with approved permits at years end. All homes under construction have been pre-sold before the start of construction.

- **Butterfly Grove** – The infrastructure of the first phase (129 lots) of the larger Palo Alto Groves was completed and housing construction started. At year's end we had twenty-one (21) homes with buyers under construction by our contractor Esperanza Homes.
- **French River Valley** – Eleven (11) homes under construction.
- **El Naranjal** – Nine (9) homes under construction.
- **Mesquite Gardens** – Ten (10) homes under construction.
- **Olmito Estates** – Two (2) homes under construction.
- **California Crossing** – Two (2) homes under construction.
- **North Austin** – Two (2) homes under construction.
- **Colonia Homes** – One (1) home under construction.
- **Scattered Site** (non-cdc lots) – Three (3) homes under construction.

# Rental Management and Services

cdcb's owned and/or managed rental portfolio has grown over the past five years from just eight-six units in 2017 to 267 units at the end of 2021 fiscal year. cdcb's LIHTCs are currently managed by a third-party management company and cdcb's NOAH units are managed by cdcb's wholly owned subsidiary Every Step Counts (ESC). All properties are operating within economic goals, however, cdcb would like to see the DCR improve at our ESC units.

## cdcb Rental Portfolio

	ESC	La Hacienda Casitas	Casitas Los Olmos	Casitas Azucar	Portfolio Average
No. of Units	81	56	80	50	267
Avg. Vacancy Rate	0%	3.57%	1.25%	0%	1.21%
Economic Occupancy Rate	98.15%	97.19%	93.00%	97.31%	96%
Net Operating Income	\$284,452	\$87,540	\$135,623	\$78,301	\$585,916
Debt Coverage Ratio	1.41	2.59	1.59	N/A	1.86

## Emergency Rental Assistance

In late 2020 cdcb pivoted to a new program within our Rental Management and Services programming. Considering the increased eviction rates hitting our community due to the COVID-19 pandemic cdcb took over management of three different Emergency Rental Funds (State of Texas, Brownsville, and Cameron County). In 2021 cdcb served 958 families with rental assistance.

- Qt. 1 – **78 families assisted**
- Qt. 2 – **96 families assisted**
- Qt. 3 – **350 families assisted**
- Qt. 4 – **434 families assisted**

## Resident Services

As part of cdcb's commitment to serving our residents with more than just a place to live, cdcb provides our residents services to help them improve their health, education, and financial health.

Programming	Number Served
Family-based early childhood literacy	519
Kindergarten Readiness	678
College Savings Acct.	59
Extracurricular Enrichment	1796
Linked to health/social services	17
Health Insurance enrollment	17
Wellness & Fitness Classes	230
Assisted with support to reduce social Isolation	1538
Build Independent living and tenancy skills	632
Income Tax Preparation	246



# Special Services

cdcb's Special Services includes the Community Loan Center Small Dollar Loan, people.policy.power (p3) and our recent addition of the Cara Cara Trails Project Management.

## Community Loan Center

cdcb is the managing director/partner of the for-profit stockholder held Rio Grande Valley Multibank which owns the Community Loan Center an alternative to payday and car lending small dollar loan company. The CLC operates in the RGV as well as has eighteen other franchise lenders across the county. The CLC of the RGV operates all servicing and backroom management for each of the franchises as well as all lending and servicing of the product in the RGV. At the end of September 2021, the CLC completed its 10th year of operations serving over 80,000 borrowers and originating \$83,954,155 in loans.

Location	No. Loans Originated	\$ Amt. Originated	Amt. Outstanding on 9/30/2021
CLC of RGV	5,104	\$4,936,035	\$2,418,399
CLC Franchises	9,147	\$8,963,557	\$4,383,167
TOTAL	14,251	\$13,899,592	\$6,801,566



## people.policy.power (p3)

people. policy. power. "p3" highlights issues facing low-income families living on the border by producing:

- Evidenced based individual issue "Fact Sheets"
- Local, State and Federal Policy recommendations
- Educational webinars, listening sessions and discussions
- Blog posts, articles, and videos.

Over the last year the p3 team participated in multiple national policy working groups with Partners for Rural Transformation, Housing Partnership Network, NLIHC, NCRC, HAC, and others. p3 assisted with the writing of policy briefs and letters to HUD, the Treasury Department, OCC, and FDIC. The p3 team researched and produced three factsheets focused on evictions in Cameron and Hidalgo Counties and well as a factsheet on the Myth of Affordable Housing. Three blog posts were produced, an arts and policy video and three webinars on evictions and candidate forum. See our website at [About p3 \(cdcb.org\)](https://www.cdcb.org) to find all products produced.



## Cara Cara Trails

In 2021 cdcb took over project management of the Cara Cara Trails development working with nine local county municipalities to help move the development of 428 miles of hike, bike, and paddling trails in Cameron County.

To date cdcb has increased exposure to the Cara Cara Trail system through community meetings, creation of a new website (Caracara Trails), regular newsletters and social media. cdcb worked as the liaison between the nine localities and federal highway system for the pre-development of the Bahia Grande section of the trail and reinstated new working groups focused on marketing, research, paddling and the US Bicycle Route.



# cdcb YouthBuild

The 2021 YouthBuild was hampered by COVID-19 just as it was in 2020. Students were unable to return to the classroom and spend quality time on the construction site. Nevertheless, YouthBuild was able to graduate seventeen students, start a new LEED certified home and start the new CNC training program. In 2021 cdcb YouthBuild was able to purchase, set-up, and train four instructors for our new Computer Numeric Control system. The new system will allow students to become certified operators of the CNC machine to find work in Brownsville's growing manufacturing sector.

- **Enrolled Students** – 27
- **GED Earned** – 11
- **NCCER Certifications** – 27
- **OSHA Certifications** – 27
- **Placed in a Job/Higher Education** – 9



# Financial Outcomes

Overall, cdc b is also growing, with its financials reflecting recent investments in human and physical capital that will position the organization for continued growth. cdc b's total assets grew from \$46M in 2020 to just over \$62M in 2021. cdc b's total liabilities increased from \$27.6M in 2020 to \$41.3M in 2021, with the increase in debt due to the purchase & preservation of three NOAH apartment complexes and booking \$12.2M in NMTC debt that will not impact cdc b's cash position.

cdc b's total revenue increased from \$8.9M in 2020 to \$15.8M in 2021. Due to increases in loan production and affordable housing development, and additional staff to support these activities, cdc b's expenses also grew from \$8.8M in 2020 to \$13.5M in 2021.

## ASSETS

Cash & Cash Equivalents	\$12,175,792
Due from Grantors	\$1,424,484
Investments	\$8,657,770
Investment in Land & Projects	\$22,095,274
Receivables	\$12,738,985
Pre-paid Assets	\$540,123
Every Step Counts Assets	\$4,152,484
Property & Equipment	<u>\$500,994</u>
<b>TOTAL ASSETS</b>	<b>\$62,285,906</b>

## LIABILITIES

Accounts Payable	\$722,356
Grant Advance	\$4,225,690
Notes Payable	\$34,925,538
Escrow	\$534,678
Revolving Loan Fund	\$141,053
Deferred	<u>\$773,466</u>
<b>TOTAL LIABILITIES</b>	<b>\$41,322,781</b>

## NET ASSETS

Net Assets w/Donor Restrictions	\$584,790
Net Assets w/out Donor Restrictions	\$18,026,023
Net Change	<u>\$2,352,310</u>
<b>TOTAL NET ASSETS</b>	<b>\$20,963,123</b>

<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$62,285,906</b>
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*Casitas Lantana in Brownsville*



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