

ANNUAL REPORT 2017



NALCAB

ABOUT NALCAB

The National Association for Latino Community Asset Builders (NALCAB) represents and serves a geographically and ethnically diverse group of more than 120 non-profit community development and asset-building organizations that are anchor institutions in our nation's Latino communities. Members of the NALCAB Network are economic development corporations, real estate developers, business lenders, credit unions, and consumer counseling agencies, operating in more than 40 states and DC. NALCAB's mission is to build assets for Latino families, communities and organizations.

NALCAB's work advances economic mobility for low- and moderate-income people in diverse communities. NALCAB pursues its mission by supporting our network members in three program areas:

- Small business investment,
- Equitable neighborhood development and
- Building family financial capability.

NALCAB operationalizes its efforts in four lines of business: organizational capacity building (including grant-making and technical assistance); training practitioners and next generation leaders (including a national training event and a fellowship); policy (including at the federal and local levels); and direct investment (through lending and equity investments).

ORGANIZATIONAL CAPACITY BUILDING

Addressing Neighborhood Change and Gentrification in Urban Centers

With funding from JP Morgan Chase, Citi, NeighborWorks America and Open Society Foundation, NALCAB completed its Guide to Equitable Neighborhood Development, a collection of practitioner-based tools and perspectives for better understanding neighborhood change, including gentrification and displacement, in communities supported by NALCAB members. NALCAB provided technical assistance to support the structuring of a collective impact effort in the Eastside San Antonio Promise Zone, aimed at sustaining and building on the impact of a multi-year investment of federal funding in one of San Antonio's highest poverty neighborhoods.

Supporting the Sustainability of Small Business-Serving Organizations

NALCAB completed a seven-year funding relationship with Sam's Club with a grant that allowed NALCAB to provide subgrants to 12 providers of small business development and lending services. NALCAB also provided technical assistance for developing sustainability plans in the face of potential risk over the next several years. With funding from the Small Business Administration's PRIME grant program, NALCAB provided support to 4 organizations to increase their capacity to lend to Latino business owners and aspiring entrepreneurs. With funding from Sam's Club and Citi, NALCAB also updated its Small Business Development Blueprint, a resource for local practitioners to support small business development services.

ORGANIZATIONAL CAPACITY BUILDING



Capacity Building for Latino-led CDFIs

With funding from JPMC, Wells Fargo, the Surdna Foundation and the Northwest Area Foundation, NALCAB expanded its support for CDFIs and emerging CDFIs in our Network, including with regard to certification, accessing capital and analyzing portfolio health. With funding from Wells Fargo, NALCAB supported four CDFI micro and small business lenders with capacity building TA to expand their lending activity. With support from the Surdna Foundation, NALCAB also began a partnership with FINANTA of Philadelphia to disseminate their lending circle model.

Building Family Financial Capability

With funding from Wells Fargo, NALCAB continued a multi-year pilot project with three member organizations to strengthen their financial capability programs. Funding from Prudential Foundation allowed NALCAB to launch a credit-reporting pilot program with four member organizations that focuses on building the credit scores of renters in multifamily properties. NALCAB also concluded a FinTech webinar series, funded by Capital One, that focused on technology that enables financial capability work.

Promoting Asset Protection for Immigrant Communities

NALCAB sent out numerous communications through our Network to ensure that members had the best written guidance available regarding asset protection for undocumented immigrants. We have had numerous follow up contacts with members about these materials.

National Fair Housing Education Campaign

In collaboration with member organizations and national partners, NALCAB completed a national fair housing education campaign funded under a grant from US HUD's Fair Housing Initiatives Department. While the campaign met or exceeded all of its goals, HUD staff that managed NALCAB's grant agreement presented significant challenges and NALCAB had to pursue an appeal of the grant officer's rulings.

HUD-Funded Technical Assistance to Cities and States

Under technical assistance contracts with US HUD, NALCAB supported cities, states and housing authorities including Tucson, AZ, Midland, TX, the Housing Authority of Pinal County, AZ and the state of Oregon. NALCAB also assisted US HUD to provide Fair Housing Training in Puerto Rico.

Supporting Rural Affordable Housing and Economic Development

Utilizing funding from US HUD's Rural Capacity Building Program as well as non-federal sources, NALCAB and a national network of partners are providing technical assistance to more than 13 non-profits and municipalities in rural communities with diverse housing and economic development-related capacity building efforts.



LEADERSHIP & TRAINING

NALCAB National Training

NALCAB hosted its National Training in Dallas in June 2017, offering three two-and-a-half day courses. 162 practitioners and 22 staff participated in the National Training.

Concurrent with the Training, NALCAB hosted a convening for 30+ executive leaders to discuss NALCAB's policy agenda and view presentations from multiple funders.

SPECIAL NOTE

NALCAB's 2017 National Conference, planned for October 2017 in Ft. Lauderdale, was postponed until April 2018 due to the impacts of Hurricane Irma on the south Florida region.

NALCAB Colegio Fellowship

In November, NALCAB graduated 16 Fellows, bringing our total number of graduates to 99. This 7th Colegio class represented 13 NALCAB member organizations and one City Council office (Denver, Colorado).

Established in 2010, the program was developed to ensure that next-generation Latino leaders build the practical, personal and professional skills needed to fill the increasing leadership gap in the community economic development field. The curriculum is specifically designed to help practitioners become more effective leaders through leadership development, technical training and facilitating peer networks.

DIRECT INVESTMENT

Intermediary Lending to Non-profit Organizations

In 2015, NALCAB brokered a \$2 million PRI investment from the Surdna Foundation to VEDC of Los Angeles for the purpose of relending to four non-profit small business lenders. At the end of 2017, at the request of VEDC and Surdna, NALCAB acquired the \$2 million PRI from VEDC. NALCAB now serves as the intermediary administrator for this CDFI consortium PRI.

Through the Rural Revolving Loan Fund, which was established with funding from US HUD, NALCAB provided a \$400,000 line of credit to Homes in Partnership, a rural serving CDC in central Florida.

POLICY & RESEARCH

Advancing NALCAB's Policy Priorities

The Economic Case for Immigration Reform

NALCAB worked to advance an economic argument for making the DACA program permanent. NALCAB staff prepared and released a DACA Tool Kit that provides members with sample tweets, a sample letter to the editor and key data points that members can use. NALCAB is coordinating with the Leadership Conference on Civil and Human Rights for Congressional advocacy efforts on Capitol Hill and in local district offices.

Promoting the NALCAB Policy Agenda at the Federal Reserve

The Executive Director completed two and half years of service on the Federal Reserve's Community Advisory Council. In July, NALCAB's Executive Director led a large group of national organizations in delivering a letter to Chair Yellen to encourage her to make diverse selections for Class C Directors on the Boards of the Regional Federal Reserve Banks, as well as for the open Presidency of the Richmond Federal Reserve. Approximately three weeks later, Governor Brainard made an unscheduled speech on the theme of diversity in the workplace including the strongest comments to date regarding a commitment to diversity in the Federal Reserve.

Promoting the NALCAB Policy Agenda with the Senate Banking Committee

NALCAB submitted recommendations for fostering economic growth to the Banking Committee in response to a public request for ideas. NALCAB facilitated a meeting for Board members the banking/housing staffer for Senator Cortez-Masto (NV-D), the first Latina ever to serve in the Senate.

Comments to the CFPB, CDFI Fund and Engagement with SBA

NALCAB developed a written response to the CFPB's request for comments on the small business lending data collection elements of Dodd-Frank. NALCAB has engaged career staff at the SBA focused on opening access to SBA lending programs for our members. Earlier in the year, we submitted comments to the CDFI Fund in response to a public request for comment on the CDFI certification application.

Promoting Federal Investment in Community and Economic Development Programs

Through e-mail messages to our network, participation in the Campaign for Housing and Community Development Funding, coordination of our Network members through conference calls and planning for a Hill Day for Community Development on June 1, our team has actively promoted federal investment in community and economic development strategies.

Housing Policy in San Antonio

NALCAB developed a housing policy proposal for the City of San Antonio, which is now being actively discussed by members of the City Council, non-profit partners and the private developer community. NALCAB is providing technical assistance to members of Council and the new Mayor's Housing Task Force to develop housing policy framework for the first time in San Antonio's history.

Supporting Local Small Business Policy Initiative in the Northwest

We secured funding from the Northwest Area Foundation to undertake a policy capacity building effort with member organizations supporting local policy campaigns.

POLICY & RESEARCH

Developing NALCAB's Policy Capacity

Member Engagement/ Education

NALCAB's Policy Committee met throughout the year and NALCAB staff launched a Policy Twitter Account and Notable News daily email "press clippings." More than a dozen NALCAB members engaged collectively in "Advocacy on the Hill" in June. The NALCAB Policy Team provided regular webinars on timely topics related to NALCAB's policy priorities, including feedback on the Consumer Protection Financial Bureau's (CFPB) Request for Information on Section 1071 of Dodd-Frank that requires the collection of small business data.

Expanding Policy Partnerships

NALCAB has joined the Hurricane Recovery Coalition, a 50 member coalition that includes the NLIHC, Enterprise, LISC, and state and local organizations from affected states. We have also joined the CDBG Coalition, which includes the Council of State Community Development Agencies, the National Community Development Association, the US Conference of Mayors, and the National League of Cities. NALCAB was also represented to the Tax Alliance, a broad group of over 100 members advocating for fair and equitable tax reform.

Analysis of Housing Vulnerability

Under a contract with the City of San Antonio (COSA), NALCAB completed an Analysis of Housing Vulnerability, a GIS analysis of the impact of neighborhood change on vulnerable populations, which is serving as a key data source for the San Antonio Mayor's Housing Task Force.

Review of Federal Grant Programs

Also under a contract with COSA, NALCAB completed a Review of the Eastpoint Neighborhood Investment Initiatives, which included more than \$60 million in federal grants focused on place-based impact.

Study of Latino Business in California

Under a contract with CDC Small Business Finance, NALCAB completed a study of access to capital for Latino small businesses in the State of California.

Working Paper on Commercial Gentrification

Under a grant agreement with Citi Community Development, NALCAB developed an analysis of gentrification pressures on small businesses.

INTERNAL FUNCTIONAL AREAS

Finance

- Acquired a \$2.0MM loan portfolio from VEDC on 12/15/17. The portfolio is funded by the Surdna Foundation. This acquisition significantly strengthens NALCAB's position as a lending institution for CDFI purposes.
- Secured \$500K line of credit from Wells Fargo Bank, N.A.
- Closed-out the FY '13 HUD Rural Capacity Building grant and maintained a \$400K rural loan fund at close-out.
- Engaged national audit firm CohnReznick to conduct the 2017 audits.
- Implemented electronic timetracking system to streamline payroll and improve cost accounting and reporting.

Facilities

- NALCAB secured new office space in Washington, DC, allowing NALCAB staff to co-locate with staff of the Center for Responsible Lending.
- NALCAB renegotiated the lease with our commercial tenant, Wells Fargo Bank, for the motor bank space located at NALCAB's headquarters office in San Antonio. Wells Fargo has indicated that they will vacate the space within the next two years.
- NALCAB completed an ADA-accessibility enhancement to one entrance to our SA headquarters building.
- Operational policies were established for NALCAB's headquarters facility including office and cubicle space assignment process, establishing an appropriate lactation room and implementing safety procedures.

Human Resources

- A staff retreat and CDFI training for all staff were held on October 11th and 12th.
- A revised employee handbook was approved at the NALCAB board meeting of March 21, 2017.
- A performance evaluation process including solid, high and low measures was developed and implemented. A process for developing Individual Development Plans for every staff member was also initiated.
- The staff climate survey was implemented for a second year and findings were shared with all staff.

Procurement, Contracting & Compliance

- NALCAB hosted an on-site monitoring from HUD staff to review the implementation and documentation of FY '13 and '14 Rural Capacity Building Program grants.
- NALCAB strengthened its procurement procedure for consultants using an RFQ solicitation process.
- NALCAB strengthened contract execution procedures and monitoring practices.

Member Engagement and Communications

- NALCAB's Executive Director published numerous messages to the membership and hosted a year-end membership webinar.
- Concurrent with our 2017 Training in Dallas, NALCAB hosted a convening for 30+ executive leaders in the NALCAB membership, providing access to presentations from multiple funders and discussing NALCAB's policy agenda.
- NALCAB has increased social media and online engagement. NALCAB gained 150 likes on Facebook and 1,056 followers on Twitter since January 2017. NALCAB published a regular online newsletter and continued to improve its website organization and content.