



The National  
Association for Latino  
Community Asset  
Builders

FISCAL YEAR 2018  
ANNUAL REPORT

# 2018 NALCAB Webinars

Commercial Kitchens, Mercados and Place-Based Economic Development

Sustainability Tools and Resources

Resource Development and Fundraising

So You Want To Be a Lender?

NALCAB 2018 CED Grant Program Overview

How to Become SBA Certified and Do Microlending

Advocacy 2.0

Microloans and Community Advantage Programs

RCB Informational Webinar

Tools for Financial Coaches and Counselors

Building and Protecting Assets

Leveraging Technology to Build Credit and Savings

Financial Capability and Mobile Banking

The State of NALCAB 2018



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## ABOUT NALCAB

NALCAB is a national non-profit membership organization that builds and preserves assets in Latino communities.

Our members in 40+ states invest in their communities by building affordable housing, lending to small businesses, and providing financial counseling on credit, homeownership and small business development.

The large majority of the people served by the NALCAB Network are immigrants, or the children of immigrants. We are making the US economy stronger by investing in our nation's youngest, fastest growing major demographic segment.

# FOCUS AREAS

NALCAB achieves its mission through 3 program areas:



**Financial  
Capability  
Programs**



**Small  
Business  
Investment**



**Equitable  
Neighborhood  
Development**

NALCAB's strategy is to dramatically scale the flow of public and private sector capital that responsibly meets the asset building needs and opportunities in the communities and families we serve by strengthening and coordinating the capacity of the NALCAB Network to deploy capital, and influencing investors and policy makers with research, advocacy and technical advice.



# Capacity Building

Non-Profit & Government Agencies



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# Capacity Building with Non-Profits

## National Initiative to Address Neighborhood Change and Gentrification

Building on a national neighborhood stabilization effort in the immediate aftermath of the Great Recession, NALCAB undertook several years of research and pilot projects focused on understanding gentrification and neighborhood change. In January 2018, NALCAB published a [Guide to Equitable Neighborhood Development](#). In 2018, NALCAB secured a \$1.5 million, two-year commitment from the JPMorgan Chase Foundation to undertake a national program of grant-making, technical assistance and training for local non-profits that seek to develop and implement plans for equitable neighborhood development in communities that are experiencing neighborhood change due to increasing real estate values. NALCAB released a national request for proposals in June and received 82 proposals, demonstrating the high level of interest and need in this area of work. NALCAB [awarded \\$400,000](#) to ten organizations in September 2018.





## National Initiative to Support Place-Based Economic Development and Small Business Development



For the past ten years, NALCAB has supported Network members to invest in small business growth through culturally-relevant small business development services, business lending and place-based economic development, including with almost \$4 million of support from the WalMart Foundation. In 2017, with funding from the Surdna Foundation and Citi Community Development, NALCAB deepened its focus on place-based economic development in Latino communities, including commercial corridor strategies, social enterprises, mercados and business incubators.

In 2017 and 2018, NALCAB supported Network Members to secure more than \$8 million in federal grants focused on place-based economic development and the development of social enterprises. In the fall of 2018, NALCAB secured a \$1 million grant from the W.K. Kellogg Foundation to scale our efforts supporting place-based economic development in Latino communities. Further, Citi Community Development has funded NALCAB to strengthen neighborhood commercial districts in Miami.



## National Initiative to Build Financial Capability for Latino Families

In 2015, with support from Wells Fargo and Citi Foundation, NALCAB launched a program to assist non-profit organizations to integrate culturally-relevant financial capability services with other asset building services, including housing counseling, small business development and workforce development. In 2018, NALCAB secured a \$1.5 million, two-year commitment from the Wells Fargo Foundation to undertake a national program of grant-making, technical assistance and training for local non-profits that seek to integrate culturally-relevant, best practice-based financial capability services into their existing asset building programs. NALCAB released a national Request for Proposals in August and received 119 proposals, demonstrating the high level of interest and need in this area of work. NALCAB awarded \$540,000 to twelve organizations in November 2018.



### Rural Capacity Building Program

From 2013 to 2016, NALCAB received four grants from US HUD under the Rural Capacity Building for Housing and Community Development Program. NALCAB uses the largest portion of this funding to provide technical assistance to rural non-profit organizations and units of local government. NALCAB provided technical assistance to 12 organizations in 2018 in 8 different states. Technical assistance has focused on planning, project structuring and raising capital. NALCAB has assisted TA recipients in securing more than \$1 million in federal funding.

### CDFI Capacity Building Program

For the past five years, NALCAB has provided targeted support to members that are US Treasury-certified CDFIs or emerging CDFIs seeking certification. These efforts are integrated across all of the non-profit capacity building efforts described above. In 2017 and 2018, NALCAB Network Members secured more than \$7 million in grant awards from the US Treasury CDFI Fund. NALCAB has also supported the development of numerous collaborative efforts among Network Member CDFIs.



## Rent Reporting Pilot Project

In 2017, the Prudential Foundation provided NALCAB with a grant to launch a pilot project to build the credit and financial capability of tenants in affordable rental housing communities that are owned/operated by Latino-serving non-profit institutions. The pilot design was built on previous work on rent reporting by the Credit Builders Alliance (CBA). CBA implemented a pilot rent reporting program in which nearly 80% of residents with an already established credit history experienced an increase in credit score by an average of 23 points, and 100% of those who had no score increased their score to upper non-prime or prime tiers. NALCAB believed this promising practice could have a particular benefit in low- and moderate-income Latino communities due the high percentage of households with thin or no-credit.

NALCAB utilized funding from the Prudential to provide grants, technical assistance and training to four owner/operators of multifamily rental housing, that already had existing resident services infrastructure, in order to build their capacity to provide best-practice-based, culturally-relevant financial capability services and to implement rent reporting to credit bureaus. After 18 months, the four organizations provided financial capability services to over 650 households. Among those that engaged in rent reporting for at least two months, the average credit score among four cohorts increased by 31 to 45 points, with a maximum increase of 215 points. In NALCAB's previous financial capability projects between 2015-2018, in which over 800 received one-on-one financial coaching, only 18% achieved an increase of 35 points or higher. There is compelling initial evidence that rent reporting has a more significant impact than financial capability services alone. NALCAB is seeking additional funding from Prudential to continue and expand this pilot program.



## National Training and Webinars

In October 2018, NALCAB hosted our National Training event in San Antonio, Texas. 200 practitioners participated in three distinct courses in the areas of equitable neighborhood development, family financial capability and small business development. Over the course of the year, NALCAB also presented more than 10 learning webinars that engaged more than 150 practitioners on topics including: applying for federal grant opportunities; policy advocacy; leadership development; and analyzing and understanding neighborhood change.



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### The Pete Garcia Fellowship

At NALCAB's National Conference in April, we announced the re-naming of our leadership development fellowship to honor our founding Board Chair, Pete Garcia. Established in 2010, the Fellowship 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. Through this program, NALCAB is addressing a growing need in the next-generation leadership among Latino-serving asset-building organizations.

In October 2018, NALCAB graduated 18 next generation Latino leaders in community and economic development to participate in the seventh class. To date, the program has graduated a total of 117 Latino Leaders from across the country, representing 73 unique nonprofit organizations in 24 states and the District of Columbia.



# Capacity Building for Government Agencies

## Research on Housing Vulnerability in San Antonio and Houston

Under a contract with the City of San Antonio, NALCAB published a groundbreaking [study on housing vulnerability in San Antonio](#). It presents a city-wide analysis of how real estate and demographic trends could impact vulnerable populations. NALCAB completed a similar study for the City of Houston, which was pending publication at year end.

## Working Papers on Commercial Gentrification in New York, Los Angeles and Miami

The extent to which small businesses operate in vibrant locations with access to opportunity, directly impacts the businesses' viability and the economic success of the business-owner's family. With support from Citi Community Development, NALCAB studied neighborhood commercial districts in Los Angeles and Queens and published a [working paper](#) in early 2018 that analyzes the dynamics of "commercial gentrification." A second working paper, pending publication, focuses on neighborhood commercial districts in Miami and more deeply explores strategies for supporting small businesses to adapt to neighborhood change.





## Supporting Affordable Housing Policy Development and Coordinated Housing Systems in San Antonio

In 2017, Mayor Ron Nirenberg recognized mounting housing affordability challenges for San Antonians and announced the creation of the San Antonio Mayor's Housing Policy Task Force (MHPTF) to provide recommendations for strengthening the City's housing policy. Throughout the first half 2018, NALCAB provided support to the MHPTF to undertake an extensive public engagement process and to develop a report to the Mayor and Council that provides recommendations for developing a coordinated housing system, strengthening neighborhoods and financing affordable housing. The report can viewed at this [link](#).



Concurrently, NALCAB collaborated with the Office of District 5 Councilwoman Shirley Gonzales, Chair of San Antonio's Comprehensive Planning Committee, to develop a housing pilot program focused on San Antonio's lowest-income and most predominately Hispanic Council District. The Housing Pilot included supporting and coordinating the work of two NALCAB member organizations as well as developing a seminar to orient private investors and landowners to equitable development principles.



### Strategic Advice on Disaster Recovery to the City of Houston

Throughout 2018, NALCAB provided high-level advice to senior leadership in the City of Houston regarding a multi-billion package of HUD disaster recovery funding (CDBG-DR). NALCAB assisted the City in developing guidelines and policy for the deployment of disaster recovery funds.

### Disaster Recovery Technical Assistance to the Commonwealth of Puerto Rico

NALCAB was one of a group of providers selected by US HUD to provide disaster recovery technical assistance to the Commonwealth of Puerto Rico. NALCAB provided feedback on the first [CDBG-DR Action Plan](#) for the deployment of the first billion dollars of federal disaster recovery funding through US HUD.





### Other Technical Assistance with Government Agencies

As a contractor under the US HUD Community Compass Program, NALCAB provided in depth technical assistance to three housing authorities, three cities, one state agency and the Commonwealth of Puerto Rico in 2018.

NALCAB also provided Fair Housing-related training and, in a collaborative effort with Abt Associates, assisted the US HUD Office of Housing to assess a national VISTA program that serves HUD-subsidized multifamily rental housing communities.





# Federal Policy Advocacy & Field Building



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# Federal Policy Advocacy

## Defending the Community Reinvestment Act



In 2018, NALCAB played a leading role in defending the Community Reinvestment Act. The newly appointed Comptroller of the Currency has publicly indicated his intent to substantially revise the CRA in a manner that we believe will undermine the intent of the CRA and substantially reduce investment in community development work. In June, [NALCAB led a coalition in a letter to the Chairman of the Federal Reserve](#) that expressed concern about the Comptroller's approach. The Office of the Comptroller of the Currency release an Advance Notice of Public Rulemaking (ANPR) in the early fall, the first formal step in a regulatory revision process. NALCAB led a [second coalition letter](#) to the three prudential regulators in October in response to the ANPR. NALCAB also submitted a response through the formal ANPR process and [supported members to respond](#) to the ANPR. NALCAB supported San Antonio Mayor Ron Nirenberg to lead a similar letter to regulators that was [signed by 70 mayors](#). In December, NALCAB's Executive Director participated in a listening session on the CRA at the Dallas Federal Reserve and was invited to a national listening session with the DC Fed in January 2019.



# Federal Policy Advocacy

## Advocating for Diversity in the Governance of the Federal Reserve

NALCAB's Executive Director made a plenary presentation on Inclusion and Equity at the Interagency Conference on Community Reinvestment in Miami in March ([see video here](#)). In April, NALCAB led a coalition of national and regional organizations to [advocate that the San Francisco Federal Reserve prioritize diverse candidates](#) for the open position of President of the San Francisco Fed. NALCAB's Executive Director participated in a follow up meeting with the Chairman of the San Francisco Fed and other members of the search committee. In June, [NALCAB led a larger coalition in a letter to the Chairman of the Federal Reserve](#) to address the issue of diversity in the governance of the Fed, as well as to weigh-in on deeply concerning proposals regarding the Community Reinvestment Act from Trump's recent appointee to serve as Comptroller of the Currency.





# Federal Policy Advocacy

## Hill Day & Other Policy Work

Building on NALCAB's first Hill Day for NALCAB Members in 2017, NALCAB organized a second Hill Day, engaging 16 member organizations in 30 meetings with Congressional offices on May 16. NALCAB staff have followed up with numerous Congressional offices to continue building relationships. NALCAB also actively participated in industry coalitions focused on federal appropriations, including the Campaign for Housing and Community Development Funding (CHCDF) and the CDFI Coalition. Listed below are some of NALCAB's statements on federal policy issues.

## NALCAB Statements

- [NALCAB Statement On The Firing Of The Consumer Bureau's Advisory Board](#)
- [NALCAB Statement On Passage Of Bill That Weakens Bank Oversight And Opens The Door To Increased Discrimination](#)
- [Ensuring Latino Communities are Counted: A Commentary on the US Census](#)



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# Federal Policy Advocacy

**NALCAB Joined an Amicus Brief  
with Business Community in  
Support of DACA**

The Attorney General in Texas is attempting, through a lawsuit against the federal government, to end the DACA program. The American Business Immigration Coalition (ABIC) has stepped in with business interests and chambers of commerce to argue that DACA is important for the Texas economy.





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# Field Building

2018 National Conference

NALCAB hosted its National Conference in Orlando from April 10-12. Speakers included CNN Commentator Ana Navarro, OFN's CEO Lisa Mensah, Chief Economist of the Atlanta Fed, Dr. David Altig and Executive Director of Fundación Pies Descalzos, Patricia Sierra. There were 199 non-staff attendees from 23 states.



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# Impact Investing: Lending & Asset Management



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# NALCAB Catalyst Fund I, LLC.

In close alignment with NALCAB's National Initiative to Address Gentrification and Neighborhood Change, NALCAB operates the NALCAB Catalyst Fund I, LLC (NCF I, LLC), a social investment fund designed to acquire and develop affordable housing in appreciating neighborhoods with access to employment, quality education and health care resources. NCF I, LLC is managed by *Escalera* Community Investments – A NALCAB Company. NCF I, LLC closed on \$960,000 in new equity in July, which will allow the Fund to make new investments in Houston and to complete the development of projects in San Antonio.





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# Small Business Lending Consortium

The NALCAB Network Small Business Lending Consortium is an operational collaboration among NALCAB and four non-profit lenders that are NALCAB members and provide culturally-relevant small business development services in predominately Latino



communities. NALCAB organized this consortium in 2015 and acts as the financial intermediary for a \$2 million PRI, which NALCAB re-lends in \$500,000 increments to the CDFIs. With the consortium structure stable and the loan portfolios performing as anticipated, NALCAB has placed a significant focus on replicating a consortium approach to small business lending. NALCAB collaborated with LiftFund to design a national small business lending fund that is co-owned by NALCAB Network members.



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# Rural Loan Fund

Utilizing grant funding from the US HUD's Rural Capacity Building for Affordable Housing and Community Development Program, NALCAB operates a Rural Loan Fund to support members in eligible rural areas to finance housing and economic development activities.



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