

# Ayala: NALCAB isn't usually the focus of a news story, it's the underlying muscle

Elaine Ayala | March 7, 2020



Noel Andrés Poyo serves as NALCAB's Executive Director and CEO of NALCAB's subsidiary asset management company Escalera Community Investments.

Photo: Michael Routen

Over the last few months, the name of the San Antonio-based National Association for Latino Community Asset Builders has appeared in a couple of news stories.

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It hasn't been the focus of a story, rather the underlying muscle.

In February, NALCAB was mentioned as the agency commissioned by the city of San Antonio to study the workings of the San Antonio Housing Trust.

It wasn't good news. It found the trust lacked the expertise to do its job, operated with little oversight and did little to help poor residents find affordable housing.

NALCAB, otherwise, has for years been low-key, perhaps by nature, perhaps by design, and executive director Noel Poyo conceded the point.

"We've been quiet," he says over a plate of huevos rancheros. So, for an hour or so, he laid out what NALCAB does.

Its work is wide-ranging, but it essentially raises capital and lends it to its member organizations across the country.

NALCAB is a U.S. Treasury-certified Community Development Financial Institution lender, and its more than 120 members are community and economic development agencies.

NALCAB self-defines as a national nonprofit organization whose mission it is to advance the economic mobility in Latino communities.

It has a staff of 30 people, a grant portfolio of about \$11 million raised from government and corporate entities, and manages a consolidated balance sheet of about \$24 million in assets.

NALCAB is a hub to a national network of these individual entities.

They serve Latino communities across the country, in urban and rural areas, in 40 states and Washington, D.C. They build affordable housing, address gentrification and help small businesses get started and grow. They also provide financial education.

NALCAB coaches and trains nonprofit leaders.

“We’ve been doing relatively complex structuring of financial transactions that make capital flow into our communities,” Poyo says. “We’ve raised two equity funds, which we manage through a subsidiary asset management company that I’m a CEO of.”

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From time to time, Poyo, 43, sounds like he’s delivering congressional testimony.

On Friday, he did. (I should mention here that Poyo is a graduate of Yale University and his well-known father is historian Gerald Poyo of St. Mary’s University.)

The younger Poyo has been invited to testify several times in the last year. This time it was a field hearing of the House Financial Services Subcommittee on Consumer Protection and Financial Institutions in New York. He spoke about discriminatory barriers to financial inclusion, including redlining.

Building credit in Latino communities is a big focus at NALCAB. One of its grants, for example, is helping affordable housing operators report rental payments to credit agencies. They don’t ordinarily report such data.

Turns out that for low-income people, immigrants and Latinos especially, rent is a primary credit activity. Without it, only negative activity gets reported.

The three-year pilot program is measuring impact on credit scores, and so far, Poyo says results are “striking.” Credit scores are rising.

Like others who work at NALCAB, Poyo talks a lot about “building capacity.”

“If we’re going to control our neighborhoods, if we’re going to grow our businesses, if we’re going to do what is necessary for economic mobility for our community to have greater strength, we need to be able to use capital,” he says.

“If you’re in the position of begging people to do something with the building next to your house, you have no power. But if you just buy the damn thing, then you’re in a position.”

Access to capital requires systems, structure and data. He’s driven by the latter.

For three years, he served on the Federal Reserve's community advisory board. It raised his profile, especially in Washington. He also sits on the advisory boards for several banks, "giving advice to the extent that they'll take it," he says.

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In addition to a study of the San Antonio Housing Trust, the city of San Antonio commissioned NALCAB to do a citywide analysis of housing vulnerability.

It produced a similar study for the city of Houston and the city of Dallas.

Next month, NALCAB will release "a significant domestic economic agenda document aimed at the changing policy environment." It anticipates a new Congress and potentially a new administration, he says.

When I ask what's next for him, he laughs. "I've got three girls," which means he's staying put.

"It's just getting interesting," he says. "We've spent all these years building up something that actually could have real impact."

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