2016 ANNUAL REPORT
CHANGING THE FACE OF PUBLIC HOUSING
TOP 15 FACTS

1. El Paso is the 19th largest metropolitan area in the United States with a population of about 862,000 people.

2. El Paso was named the safest large city in the United States for the fifth year in a row.

3. HACEP is the 14th largest housing authority in the United States and manages the 2nd largest portfolio of 6,102 public housing units in the great state of Texas.

4. HACEP supports 40,000 El Pasoans, just over 6% of the city’s population, in all of its housing programs.

5. There are 353 HACEP team members dedicated to managing all of its housing programs and a $100 million dollar budget.

6. HACEP’s Rental Assistance Demonstration (RAD) initiative is the first largest U.S. Department of Housing and Urban Development (HUD) RAD conversion in the nation.

7. HACEP is converting 1,590 residential units across 13 communities in the first of three phases of its full portfolio RAD conversion initiative.

8. Saved $50MM in additional project costs by bundling 13 communities into one RAD contract for the $125MM bond issuance in January 2015.
The RAD initiative will have created an estimated **1,000** jobs across El Paso by the time the initiative is completed in **2020**.

Part of the **first 20%** of housing authorities to adopt a smoke-free policy in its public housing communities in January **2015**.

HACEP will infuse an estimated **$1.3 billion** dollar investment, over the life of the RAD initiative, into the El Paso economy.

**25** families graduated this year from HACEP’s Homeownership Program.

HACEP changed legislation such that the agency could have access to an **unlimited number** of **4%** housing tax credits in one year to aid in financing its redevelopment projects.

In HUD’s continued effort to end veteran homelessness, HACEP received an additional **13** HUD-VASH vouchers this year for a total of **239** vouchers. HACEP leased up **96%** by the end of the fiscal year.

HACEP’s Public Housing Program received a **high performer** designation for the **5th** consecutive year.

**BONUS FACT**

HACEP is home to the **first netZero**, fossil fuel free, LEED Platinum affordable housing community in the United States – the Paisano Green Community.
The mission of HACEP is to improve the quality of life for economically challenged families by providing quality, affordable, subsidized, transitional housing, and opportunities to achieve self-sufficiency.
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MayoR’s Message

Our beautiful Sun City – El Paso – continues to grow, thrive and prosper in ways deemed almost unimaginable. Last year I spoke of the seeds our innovative City Council planted for economic development and revitalization. This year we are bearing witness to this growth that continues to spread across our region. Over the last year these roots have taken shape and built a firm foundation for our bright and prosperous future. In stride with one of my signature strategic initiatives, El Paso is Open for Business, the redevelopment and revitalization happening in all corners of our community have led to a steady climb in job creation and retention with more than $600 million in private investment over the last three years. We have seen new industries call our city ‘home,’ like science and technology, that will not only attract experts from around the world to relocate here but even call upon local talent that continue to either return home or choose to stay after receiving their degree.

Over the last three years serving as El Paso’s mayor, I have learned that this type of innovation and revitalization takes the power of partnerships. From the onset of my public service as mayor of the Sun City, I have outlined an agenda for creating jobs, lowering unemployment and representing the entire community. When I took office in May 2013, as a city we were battling an unemployment rate of nearly nine-percent. Three and a half years later, I am proud that through the strength of our partnerships, we have managed to temper this rate down to a low of 4.1 percent. As a team, we went out and attracted the industries we knew would prosper if provided the appropriate incentives. We have so much to offer: the safest city in the U.S., some of the best weather, dynamic history and culture, and amazing citizens. The benefit to El Paso doubled as it ultimately spurred growth and activity in our local economy through jobs.

I have a deep sense of pride in what we have been able to accomplish and how we are setting up our city for continued success. Through strategic public-private partnerships, we have been able to leverage the taxpayers’ dollars in a more efficient way to bring stronger and higher quality developments and initiatives. This is why I have proudly positioned on my list of accomplishments for the City of El Paso the initiative set out by the Housing Authority of the City of El Paso, TX (HACEP). After two years of planning its portfolio-wide revitalization effort of its affordable housing communities through the U.S. Department of Housing and Urban Development’s (HUD) Rental Assistance Demonstration (RAD) program, the first major phase of their implementation continues on. The magnitude of this initiative has earned HACEP the title of the first largest RAD conversion effort in the United States defining what I boldly believe to be the transformation of El Paso.

This initiative will help improve the city’s visual impression due to the vast presence HACEP has throughout El Paso, and will significantly improve the quality of life for our most vulnerable community members. Furthermore, HACEP’s RAD effort – with an estimated total investment of $1.3 Billion that will be infused into our local economy while creating more than a thousand jobs by 2020 – is the largest construction endeavor in El Paso’s history.

This initiative can only give just a preview of what we have embarked on, what we have already accomplished and what we can anticipate for the next four years. Along this journey, we have come across challenges, learned lessons we did not expect and have had to recalculate our approaches to each new task. No other housing authority in the country has embarked on an initiative of this nature at this magnitude, but I am thankful to say that we have a team that is relentlessly dedicated to surpassing the impossible and proving resilient in the face of adversity. HACEP’s innovative approach to public-private partnerships, the team’s ongoing dedication to revolutionizing the affordable housing industry, and its relentless commitment to El Paso residents are vital to ensuring our community’s needs are met for at least the next forty years and beyond. The City of El Paso applauds the work of HACEP and appreciates what this partnership has done. I know that the strength of HACEP’s success will help determine the future success of our beloved Sun City.

Sincerely,

Oscar Leeser
Mayor of the City of El Paso
2016 has marked a very special year for the Housing Authority of the City of El Paso, TX (HACEP) and for me. This is the year that I could continue my service as Chairperson of HACEP’s Board of Commissioners, alongside Vice Chairperson Francisco Ortega, when we were both reappointed by the Honorable Mayor Oscar Leeser. This also marks the year that HACEP sees the beginning of the country’s first largest RAD conversion come full circle as communities in the agency’s portfolio are completely revitalized.

2016 also marks the moment in history when a public housing agency in El Paso, Texas chose to take on and completely change the way we do affordable housing in the United States. When the U.S. Department of Housing and Urban Development (HUD) first announced its strategic plan to afford public housing agencies throughout the country to address the need for capital improvements in their affordable housing stock, HACEP did not skip a beat. In early 2014, when I first joined HACEP’s Board of Commissioners, a team was assembled to launch the agency into the Rental Assistance Demonstration (RAD) program. RAD was already a revolutionary approach to affordable housing; however, HACEP took it one step further by becoming the first largest RAD converting agency in the country.

With no other blueprint to follow, the HACEP team took on each obstacle by rethinking affordable housing, putting forth innovative solutions such as changing the municipal City’s policy of issuing four-percent housing tax credits and creatively leveraging other municipal financing tax vehicles to ensure the completion of its revitalization effort.

HACEP continued its RAD campaign by applying for six additional housing tax credits in the Texas Department of Housing and Community Affairs (TDHCA) 2015 competition, including two nine-percent housing tax credits, to help finance $86 million of the next round of properties. A total of $248 Million will go towards reconstructing the original 144 multi-family units at the Sherman North Community, plus an additional 34 units to increase HACEP’s ability effectively serve El Paso. A piece of the same funds will also go towards a complete reconstruction of the Thomas Westfall Community, a 90-unit community in east El Paso. These two new developments come just after a successful year of tax credits in 2014 when HACEP secured two nine-percent housing tax credits — or nearly $22MM — from TDHCA to aid in financing the demolition and reconstruction of both the Haymon Krupp Community in east El Paso and the South Tays Community in the historic, south-central Chamizal neighborhood.

All the RAD activity in El Paso reverberated from the Borderland through Fort Worth right to Washington, D.C., enough so to warrant a visit from the HUD Principal Deputy Assistant Secretary Lourdes Castro Ramirez, in February 2016. Leveraging this special visit, PDAS Castro Ramirez was our featured speaker at the groundbreaking for the South Tays Community, HACEP’s oldest public housing community. She also had breakfast with a key delegation from El Paso to discuss community development, and had an intimate conversation with the Women of HACEP and other El Paso women business leaders at a women’s networking event.

HACEP also hosted HUD Region VI Administrator Tammye Trevino, members of the Dallas Federal Reserve, and a representative of the City of El Paso’s Affordable Housing and Finance Committee in June 2016. On our inaugural RAD Bus Tour, we showcased a sampling of the HACEP communities either close to completion or whose construction was being done in phases. This allowed us to illustrate first-hand the gravity of work being done on the RAD initiative in El Paso.

These efforts of the HACEP team represent just a fraction of this complete transformation. Every year through the end of RAD will continue to be a revolutionary year redefining the boundaries that have been set for the affordable housing industry. While HACEP continues to update its large footprint in the Sun City and ultimately improve the living conditions of its most vulnerable residents, the eyes of public housing agencies throughout the country will turn to HACEP as a subject-matter expert on how to transform affordable housing in their community.

I want to thank my fellow board members for supporting the HACEP team, facilitating the agency’s success, and perpetuating the momentum of the RAD initiative. Your ongoing dedication to HACEP and our beloved community is greatly appreciated.

Sincerely,

Burt Blacksher
Chair of the HACEP Board of Commissioners
CEO’S MESSAGE

The Housing Authority of the City of El Paso’s (HACEP) Rental Assistance Demonstration (RAD) initiative kicked into high gear this past year. HACEP returned its first residents participating in the RAD program to the first two communities that underwent rehabilitation. Additionally, HACEP started construction on four more of the 13 communities that are part of Tranche 1 and also two communities for which we won nine-percent housing tax credits in 2014 allowing us to completely rethink and reconstruct them. In addition to improving how we serve our community’s most vulnerable, a huge source of pride was also in creating 500 jobs, to-date, in the El Paso community via our estimated $1.3 Billion rehabilitation initiative. By the time our RAD initiative is complete, we are estimating HACEP will have created more than 1,000 jobs in the city of El Paso.

Another source of pride was being selected by The Bond Buyer, a 124 year-old municipal bond market daily trade publication, as the winner of their 2015 Deal of the Year Award in the Small Issuer Financing category for the complex, private activity bond deal that was core to providing the financing for Tranche 1. HACEP Board Chair, Burt Blacksher, and I ventured to New York City last December to the ceremony, which I like to term as the ‘Academy Awards’ of municipal financing, to represent the great state of Texas and the city of El Paso. We were inspired by being in the company with some of the most influential and innovative community representatives and financiers in the public works space. Our new network of partners put together financing for developments ranging from bringing high-speed Internet to all of Kentucky’s 120 counties to organizing the biggest private activity bond financing of a public-private partnership in U.S. history for the purpose of designing, building and maintaining 558 bridges in the Pennsylvania region over the next 28 years. Great company to keep, indeed.

As our RAD initiative matures, we are also becoming more reflective regarding the evolution of our organization and its processes. We want to make sure we recognize, as early as possible, new efficiencies dictated by the rehabilitation of our infrastructure and installation of new appliances and MEP systems. We started with creating a decentralized property management company called EP Housing Operations and Management Enterprises PFC, or more affectionately known as EP HOME. This new structure will allow our property managers to aggressively improve the net operating income (NOI) of their communities, improve the speed of any necessary repairs, and ultimately deliver best-in-class customer service to our residents.

Just prior to Halloween, the entire HACEP team said goodbye to the 96-unit Krupp Apartments, an east El Paso community, which was one of two properties granted a nine-percent housing tax credit by the Texas Department of Housing and Community Affairs (TDHCA). We invited the entire agency to the Krupp site to get a first-hand perspective of the importance and enormity of our collective RAD effort. Following the Krupp demolition, after almost eight months, the first phases of HACEP’s two largest communities, Dwight D. Eisenhower Community and Kennedy Community, were completed. In December 2015, we celebrated the return of 35 families to Eisenhower with a ribbon-cutting ceremony and open-house for invited guests, staff, returning residents, and other residents who will also be going through a RAD rehab in later phases. Executive Chairman of the Board of Directors of Hunt Companies and former El Paso Inc. El Pasoan of the Year, Woody Hunt, graciously came out to celebrate our partnership, along with Mayor Oscar Leeser and District #4 City Representative, Carl Robinson. A few weeks later, we also returned the first 30 families to the Kennedy Community in the Mission Valley.

I am also thankful to our residents that span across the 42 communities we serve, and the Jurisdiction-Wide Resident Council that represent them. Change is never an easy concept to grasp nor is it widely accepted; however, our residents not only realize how this will benefit them and how we serve them, but the thousands of families that will come after them.

I also want to say thank you to all of our partners – the Mayor, HACEP Board of Commissioners, HUNT, Moss, the City of El Paso, our financial partners, the bond and legal consultants, the HACEP team, the HUD staff in Fort Worth and Washington, D.C. and all who have helped HACEP realize this important milestone in the history of the agency and in HUD’s Rental Assistance Demonstration initiative.

Sincerely,

Gerald W. Cichon
Chief Executive Officer, HACEP
“This initiative will help improve the city’s visual impression due to the vast presence HACEP has throughout El Paso, and will significantly improve the quality of life for our most vulnerable community members.”

- Mayor Oscar Leeser
EXECUTIVE TEAM

Gerald W. Cichon
Chief Executive Officer

Satish Bhaskar
Chief Financial Officer

Donna Clarke
Chief Operating Officer

William Zeigler Jr.
Chief Human Resources Officer

Richard Seges
Chief Real Estate Officer

Daniel Cantu
Chief Information Officer

Hector Montoya
General Manager of HACEP Acquisition Corporation (HAC)

Arthur Provenghi
Legal Counsel

Roman Velasquez
Director of Property Management

Frank Cota
Director of Strategic Initiatives

Lorena Rivera
Director of the Housing Choice Voucher Program

Edward Gill
Director of Construction

John Hannah
Director of Finance

Javier C. Camacho
Public Information & Government Relations Officer
RENTAL ASSISTANCE DEMONSTRATION (RAD)

The Rental Assistance Demonstration (RAD) program is an initiative created by the U.S. Department of Housing and Urban Development (HUD) that allows housing authorities to leverage public and private debt and equity in order to redevelop their aging public housing stock. On average, HUD is losing 10,000 low-income housing units annually to demolition and disposition due to poor conditions, which is facilitated by a $26 Billion backlog of capital needs to fix them. Authorized by U.S. Congress under the FY12 HUD Appropriations Act, RAD allows public housing agencies (PHAs) and owners of other HUD-assisted properties to convert units from their original sources of HUD financing to long-term, project-based Section 8 contracts, a more sustainable source of funding. This conversion guarantees funding subsidies, unaffected by year-to-year appropriation adjustments, for the next 15 to 20 years. To allow additional participation in the program, HUD, in the Appropriations Act of 2015, expanded the RAD program's cap from 60,000 units to 185,000 units.

Having realized early on the opportunity the RAD program provided, HACEP committed to the preservation of affordable housing in El Paso for the long term by throwing its entire portfolio into the mix. HACEP partnered with Hunt Companies, an industry-leading real estate developer, on RAD 1, a bundling of the first 13 HACEP communities now known as Tranche 1, under one RAD contract. In dramatic fashion, HACEP, with the help of public-private partnerships and municipal bond experts at Bracewell & Giuliani LLP, closed on the issuance of $125 Million in private-activity, tax-exempt multi-family housing revenue bonds in April 2015 that will provide a large portion of the financing for Tranche 1.

With top architectural engineering firms such as Fugelberg Koch, SLI Engineering, and FOCUS: architecture+design on board, and with Moss & Associates, Hunt’s strategic partner leading construction activities, the RAD program finally graduated from the planning stage to the implementation stage. In April 2015, HACEP broke ground on its first two developments: the Dwight D. Eisenhower Community and, on its heels, the Kennedy Communities. With an average of 250 units each, both developments are scheduled to be completed in three phases. By June 2016, all of Tranche 1-A was under construction including two fully reconstructed communities – Krupp and South Tays – totaling to 855 units under construction throughout 16 communities in El Paso.

To ensure the success of the implementation of these developments, HACEP created a cross-functional team focusing on construction, business planning, information technology, resident relocations, communications and logistics. Each team member is integral to the project’s success – from working with the developer and construction company to building proprietary software to managing inventory to engaging HUD, the City of El Paso, community partners, and, most importantly, the residents themselves.

Together the HACEP RAD Team has moved 880 families to-date and turned over 855 units to contractors for rehabilitation, or in some cases, reconstruction. This represents just over 50-percent of the 1,590 families that will be moved in Tranche 1 and over half of the units that will be rehabilitated in the first phase of construction. This first phase of construction represents approximately $324 Million in construction costs. By the time RAD is fully underway, HACEP and its partners will have created more than 1,000 jobs in El Paso.

### RAD PROGRESS REPORT

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<th>Category</th>
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<td>Units Converted (w/o Construction)</td>
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<tr>
<td>Units Under Construction</td>
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<td>Units Completed</td>
<td>316</td>
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<tr>
<td>Remaining Units to be Reconstructed</td>
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</table>

From Top to Bottom: First residents move into the newly redeveloped Kennedy Community, Phase 1; 2016 Art Contest Winner Aionda Gonzalez, “Keys to a New World”; 2016 HACEP Holiday Luncheon.
MAJOR RAD ACCOMPLISHMENTS

• HACEP is named the first, largest RAD converting public housing agency in the United States with 10-percent of the national allocation – or 6,102 units – determined by the U.S. Department of Housing and Urban Development (HUD).

• First two communities to be fully reconstructed – from demolition to reconstruction – have officially broken ground and are underway, the South Tays and Haymon Krupp Communities.

• A total of 16 communities currently under construction out of HACEP’s 42 communities city-wide making this initiative the largest revitalization effort in El Paso ever pursued by a single agency.

• Held more than 20 meetings with elected and government officials, utilities, school districts, and community organizations to inform and garner support for the RAD initiative.

• Maintained less than a five-percent claim rate, despite the volume of moves.

• Completed more than 1,200 family moves since the launch of the RAD initiative, with each move completed in less than 12 hours from start to finish and a capability of completing up to 20 complete moves in one day.

• Successfully readjusted the RAD Tranche 1-A construction schedule – a total of 13 communities made up of 1,590 units throughout El Paso – that would realign HACEP’s abilities to meet the May 2017 finish line.

• Partnered with El Paso’s largest multi-family private property management firm to help accommodate the temporary relocation of HACEP’s RAD Tranche 1-A residents to ensure the same quality of place and access during the revitalization period.

• RAD will leverage public-private partnerships to help finance a redevelopment effort that will infuse a $13 Billion investment in El Paso at no impact to the local tax payer.

CHALLENGES

• Managing vacancies in the portfolio as the number and complexion of relocations dictated by a full portfolio conversion is extremely large.

• Making household assignments to temporary residences that are minimally disruptive to the residents’ lives.

• The ongoing coordination of interdependent activities: project requirements, schedules, and imposed deadline dates for each phase and/or entity (e.g. receipt of RAD contracts, CHAP awards, financing deadlines, resident communication requirements, program deadlines, LIHTC certifications, TDHCA expectations, construction schedules, etc.).

• Coordinating communication from the construction firm to the HACEP development team to RAD Relocation Operations to Property Management in order to ensure that every unit is in make-ready condition for families to be moved back once units are complete.

• Ensuring that each team in RAD was sharing the same information and keeping up to date in regards to unit availability, analysis, resident temporary relocations and updated construction schedules.

• Creating a coherent, transparent and understandable appeals process to ensure that residents are temporarily relocated in units that meet their need and access.

HACEP will finish Tranche 1-A by May 2017 and Tranche 1-B by August 2017, and is already in the midst of planning the rehabilitation or reconstruction of the remainder of its communities in Tranche 3. Tranche 3 will be completed by the RAD initiative’s end date of December 2019.
2016 ACCOMPLISHMENTS

Whether it is maintaining HACEP’s high performance status in the Public Housing and the Housing Choice Voucher Programs, receiving prominent media coverage in El Paso and across the U.S., or earning awards for our innovative financing endeavors and initiatives, the following accomplishments are a reflection of HACEP’s relentless effort to deliver the most effective and efficient service to all of our residents, team members, business and community partners, industry partners and stakeholders.

Human Resources
- Enhanced strategic recruiting efforts that would advocate for higher quality hires at all levels of the agency.
- Successfully completed property management and maintenance technician re-alignment.
- Developed and reformatted new department-specific goals for agency-wide incentive pay.
- Completed formal training with over 60 team members on customer service, active shooter training and DDI training.

Finance
- Received a perfect Financial Assessment Subsystem (FASS) score on nine Asset Management Programs.
- Transferred five communities to the Project Based Rental Assistance (PBRA) Program that increased the annual subsidy by $250,000 a year.
- Received a total of $35.78 Million in tax credits to allow for continued rehabilitation of HACEP communities.
- Received a clean financial and compliance audit for the fifth year in a row.

Development
- Won two nine-percent housing tax credits to help finance the full reconstruction of the Sherman North and Westfall Communities.
- Began construction on 16 different communities, consisting of 855 units.
- Completed eight RAD transactions within the fiscal year.
- Tax credit properties yielded a net result of $1.09 Million.

Public Housing and Property Management
- Successfully launched two new programs under the HACEP portfolio: Project-Based Voucher (PBV) and Project Based Rental Assistance (PBRA).

Information Technology
- Launched the text-messaging initiative that will allow for a more efficient, real-time communication tool with key stakeholders and residents.

Housing Choice Voucher Program
- Received 13 additional HUD-VASH vouchers for a total of 239 VASH vouchers to help eradicate veteran homelessness in El Paso.

- Graduated 13 families from the Homeownership Program.
- Received a $20,000 grant from the Moleen Foundation to help support the backpack giveaway initiative, and launched its first ever Back-To-School Fair giving away over 500 backpacks.

Rental Assistance Demonstration Program
- Conducted 880 temporary resident relocations without major incident or complaints.
- Delivered 855 vacant units to the HACEP Development and Construction Team.
- Regained $5 Million with resolution on HUD Early Relocation.

PHAS Scores
Public Housing Program

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<td>2013</td>
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SEMAP Scores
Housing Choice Voucher Program

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2016 RECOGNITIONS

Proclamations
• The El Paso City Council proclaimed July 21st as “Higher Opportunities Thrive Day – A Great H.O.T. Day” to recognize the 7th Annual H.O.T. Summer Youth Conference sponsored by the University of Texas at El Paso and HACEP.

Bond Buyer’s 2015 Small Issuer Financing Award
• HACEP was awarded the Bond Buyer’s 2015 Small Issuer Financing Award for the issuance of $125 Million of tax-exempt multi-family housing revenue bonds that are financing the rehabilitation and reconstruction of 1,590 public housing units across 13 multi-family communities. This transaction facilitated the largest Rental Assistance Demonstration (RAD) program financing deal approved by the U.S. Department of Housing and Urban Development (HUD), the largest collection of units bundled into a single “private activity bond” allocation from the Texas Bond Review Board and the largest single issuance of housing tax credits ever approved by the Texas Department of Housing and Community Affairs (TDHCA).

Government Finance Officers Association
• Best Budget Presentation for FY2016.

Smoke-Free Initiative
• Community partner, Paso Del Norte, presented their annual Chester L. Bryant Valor Award to HACEP for launching a Smoke-Free Initiative across its entire public housing portfolio.
• City of El Paso’s Department of Public Health presented HACEP with the Pillars of Public Health Award for its Smoke-Free Initiative.

NAHRO
• Texas NAHRO 2016 Best Annual Report.
• Texas NAHRO 2016 Best Newsletter.
• Southwest NAHRO 2016 Best Newsletter.
• Southwest NAHRO 2016 Special Achievement by an Employee.
• Southwest NAHRO 2016 Best Publication by an Agency.
• Southwest NAHRO 2016 Best Annual Report.
HAC is a wholly-owned subsidiary of HACEP. HAC manages 2,155 Low Income Housing Tax Credit (LIHTC) and Non-Subsidized (or Non-Annual Contributions Contract, Non-ACC) properties. Both programs provide affordable housing to tenants who can afford to pay rents at 60-percent of the area median income (AMI). The LIHTC program is a dollar-for-dollar tax credit in the United States for affordable housing investments. It was created under the Tax Reform Act of 1986 (TRA86) that gives incentives for developers, both public and private, to create affordable housing aimed at low-income Americans. LIHTC accounts for the majority - approximately 90-percent - of all affordable rental housing in the U.S. Making available the equivalent of approximately $8 Billion annually to state and local LIHTC allocating agencies to issue tax credits for the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households. The LIHTC program is the most important resource for creating affordable housing today.

HAC provides property management services to HACEP-owned and non-owned affordable and other multi-family properties, all managed by 41 employees who specialize in the property management, maintenance, and finance fields.

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<td><strong>Western Crosby Ltd.</strong></td>
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<td></td>
<td><strong>Western Eastside Seniors Ltd.</strong></td>
<td><strong>19</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Western Gallagher Ltd.</strong></td>
<td><strong>49</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Western Redd Road Ltd.</strong></td>
<td><strong>30</strong></td>
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<tr>
<td></td>
<td></td>
<td><strong>Western Yarbrough Ltd.</strong></td>
<td><strong>32</strong></td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td></td>
<td><strong>1,055</strong></td>
</tr>
</tbody>
</table>
The Paisano Housing Redevelopment Corporation (PHRC) is HACEP’s first and oldest affiliate, formed in the early 1990s for the development of affordable housing in support of the Housing Authority. PHRC is a non-profit 501(c)(3) instrumentality of HACEP. For the RAD conversion, PHRC’s properties are bundled in the second phase of the conversion, also known as Tranche 2. Tranche 2 will consist of six communities that are all relatively new, so therefore no construction nor refinancing is required. This type of RAD conversion is called a “straight-up” or “clean” conversion. PHRC is waiting to close on all the properties included in Tranche 2 – Paisano Green Community, the ten homes at Medano Heights, the Alamito Place Casitas, Alamito Gardens, Alamito Terrace and Eastside Crossings.

Alamito Terrace
In 2007, PHRC developed Alamito Terrace, a mixed finance property, through Alamito Terrace GP, LLC. PHRC owns a percent of the general partnership of the 76 units in a Low Income Housing Tax Credit real estate/public housing partnership designated for elderly residents. PHRC was also the developer of this property, which was completed in 2010.

Alamito Gardens
In 2007, PHRC developed Alamito Gardens, a mixed-finance property, through Alamito Gardens GP, LLC. PHRC owns a percent of the general partnership of the 142 units in a Low Income Housing Tax Credit real estate/public housing partnership designated for elderly residents. PHRC was also the developer of this property, which was completed in 2011.

Arrowhead Place, LP
In 2013, PHRC acquired the general partnership interest in a limited partnership that owns a 24-unit community. PHRC will provide oversight of financial and operational compliance.

Bienvivir Parkside Seniors
Bienvivir is a 56-unit affordable housing community of which PHRC maintains an investment in this limited partnership.

Chai Manor
In 2013, PHRC purchased a 60-unit senior community. The property is a HUD Section 202 Program that serves as supportive housing for very low-income elderly persons.

Eastside Crossings
In 2012, PHRC developed Eastside Crossings through Eastside Crossings GP, LLC. PHRC owns 100 percent of the general partnership of the 188 mixed-income units. This is El Paso’s first mixed-income, mixed-finance apartment community that features market rate renters living next to middle-income and public housing renters. PHRC is the developer of this project, which was completed in August 2014.

Elvin Estates
In 2012, PHRC developed Elvin Estates with a $1.7 Million grant through the Neighborhood Stabilization Program from the City of El Paso for the construction of this 15-unit community for seniors. Construction of this development was finished in March 2013.

Geronimo Trail Townhomes, LP
In 2013, PHRC acquired the general partnership interest in a limited partnership that owns this 22-unit community. PHRC provides oversight of financial and operational compliance.

Kenworthy
In 2011, PHRC acquired 58 acres of land in the northeast of El Paso at the corner of Stahala Drive and Diana Drive adjacent to Sue Young Park. During 2014, approximately $1 Million was invested for site improvements and the construction of an access bridge for vehicles. This site will be utilized for the development of a mixed-income, mixed-finance community in the future.

Western Sunshine
In 2013, PHRC acquired the general partnership interest in a limited partnership that owns this 36-unit community. PHRC provides oversight of financial and operational compliance.
COMMUNITY SERVICES

A Hand Up
HACEP’s mantra is to “give a hand up, not a hand out” to the families receiving housing assistance. Self-sufficiency programs focus in areas such as job readiness, education and homeownership for El Paso’s underserved communities. The following is a spotlight on some of HACEP’s efforts.

Workforce Solutions Borderplex
HACEP, in partnership with the Workforce Solutions Borderplex group, a privatized employment and job training agency, is able to offer its residents job placement assistance and job readiness classes that focus on everything from application and resume writing to interview preparedness. One such program, Ticket to Success, went mobile last year and brought their resident services to HACEP’s community centers.

Higher Opportunities Thrive (H.O.T.)

Summer Youth Conference
The H.O.T. Summer Youth Conference, a partnership with the University of Texas at El Paso (UTEP), hosts three weekly micro-conferences at UTEP every summer for approximately 300 children ages 10-18 living in HACEP’s housing assistance programs. The program introduces participants to career options available through post-secondary education and exposes them to the academic and social aspects of college.

The Alpha Youth Leadership Academy (AYLA)
In partnership with UTEP, the AYLA is a research-based developmental program that teaches students to become transformational leaders, first by helping them lead themselves. The curricula focuses on building character, essential life skills and leadership. AYLA is a two stage five-year program targeting children in grades 8-10 with a core, community-based program. Stage 2 is during their 11-12th grades where a hands-on academic/research intensive takes place at UTEP. A total of 25 workshops tackle subjects such as life planning, public speaking, entrepreneurship, self-efficacy, the environment and civic engagement.

Homeownership Programs
Part of HACEP’s mission is to help families reach their goals of self-sufficiency. One such path to economic independence and a more stable and healthier life is through homeownership. The Public Housing Family Self-Sufficiency (FSS) program currently has 123 participating families. As the income of families rise while they are living in the public housing program, so does their contribution to their rent in public housing. The amount of the increase in family rent resulting from an increase in earned income is escrowed, which is to be used toward their future down payment on their own home. This past fiscal year 12 families graduated from the FSS program and closed on their own home.

The HCV FSS Homeownership Program, launched in 2003, is a component of the Housing Choice Voucher (HCV) program where participants use their voucher toward their home mortgage payments. HCV allows for 100 families to participate due to the number of vouchers available. As required by the FSS program, residents set five-year goals and once these are achieved, with the guidance and encouragement of their HACEP FSS coordinator, the families graduate to homeownership. In the 2015-2016 budget year, HACEP’s HCV group celebrated the graduation of 13 families to homeownership.

HACEP residents enjoying 2016 Winter Holiday Dinner at St. George Orthodox Church.
The Jurisdiction-Wide Resident Council (JWRC) is one of HACEP’s most important partners as it is comprised of the presidents of all the resident councils. The officers of the JWRC work hand-in-hand with the HACEP Administration to resolve any resident issues and ensure consistent and effective communications of any policy-related initiatives.

From left to right:
Virginia T rejo, Sergeant-at-Arms
Maria Elena Peña, Secretary
Soledad Olivas, Vice President
Susana Herrera, Treasurer

COMMUNITY PARTNERSHIPS

Acevedo, Lorena • Access Wireless • Aguirre, Laura • Aguirre, James • Aliviane, Inc. • Aliviane’s SAFESTART • Alvarez, Emiduno • Amerigroup • Real Solutions • Arambula, Sylvia • Arriaga, Yolanda • Avance El Paso • Baker, Pam • Big Brothers Big Sisters • Bonilla, Irma • Border Network for Human Rights • Boys and Girls Clubs of El Paso • Budget Mobile • Cancer and Chronic Disease Consortium • Carter, Wolf • Center Against Sexual & Family Violence • Central Congregation • Chaparro, Perla • Chavira, Raquel • Child Crisis Center • Children’s Kingdom Learning Center • City of El Paso • Cruz, Francisca • Cupoeando en El Paso, TX • Curiel, Leslie • Department of Public Health • Desert Home Health Care • Diaz, Dolores • Dowell Elementary • EduMobile, Inc. • El Paso Community College • El Paso County Teen Pregnancy Prevention Coalition • El Paso Fighting Hunger • El Paso Fire Department • El Paso First Health Plans • El Paso Diabetes Association • Excel Learning Center • Familias Trunfadoras • Fernandez, Cesar • Fernandez, Maria Elena • fierro, Lucy, Martha Sanchez & Sylvia Hernandez • fierro, Maria de los Angeles • First Baptist Church of El Paso, TX • Teresa Fendi and Company • Flores, Teresa • Gallegos, Leonardo • Garay, Sandra • Dr. Gardner, Pearl • Godinez, James • Gonzalez, Hilda • Gonzalez, Olga • Goss, Helen • Guerra, James • Gutierrez, Hilda and Aixa Adame • Hall, William • Harms, Lana • Harvest • Christian Center • Health Compass • The Health Spot • Herron, Gabrela • Herrera-Villa, Susana • Jeronimo, Mary • Juarez, Alma • King’s Kids El Paso • Laguna, Angelina • Latinitas, Inc. • Quince Project • Latinitas, Inc. • Libre Initiative • Life Wireless • Lopez, Estibaliz • Lozano, Sofia and Beatriz Lozano • Martinez, Araceli • Martinez, Magali • Martinez, Maria • Maximus • Pastor Eliseo Melendez • Modesto Gomez Pantry • Molina Healthcare • Molina, Juan • Monarrez, Blanca • Montes, Maria • Morales, Eva • Muela, Eva • Olivas, Jesus and Elisa Paredes • Ortiz, Manuel and Alicia • Paredes, Elisa • Paredes, Irma • Paseo Christian Church • Paso del Norte Center of Hope • Paul L. Foster School of Medicine • Pena, Rocio, Crystal and Julio Trejo • Polanco, Elodia • ProAction • Project VIDA • Puerta de la Fe • Region 19 Education Service Center • Mi-grant Education Program • Rio Grande Council of Governments • Area Agency on Aging • Rios, Lorena • Rojas, Jessica • Sacred Heart Parish • Sexual Trauma & Assault Response Services • Seventh Day Adventist Church • Smythe, Nancy • SNAP-Ed Nutrition Program • Southwestern Gospel Ministries to Children, Inc. • St. George Orthodox Church • Superior Health Plan • Tapia, Esther • Texas A & M AgriLife Extension • Texas A & M AgriLife Extension Better Living for Texans • Texas A & M University Colonias Program • Texas Medical Care Plans • Texas Tech University Health Sciences • Torres, Lorena • United Health Care • The University of Texas at El Paso • Valle, Ana • Valley Food Pantry • Vasquez, Jose • Vasquez, Lila • Vela, Ricardo • Vidal, Laura • Vino Nuevo de El Paso • Voliar • Watkins, Veronica • Walgreens • Wells Fargo • YWCA El Paso Del Norte Region •
HACEP
TEAM MEMBERS

Acuna, Miguel A. • Adam, Martha • Aguilar, Arturo • Aguilar, Cruz • Aguilar, Gustavo • Aguilar, Germán R. • Aguilar, R. • Agüera, Jerónimo V. • Alanis, Pedro R. • Alonso, José D. • Alónz, Manica N. • Alvarez, Carlos R. • Alvarez, Jose A. • Arnay, Lila R. • Angeles, Claudia E. • Anzaldúa, Adriana • Apadaca, Andrew D. • Apari, Mario E. • Aretano, Matthai • Arrendondo, Rodolfo • Arriaga, Oscar Ariel • Ar- táiyte, Robert • Arzola, Angel E. • Atala, Edie • Avila, Hector M. • Ayala, Zulema Haydee • Ayala, Manuel A. • Ayala, Perla M. • Baca, Carlos J. • Balbuena, Jr., Marcos • Balduf, Christian • Balderama, David • Balderama, Manuel • Baez, Oscar • Beal, Sylvestor • Becerra, Diana • Belaal, Ana M. • Bernal, Ruben • Bersch, Ruth S. • Bhsaker, Sashi • Black, Edward • Bocca, David • Bocca, David • Bocca, David • Bonfils, Denis • Bonfils, Denise • Bonfils, Eric • Bonfils, Julio • Bonfils, Patrícia • Bolter, Johanna C. • Cabanas, Jose Luis • Camacho, Javier C. • Campa, Miguel A. • Cardo, Gabriel • Cantu, Daniel W. • Carrasco, Daniel • Carrasco, Lorena • Carrasco, Oscar M. • Carreño, Jesus • Carrera, Lourdes P. • Carrillo, Claudia • Carrillo, Rodolfo R. • Casas, Jose A. • Castaneda, Eric G. • Castaneda, Sandra J. • Castillo, Jesus A. • Castañas, Carlos • Chacon, Dominic • Chaires, Raymond A. • Chavez, Eduardo • Chávez, Bertha E. • Chavez, Marcelo IVette • Chavez, Michael R. • Cheron, Gerald W. • Cirujano, José A. • Conesa, Victor M. • Concrete, Dante • Conlomar, Jose D. • Colorado, Manuel • Conje, Hector R. • Corana, Marla • Cortez, Alexander • Cortez, Eduardo • Cos, Susana M. • Cotad, Frank Charles • Cox, David Lee • Cruz, Adriana • Cruz, Giberto • Cruz, Juan Cuello • Rubin, Dang • Phue, N. • Davis, Margaret C. • De La Rosa, Rosa • DeSantiago, Nathaniel • Del Palacio, Hector • Del Puerto, Juan R. • Delgado, Jr., Alejandro • Delgado, Claudio I. • Delgado, Monica • Demaso, Miguel • Díaz, Marissa • Diaz, Armando • Diaz, James M. • Diaz, Maria • Diaz, Ramiro A. • Diaz-sullivan, Sylvis • Dominguez, Blanca • Done, Gloria E. • Davenberger, Joseph L. • Díaz, Jorge L. • Duarte, Irma A. • Duarte, Martina • Duran, Michael • Elmendorf, Linda • Ely, Edmund Forrest • Enriquez, Jose A. • Enríquez, Ronald M. • Enriquez, Sergio A. • Escobar, Amanda A. • Escobedo, Enrique • Esquivel, Martha J. • Esquivel, Rita Yolanda • Estrada, Judith • Evans, Michael A. • Flores, Arturo • Flores, Juanita • Flores, Maria C. • Flores, Marco P. • Flores, Veronica • Flores-Simantel, Verónica • Fontes, Hector • Galván, Rísit • Galvez, Sofia • González, Ana K. • Galindo, Marcos • Gallin, Joseph L. • Gambou, Sonia • García Jr., Leopoldo • García, Luis E. • García, Maria • García, Roberto • García, Vanessa • Gardea, Omar A. • George, Pamela R. • Gil, Edward Joseph • Godfrey, Elizabeth B. • Geerter, Alan Dale • Gomez, Alejandro • Gomez, Lourdes • Gomez, Martha E. • Gonzales, Alberto • Gonzales, Adrian • Gonzalez, George E. • Gonzalez, Jose A. • Gonzalez, Nydia • Gonzalez, Salvador • Gonzalez-ortiz, Armesbelle • Garza, James R. • Granados, Rocío • Griffin, Shane B. • Guerra, Patricia • Guerrero, Josefinita • Guerrero, Patricia • Gutierrez, Jr., Raman • Gutierrez, Jose L. • Guzman, Pedro • Guzman, Richard • Gwyn, Gene D. • Heredia, Diana • Herreros, Sergio • Hernandez, Jr., Robert J. • Hernandez, Alejandro • Hernandez, Edward • Hernandez, Fabiola N. • Hernandez, Irma • Hernandez, Jose • Hernandez, Jose Julio • Hernandez, Luis A. • Hernandez, Luz Marcela • Hernandez, Maria A • Hernandez, Miguel A. • Herrera, Alejandro • Herrera, Carrasquillo • Herrera, Carrera, Luis • Herrera, Ricardo • Herrera, Vela • Hiri, Virginia R. • Hinojos, JR, Enrique • Holguin, Jose A. • Huerta, Pedro D. • Huerta, Zulema Ibarra, Enrique • Jacquez, Ricardo • Johnson, Louis • Kelly, Catherine • Klapo, Nicolas Esteban • La, Gisela • Latorre, Laura • Lazaro • Legarett, Soña • Lehman, Jeremy S. • Leon, Carlos • Leyva de Trevizo, Nahum • Lina, Lorena A. • Lopez, Jr., Carlos M. • Lopez, Jesus • Lopez, Jose E. • Lopez, Mariza • Lopez, Monica • Reynoso, Lourdes • Masa, Jose A. • Lucero, Bertha • Lucero, Edgar • Luevano, Santos • Macias, Amanda R. • Macias, Jaime G. • Mace, Ricardo • Magallon, Arturo • Maldonado, Ricardo • Maldonado, Jr., Victor • Malave, Danny W. • Mancha, Victor • Manzano, Carlos • Marquez, Ana L. • Martinez, Martha L. • Martinez, Diana • Martinez, Diana • Martin, Griselda • Martinez, Jose A. • Martinez, Lorena V. • Martinez, Luis F. • Martinez, Michael J. • Martinez, Omar L. • Martinez, Raul F. • Martinez, Rebecca • Martinez, Roberto • Martinez, Sonya E. • Mata, Crystal • McCurn • Mares, Santos L. • Medina, Arturo • Medina, David • Medina, Gregorio • Medina, Sandra • Medrano, Robert • Medenaz, Sergio M. • Mena, Marta C. • Medina, Jesus J. • Mendez, Pablo J. Jr., Mendez, Vanessa • Mendez, Marco E. • Miranda, Edgar • Miranda, Eddie • Miranda, Priscilla • Molina, Armando • Molina, Jose L. • Montelongo, Ramon • Montan, Cynthia M. • Montoya, Hector R. • Montoya, Salvador J. • Mora, Reyna E. • Morales, Carlos • Morales, Ernest • Morales, Gerardo • Morales, Hector • Morales, Judith • Moreno, Ismael • Moreno, Jose Luis • Moreno, Leonardo D. • Mota, Lisa K. • Moya, Roman • Munoz, Felix • Munoz, Jr., Jose • Munoz, Jaime • Munoz, Richard B. • Munoz, Teresa • Munoz, Armando • Navarro, George E. • Nevarez, Cipriano • Nevarez, Liliana • Nieta, David • Nunez, Christopher Brian • Nunez, Jose Luis • O’Brien, Maria Angelica H. • Ochoa, Gerardo • Ornelas, Alicia • Ornelas, Manuel • Ortega, Ramon C. • Ortega, Verónica • Ortiz, Jose L. • Pacheco, Daniel • Pacheco, Miguel A. • Pacheco, Saul • Padilla, Roy • Page, Robert K. • Palomares, Jennifer • Pantayo, Sarah Nicole • Parra, Marisela A. • Parsons, Rex K. • Patino, Anna • Payan, Lilian C. • Pedregal, Albert • Perina, Linda A. • Perles, Luis Ruben • Perez, Andrea • Perez, David • Perez, Lizyl • Perez, Maria J. • Pieter, Lizyl • Pizzaro, Guiller • Pizarro, Lucia M. • Ponce, Rasauna N. • Porras, Robert P. • Porité, Ashley N. • Portila, Rosalinda • Portila, Sonia • Prieto Jr., Manuel • Provenghi, Arthur S. • Pulido, Juan • Quezada, Lourdes P. • Ramirez, Lucia G. • Ramirez, Nicole O. • Ramirez, Sarina Leon • Ramos, Juan M. • Rangel, Alonzo • Rivas, Alfredo • Remenda-Arias, Claudia L. • Reveles, Tomas • Rey, Laura • Reyes, Lila V. • Reyes, Miguel B. • Reyes, Nancy • Reyes, Raul R. • Reza, Elizabeth N. • Reza, Graciela • Reza, Manuel • Rivas, Fabiola • Rivera, Dolores • Rivera, Lorena • Rivera, Maria • Robles, Arturo • Robles, Giberto • Rocha, Arciley • Rodriguez, Jr., Bernardo • Rodriguez, Eugene • Rodriguez, Grace • Rodriguez, Jasmine • Rodriguez, Jesus P. • Rodriguez, Oliva • Rodriguez, Pablo • Rodriguez, Pedro J. • Rodriguez, Sylvia A. • Rodriguez, Veronica • Royas, Alfonso E. • Rojas, Gustavo A. • Rómero, Alejandro • Rómero, Christina • Romero, Veronica • Rono, Ann • Ruiz, Ernesto R. • Saenz, Aracely G. • Salas, Armando • Salcedo, Joshua A. • Salinas, Samuel M. • Salinas, Rocío • Sampay, Glenn • Sanchez, Rene A. • Sara, Madeleine • Sarra, Hannah • Sarrica, Joseph • Schneider, John C. • Seges, Richard A. • Sifuentez, Juan R. • Silva Ernesto • Silva, Oscar • Smith, David F. • Smith, Elizabeth A. • Solis, Diego • Solis, Melissa A. • Soto, Caritas • Soto, Norma • Talavera, Luis • Tapia, David • Tellez, Hugo F. • Terrazas, Jonathan • Tobas, James • Torres, Bridgette D. • Torres, Jorge G. • Torres, Marcos • Torres, Maria Louisiana • Torres, Miguel A. • Torres, Sandra R. • Trejo, Ruben • Ulloas, Enrico • Ulloas, Melissa T. • Valdivia, Julie S. • Valencia, Juan Valles, Karyn • Vara, Norma B. • Varela, Antonia • Vergas, Luis • Vásquez, Gabby • Vásquez, Juan D. • Vasquez, Sergio R. • Vázquez, Jorge • Vega, Mariana • Velerizo, Lizette • Velasquez, Roman Balthazar • Verdezco, Alfonsito L. • Vich, Antona • Villane, Maria A. • Villaseñor, Guillermo • Villegas, Jose M. • Villegas, Ismael • Vizcaino, Myrna • Wiesinger, Lucia R. • Wang, Jose E. • Yo- der, Berenice • Zamora-Chaffman, Lesse • Zamudio, Sandra • Zavala, Raul • Zeigler, William • Zentgelis, Dolly I. • Zubi, Ramon
## FINANCIAL STATEMENTS
### Statements of Net Assets

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<thead>
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<th>Year ended June 30 (in thousands)</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
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<tr>
<td><strong>Assets</strong></td>
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<tr>
<td>Current Assets</td>
<td>$73,999</td>
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<td>$74,461</td>
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<td>Other Assets, non-current</td>
<td>211,211</td>
<td>196,542</td>
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<td>Capital Assets, net</td>
<td>216,906</td>
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<td><strong>Total Assets</strong></td>
<td>$622,928</td>
<td>$615,303</td>
<td>$239,650</td>
</tr>
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</table>

| **Liabilities**                   |      |      |      |
| Current Liabilities               | 10,726 | $9,364 | $6,090 |
| Noncurrent Liabilities            | 298,493 | 303,236 | 18,287 |
| **Total Liabilities**             | $309,219 | 312,600 | 24,377 |

| **Net Assets**                    | $313,709 | 302,703 | 215,273 |
| **Total Liabilities & Net Assets**| $622,928 | $615,303 | $239,650 |

*Liabilities and Net Assets (in Millions)*

- **2014**: $240
- **2015**: $615
- **2016**: $623
## STATISTICS OF
Revenue, Expenses and Changes in Net Assets

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<thead>
<tr>
<th>Year ended June 30 (in thousands)</th>
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</thead>
<tbody>
<tr>
<td><strong>Operating Revenue</strong></td>
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<tr>
<td>Dwelling Rental</td>
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<tr>
<td></td>
</tr>
<tr>
<td>Federal, State and Local Grants</td>
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<tr>
<td>Other Revenues</td>
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<td><strong>Total Operating Revenues</strong></td>
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<tr>
<td><strong>Expenses</strong></td>
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<td>Operating Expenses</td>
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<tr>
<td>Depreciation Expenses</td>
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<td>Housing Assistance Payments</td>
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<td><strong>Total Expenses</strong></td>
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<td><strong>Operating Profit (Loss)</strong></td>
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<td><strong>Non-Operating Revenues</strong></td>
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<td>(Expenses), Net</td>
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<td><strong>Net Income (Loss) Before Capital</strong></td>
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<td>Grants</td>
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<td>Capital Grants</td>
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<tr>
<td><strong>Increases in Net Assets</strong></td>
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<tr>
<td>Net Assets, Beginning of Year</td>
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<td><strong>NET ASSETS, END-OF-YEAR</strong></td>
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## STATEMENTS OF Cash Flows

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<th>Section</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
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<tbody>
<tr>
<td>Cash Flows Provided by Operating Activities</td>
<td>$21,142</td>
<td>17,767</td>
<td>$10,081</td>
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<td>Cash Flows used by Capital &amp; Related Financing Activities</td>
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<td>123,524</td>
<td>346</td>
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<td>Cash Flows Provided (Used) by Investing Activities</td>
<td>154</td>
<td>(62,427)</td>
<td>(2,771)</td>
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<td>Net Increase in Cash</td>
<td>(22,397)</td>
<td>78,864</td>
<td>7,656</td>
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<td>Cash and Cash Equivalent, Beginning of Year</td>
<td>157,201</td>
<td>78,338</td>
<td>70,681</td>
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<tr>
<td>Cash and Cash Equivalents, End-of-Year</td>
<td>134,804</td>
<td>157,202</td>
<td>$78,337</td>
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## CAPITAL ASSETS

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<th>Asset Category</th>
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<th>2015</th>
<th>2014</th>
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<td>Land</td>
<td>$27,584</td>
<td>$27,616</td>
<td>$31,384</td>
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<tr>
<td>Building and Improvement</td>
<td>221,500</td>
<td>249,358</td>
<td>313,779</td>
</tr>
<tr>
<td>Furniture and Equipment</td>
<td>11,526</td>
<td>11,987</td>
<td>14,040</td>
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<tr>
<td>Construction In Progress</td>
<td>11,728</td>
<td>7,479</td>
<td>7,950</td>
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<tr>
<td><strong>Total Capital Assets</strong></td>
<td>272,338</td>
<td>296,440</td>
<td>385,153</td>
</tr>
<tr>
<td><strong>Less Accumulated Depreciation</strong></td>
<td>(192,027)</td>
<td>(201,541)</td>
<td>(258,486)</td>
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<tr>
<td><strong>Capital Assets, Net</strong></td>
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<td>$94,899</td>
<td>$126,667</td>
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