Special thanks to the Graphic Design Department at the University of Texas at El Paso
Designer: Anna Patiño / Art Director: Clive Cochran
Top Ten Facts

- HACEP is converting and renovating 6,100 Section 9 Public Housing units to Section 8 Project Based Rental Assistance through the Rental Assistance Demonstration (RAD) Program, making HACEP the largest public housing authority to convert its entire portfolio in the United States.

- HACEP operates 6,500 public housing and new construction units, 5,600 Housing Choice Vouchers, and more than 2,000 tax credit and non-subsidized units.

- HACEP serves 40,000 low-income El Pasoans, or 6 percent of the city’s population, through our housing assistance programs.

- HACEP is the largest public housing authority in Texas and the 14th largest in the United States based on our number of public housing units.

- HACEP has achieved “High Performer” status every year since 2003 from the U.S. Department of Housing and Urban Development.

- HACEP infuses more than $90 million into the local economy through its construction and modernization projects, payments to private landlords who participate in the Housing Choice Voucher Program and through the salaries and benefits to our valued employees.

- HACEP provides more than a hand out, but a hand up through its homeownership and Family Self-Sufficiency Programs. Since 2003, more than 200 HACEP families have closed on their own home. In addition, thousands of individuals have attained their GED, learned English as a Second Language, and have attained sustainable employment.

- HACEP employs 400 dedicated employees ranging from professional executives to well-trained craftsmen.

- HACEP is one of the most financially sound public housing authorities in the U.S. and has earned an unqualified financial audit with no findings for the past four consecutive years.

- HACEP provides 204 HUD-VASH Vouchers and 15 Shelter Plus Care units for homeless veterans, 22 Shelter Plus Care units for chronically homeless disabled civilians and 50 units for domestic farm laborers.
**Vision**

To be the premier provider of affordable housing in the United States by driving exceptional value for our federal tax payers and investors and through exceptional customer service to our residents, clients, partners, stakeholders, and employees.

**Mission**

The mission of the Housing Authority of the City of El Paso is to provide safe, decent, and affordable housing to assisted families living at or below 80 percent of the area median income.
# Table of Contents

- Mayor's Message ................................................................. 2
- Chairman's Message ............................................................. 3
- CEO Message ........................................................................ 4
- HACEP Leadership ............................................................... 5
- Rental Assistance Demonstration (RAD) .................................... 6
- Accomplishments ................................................................. 10
- HACEP Acquisition Corporation ............................................. 12
- Paisano Housing Redevelopment Corporation ....................... 13
- HACEP Employees ............................................................... 14
- Providing a Hand Up .............................................................. 15
- Community Partners ............................................................ 16
- Financial Statements ............................................................. 17
Mayor’s Message

As part of my “El Paso is Open for Business” campaign, I have taken a multi-pronged approach to growing the El Paso economy. One of the components to this effort is attracting new businesses to our region. Since I took office in May 2013, we have created 5,000 new jobs and attracted numerous new businesses to relocate to El Paso. Our geographic location, educated and skilled workforce, and low cost of doing business are just a few of the numerous tools our region has to compete across the globe to bring jobs and business to El Paso.

But there are a number of factors that influence the decision among corporate executives to move their families to El Paso. They are not only buying homes and living in the city, but also they will eat, shop and play all across the region. El Paso’s quality of life continues to prosper each and every day and is one of the many reasons corporations from around the world are attracted to our region. From our new Triple-A ballpark, the investment through the quality of life bond projects and the renovation of all of our City’s public housing communities through the Rental Assistance Demonstration Program, the City of El Paso continues to show the world that we have plenty to offer. As a community, we must continue to look at the big picture.

HACEP is doing just that. By aligning their operational decisions to Plan El Paso, we are just now beginning to accomplish our strategic initiative to revitalize neighborhoods within our City’s urban core. As HUD transfers ownership of the public housing units to HACEP, we can now leverage these assets to raise significant capital to reinvest into the units and create some of the most energy efficient affordable housing in the United States. Through additional tax credits through the State of Texas, our City’s oldest housing will be transformed into beautiful communities that will breathe fresh life into our neighborhoods and create more economic opportunities. These renovated apartment communities will also enhance the City’s quality of place and make El Paso an even more attractive decision for major corporations and their families to call El Paso home.

Everyone at HACEP has a deep passion to fulfill the mandates of their mission to provide safe, decent, and affordable housing to nearly 40,000 El Pasoans every day. Through its consistent recognition as a High Performer by HUD, its solid financial performance and headline development efforts, HACEP has raised the bar among its industry peers and placed El Paso on the map of affordable housing excellence.

As El Paso continues its multi-year trend as being the safest large city in the nation, the City of El Paso reaffirms the value of services provided by HACEP and looks forward to our continuing partnership in making El Paso a place we are all proud to call home.

Sincerely,

Oscar Leeser
Mayor of the City of El Paso
Chairman’s Message

It has been my privilege to serve as the Chair of the HACEP Board of Commissioners since 2008. Over these last several years, I have seen firsthand the impact that this public housing authority, now the 14th largest in the nation, affects the lives of so many El Pasoans. I have seen remarkable improvements in the way the staff and administration handle the day-to-day operations, I have witnessed record numbers of residents close on their own home. And I have seen how industry leaders are turning their heads to El Paso for answers to the big questions that affect the other 3,100 public housing authorities in the country.

This past year was filled with a number of accomplishments that are worth celebrating. HACEP’s first mixed income, mixed finance community was delivered on time and on budget. Eastside Crossings is HACEP’s first engagement with a 9 percent tax credit secured through the Texas Department of Housing and Community Affairs. It features 64 public housing units, 79 affordable units, and 45 market rate units all built to LEED Silver equivalent standards. With a pool, two covered playgrounds, covered parking, walking trails, and a fitness center, this property is a shining example of the new form of affordable housing for the Sun City.

Another accomplishment is HACEP’s exceptionally strong current ratio on its balance sheet. Despite the shrinking Federal budget, HACEP continues to have one of the strongest balance sheets in the industry. Through fiscally prudent cash management strategies and wise investments, HACEP is leading the way to do more with less while maintaining its solid financial foundation. This due diligence also earned enabled HACEP to receive an unqualified audit with no management findings for the fourth year and earned Excellence Award for 2014 Annual Budget from the Government Finance Officers Association.

Finally, HACEP has taken the bold step to engage in the Rental Assistance Demonstration, or RAD, to convert 6,100 public housing units from the conventional Section 9 public housing to Section 8 project-based rental assistance. In April 2015, HACEP began relocating residents out of their units to invest approximately $500 million in rehabilitation and reconstruction projects. When everything is complete in 2019, HACEP and the City of El Paso will have some of the highest quality affordable housing in the United States. These efforts will also ensure the agency’s survival for at least the next 40 years. This is truly a bold project and the Board of Commissioners are very confident in the ability of the staff and the communication and partnership with our residents to ensure our collective success.

In closing, I thank Kevin Quinn and Lupita Licerio for their years of service as Commissioners on the HACEP Board. Together, the three of us successfully completed the terms of our Mayoral appointments and we have accomplished a lot. Together with Burt Blacksher and Francisco Ortega, we are confident that the new Board of Commissioners will ensure the sustainability of HACEP for generations to come.

Sincerely,

Joe Fernandez
Chair of the HACEP Board of Commissioners

[signature]
CEO Message

With 6,081 public housing units in active service, HACEP is now the 14th largest housing authority in the country. While part of the reason for HACEP’s growth is a result of bringing new public housing units online, including Eastside Crossings, our increased size is unfortunately more closely tied to the loss of public housing units in other parts of the country. Each year, approximately 10,000 public housing units are lost due to inadequate fund levels from Congress to HUD. According to the Council of Large Public Housing Authorities, there is at least a $26 billion backlog of capital needs in the 1.1 million public housing units across the country. For the 2014 budget, however, Congress appropriated $1.9 billion for capital improvements. While this is a slight increase from the previous year, it is not sufficient to address the backlog in a meaningful and long lasting way. How is HACEP, let alone all of the other 3,100 public housing authorities in the U.S., going to address such a gap?

The answer for HACEP is the Rental Assistance Demonstration (RAD) Program. On December 16, 2013, HUD approved our application to convert 6,100 Section 9 public housing units to Section 8 project based rental assistance units through RAD. This allows us to leverage private capital to address properties’ capital backlog and fund a capital replacement reserve for future repair and replacement needs. Since Congress approved 60,000 public housing units for RAD in FY2012, HACEP is the largest public housing authority to convert its entire public housing portfolio and all eyes are on us. Beginning in January 2015, HACEP will start investing $500 million to rehabilitate and rebuild our units over the next four years into some of the highest quality and most energy efficient affordable housing in the U.S. This, of course, will require the partnership and patience of our 20,000 residents as we temporarily relocate them to other public housing units while we spend anywhere from $35,000 to $80,000 per unit to eliminate asbestos, replace deteriorated duct work, switch from evaporative coolers to refrigerated air units, and install new cabinetry and Energy Star appliances.

This is a massive undertaking. Fortunately, we are ready, our residents are ready, our City and County are ready, and HUD is ready for us to set our course on a sustainable trajectory for the next 40 years and lead the nation in transforming public housing as we know it. In the meantime, we will continue to focus on our customer service, eliminate inefficient business processes, and hire, train, and retain the best housing authority workforce anywhere in the country.

As you read through this annual report, I hope that you gain renewed insight into an organization that has been and will always be committed to our mission by serving others in need with compassion while taking great pride in our recognition as one of the largest and highest performing housing authorities in the United States.

Sincerely,

Gerald W. Cichon
Chief Executive Officer

Housing Authority of the City of El Paso
HACEP Leadership

Board of Commissioners

Burt Blacksher  
Vice Chair

Lupita Licerio  
Resident Commissioner

Francisco Ortega  
Commissioner

Kevin Quinn  
Commissioner

Executive Staff

Satish Bhaskar  
Chief Financial Officer

Daniel Cantu  
Chief Information Officer

Hector Montoya  
General Manager of HAC

William Zeigler  
Chief Human Resources Officer

Frank Cota  
Director of Strategic Initiatives

Huu Dang  
Director of Finance

Ed Gill  
Director of Construction

Shane Griffith  
Public Information & Government Relations Officer

Juan Olvera  
Director of Development & Capital Projects

Art Provenghi  
Legal Counsel

Lorena Rivera  
Director, Housing Choice Voucher Program

Roman Velasquez  
Director of Public Housing
RAD Construction Timeline

- **Tranche T 4% Construction Period from April 2015 - Dec 2016 TOTAL UNITS 177**
  - Rio Grande 66 units, Father Pinto 113 units, Graham 63 units, Williams 24 units and Robinson 184 units. Construction March 2015 – February 2017 –TOTAL UNITS 450–

- **Tranche T 9% Krupps 96 Units Construction Period from Aug. 2015 – Dec 2016 –TOTAL UNITS 177–
  - Salazar 286 Units, Cramer 144 Units, Guillen Units, Guillen 130 Units and Pooley 139 Units Construction Period from March 2016 thru February 2018 –TOTAL UNITS 699–

- **Tranche T 9% Tays 81 Units**

- **DeWetter 91 Units, Sun Plaza 330 Units, Martin Luther King 152 Units and Sandoval 224 Units Construction Period from Dec. 2015 thru Dec. 2017–TOTAL UNITS 797–


- **Kathy White 8 Units**
  - Construction period from December 2014 - Nov 2016

- **Alamito Terrace, Alamito Gardens and Eastside Crossings Tranche Phase II 282 Units No Construction**

- **Alamito Terrace, Alamito Gardens and Eastside Crossings Tranche Phase II 282 Units**

- **Eisenhower 66 Units, Scattered Sites 146 Units, Sherman 324 Units, Tays 278 Units, Gonzales 36 Units, Scattered Sites 55 Units, Machuca 122 Units and Scattered Sites 10 Units Construction period July 2016 – June 2018 –TOTAL UNITS 1037–

- **RAD Construction Timeline as of February 13, 2015.**
Rental Assistance Demonstration (RAD)

What is RAD?
The Rental Assistance Demonstration (RAD) program was created to give public housing authorities (PHAs) a powerful tool to maintain and improve public housing properties. RAD addresses the $26 billion build-up of uncompleted maintenance services in our country, and also gives owners of the Department of Housing and Urban Development (HUD) “legacy” programs (Rent Supplement, Rental Assistance Payment, and Section 8 Moderate Rehabilitation) the opportunity to enter in long-term contracts that help ease the financing of property improvements.

RAD is here to make sure that the Housing Authority of the City of El Paso (HACEP) continues serving the people in our community who need us most. Approximately 17,000 public housing residents rely on HACEP’s ability to provide safe and affordable housing. Of those 17,000, more than 10,000 are classified as extremely low income, and 2,300 are senior citizens. HACEP has seen an $18 million lack of funds since 2008.

RAD’s Major Accomplishments

1. Enables PHAs to leverage public and private debt to reinvest in public housing properties and attend the $26 billion build-up of uncompleted maintenance services in the U.S.

2. Moves housing properties to a Section 8 program (Housing Choice Voucher) with a long-term contract that must be renewed by law. This ensures that all properties remain permanently affordable to low-income households.

3. Allows residents to keep paying 30% of their income as rent and maintain the same basic rights of their current public housing program.

4. Continues public care of all improved properties with clear rules on continuous ownership and use.

5. Maintains the exact same costs without increasing HUD’s budget. This program simply moves housing properties from the public program to the Section 8 program. In this way, providers can leverage private capital markets to make improvements.

6. Makes improvements to all housing properties, based on each property’s age and design. The following improvements apply to all properties:
   a. Permanently remove all asbestos (if present)
   b. Kitchen and bathroom upgrades
   c. Replace old ventilation shafts and ducts behind walls
   d. Replace old electrical, plumbing, and lighting systems
   e. Replace appliances with new Energy Star certified ones
   f. Install more energy efficient insulation, windows, and doors (if necessary)
   g. New landscaping and playgrounds
   h. Install new property signs
   i. Resurface parking lots
   j. Improve public area lighting

Alexis Alonso Lopez, Onward We Go!
Third Place Winner in the 2014 HACEP Art Competition.
The Background

Rental Assistance Demonstration (RAD) is a Housing and Urban Development (HUD) initiative to convert Public Housing into Project Based Section 8. This was in response to address the over $26 billion in capital improvement that is desperately needed across the country. Under RAD, HUD transfers ownership of the existing properties, and provides Project Based Housing Assistance Payment contract for twenty years, with renewal for another twenty. This provides Housing Authorities to leverage financing to rehabilitate the property, which is a HUD requirement.

Initially HUD allocated 60,000 vouchers across the county. When the deadline passed, only 15,000 of the 60,000 vouchers were awarded. HUD then removed the 1,000 voucher restriction per Housing Authority. This is when HACEP applied for the CHAP for its entire portfolio. HUD awarded HACEP the single largest portfolio wide RAD award in the United States. Since then, the demand of RAD has increased and HUD has allotted 185,000 vouchers nationwide.

Opportunity

HACEP had conducted a Physical Needs Assessment (PNA) assistance several years ago and estimated that we would require approximately $50 million in funds to upkeep the currently portfolio, some of which we built in the 40s and 50s. This would have taken 20 years to fix, based on the current capital funding. HACEP’s decision to convert to RAD provides the following benefits:

• Guaranteed funding for the next forty years
• Opportunity to modernize our aging housing stock
• Comply with current accessibility requirements
• Leverage building and funding to obtain financing for modernization

• Increase the quality of life for our residents
• Infuse $600-$800 million to the local economy, with no tax payer dollars

Challenges

• Mobilizing the resident to support RAD and explain their long term benefits
• Generating vacancies to provide temporary housing to current residents during construction
• The logistics of physically moving 20,000 residents
• Catering to the special needs of our senior and handicap residents
• Minimizing the disruption to the normal life of the residents—schools, medical needs, etc.
• Complementing the construction in five years are required by HUD
• Adapting to a business centric model

Timeline

HACEP is required to complete the renovation within five years. Because of the size of the project, we will be phasing the project into several tranches. The construction of Tranche 1 with 1590 units is expected to commence in early April. The remaining properties will be constructed between 2016-2018.

Conclusion

This initiative will radically change HACEP. The introduction of newly built or renovated properties will provide a green, environmentally clean and sustainable housing for our residents for the next forty years. In keeping with the City of El Paso’s development plan, this project will remove blight and increase the quality of life of people of the City of El Paso at large.
Paisano Green Community after reconstruction.

Eisenhower Playground after reconstruction.
2014 Accomplishments

Whether it’s maintaining our high performance status in 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 programs and initiatives, HACEP works hard every day to deliver the most effective and efficient service to all of our clients, residents, business partners, and stakeholders. These accomplishments are a reflection of the efforts of the staff who dedicate their professional lives to serving El Paso’s economically-challenged residents.

• Unqualified audit with no findings or questioned costs for fourth consecutive year.
• Agency Net Assets increased by $5.7 million.
• Improved on-time payments to vendors by 25 percent.
• Automated 88 percent of HCV Landlord payments to direct deposit.
• Reduced workers compensation claims by 35 percent.
• Created three new corporate entities:
  • Affordable Housing Ventures
  • Affordable Housing Enterprises
  • El Paso RAD I, Inc.
• Received 34 additional HUD-VASH vouchers for a total of 204, 182 of which are leased.
• Training all public housing property managers to receive Management Occupancy Specialist, Low-Income Housing Tax Credit, and Accredited Residential Manager certification to comply with all Project-Based Rental Assistance and Low-Income Housing Tax Credit requirements.
• Grand Opening of Eastside Crossings.
• New HACEP Website, Landlord Portal, and Tenant Portal.
• Open House at HACEP for 14 Public Housing Authorities.

PHAS Scores

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>96</td>
<td>95</td>
<td>93</td>
</tr>
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</table>
### 2014 Awards

#### National Association of Housing and Redevelopment Officials

- Award of Merit and Award of Excellence for the eHACEP electronic document management system.
- Award of Merit for the Alpha Youth Leadership Academy.

#### National Association of Housing and Redevelopment Officials – Southwest Chapter


#### Government Finance Officers Association

- Distinguished Budget Presentation Award for 2014 Budget.

#### American Institute of Architects - Western Mountain Region Council

- Citation Award for the Paisano Green Community.

#### Public Relations Association of the Southwest

- Honorable Mention: Special Event for the 75th Anniversary Gala of HACEP.

### SEMAP Scores

<table>
<thead>
<tr>
<th>Year</th>
<th>Score</th>
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<tbody>
<tr>
<td>2011</td>
<td>100</td>
</tr>
<tr>
<td>2012</td>
<td>93</td>
</tr>
<tr>
<td>2013</td>
<td>90</td>
</tr>
</tbody>
</table>

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Grand Opening of Eastside Crossings, August 14, 2014.

HACEP Mayoral Proclamation for Homeownership, December 9, 2014.
HACEP Acquisition Corporation (HAC)

The Housing Acquisition Corporation, or HAC, is a wholly-owned subsidiary of HACEP. HAC manages 1,690 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 or below 60 percent of the area median income. 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 approximately 90 percent of all affordable rental housing created in the United States today.

The primary goal of HAC is to provide property management services to owned and non-owned affordable and other multi-family properties. HAC is managed by a professional team of 41 employees who specialize in the property management, maintenance, and finance fields.

HAC currently invests through a limited partnership with the following entities, each of which has a property of the same name:

<table>
<thead>
<tr>
<th>Name</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bienvivir Parkside Ltd.</td>
<td>56</td>
</tr>
<tr>
<td>Cedar Oaks Ltd.</td>
<td>160</td>
</tr>
<tr>
<td>Meadowbrook Townhomes Ltd.</td>
<td>25</td>
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<tr>
<td>North Mountain Ltd.</td>
<td>200</td>
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<tr>
<td>Saul Kleinfeld Ltd.</td>
<td>30</td>
</tr>
<tr>
<td>Western Pebble Hills Ltd.</td>
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<tr>
<td>Western Pellicano Ltd.</td>
<td>30</td>
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<tr>
<td><strong>Total:</strong></td>
<td><strong>531</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Entity</th>
<th>Units</th>
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<tbody>
<tr>
<td>Alamito Terrace</td>
<td>76</td>
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<tr>
<td>Alamito Gardens</td>
<td>142</td>
</tr>
<tr>
<td>Chai Manor</td>
<td>60</td>
</tr>
<tr>
<td>Desert Sun</td>
<td>28</td>
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<tr>
<td>Elvin Estates</td>
<td>15</td>
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<tr>
<td>Kennedy Brothers</td>
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<tr>
<td>Las Casitas</td>
<td>5</td>
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<tr>
<td>Lee Seniors Ltd.</td>
<td>19</td>
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<tr>
<td>Lomaland Townhomes</td>
<td>14</td>
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<tr>
<td>Orchard</td>
<td>4</td>
</tr>
<tr>
<td>Sitgraves</td>
<td>3</td>
</tr>
<tr>
<td>St. Johns</td>
<td>12</td>
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<tr>
<td>Villa Alegre</td>
<td>369</td>
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<tr>
<td>Western Burgundy Ltd.</td>
<td>64</td>
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<td>Western Carolina Ltd.</td>
<td>56</td>
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<td>Western Crosby Ltd.</td>
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<td>Western Eastside Seniors Ltd.</td>
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<tr>
<td>Western Gallagher Ltd.</td>
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<tr>
<td>Western Redd Road Ltd.</td>
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<tr>
<td>Western Yarbrough Ltd.</td>
<td>32</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>1,055</strong></td>
</tr>
</tbody>
</table>

HAC also provides property management services to the following non-owned tax credit and market rate properties, each of which has a property of the same name:
Paisano Housing Redevelopment Corporation

The Paisano Housing Redevelopment Corporation (PHRC) is a non-profit 501(c)(3) instrumentality of HACEP.

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 apartment community for seniors. Construction of this project was finished in March 2013.

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

Kenworthy
In 2011, PHRC acquired 58 acres of land in Northeast 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 improvement 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, LP
In 2013, PHRC acquired the general partnership interest in a limited partnership that owns a 36-unit community. PHRC will provide oversight of financial and operational compliance.
HACEP Employees

Miguel A. Acuna • Martha Adame • Arturo Aguilar • Cruz Aguilar • Gustavo Aguilar • German R. Aguiler • Jacqueline V. Aguiler • Pedro R. AIlen • Jose D. Alonso • Monica N. Alonzo • Alma R. Alvarado • Antonio Alvarez • Carlos R. Alvarez • Lilia R. Anaya • Victor M. Arambula • Martha Arrillano • Rodolfo Arredondo • Oscar Arriaga • Miguel A. Avalos • Eddie Avala • Hector M. Avila • Manuel A. Ayala • Carlos J. Bacca • Robert Bagby • Bertha Balderama • Marcos Balbuena Jr. • Christian Balderrama • David Balderrama • Roberto Barren Jr. • Sandra Barron • Oscar Beanes • Sylvia Beard • Adriana Bermea • Ruben Bernal • Ruth S. Bersch • Satish Bhaskar • R. Anaya • Victor M. Arambula • Martha Arellano • Rodolfo Arredondo • Oscar E. Bustillos • Julio Bustillos • Rafael Castillo • Jose L. Cabral • Jose Luis Cabrales • Berta Camacho • Laura A. Camarillo • Miguel A. Campa • Gabriel Candia • Daniel W. Cantu • Martin R. Cardenas • Daniel Carranco • Lorena Carrasco • Oscar M. Carrasco • Jesus Carrejo • Lourdes P. Carrera • Claudia Carrillo • Grace Carrillo • Rodolfo R. Carrillo • Jose A. Casas • Eric G. Castaneda • Jose Castanon • Jesus A. Castillo • Carlos Cazes • Raymond A. Chaires • Fernando J. Chasco • Adam Chavez • Bertha E. Chavez • Manuel Chavez • Marcela Ivette Chavez • Michael R. Chavez • Gerald W. Cichon • Jose A. Cintron • Victor M. Cisneros • Jose D. Colmenero • Manuel Colorado • Hector R. Conejo • Maria Corona • Alexandra Cortez • Eduardo Cortez • Susana M. Cos • Frank Charles Coro • Gilberto Cruz • Ruben Cueto • Phoe H. Dang • Margaret C. Davis • Sonia De La Cruz • Oscar De La Rosa • Hector Del Palacio • Juan R. Del Rivero • Claudia I. Delgado • Alejandro Delgado Jr. • Monica Delgado • Armando Diaz • Jaime M. Diaz • Mario Diaz • Ramiro A. Diaz • Sylvia Diaz-Striplin • Yolanda Dion • Blanca Dominguez • Ricardo Dominguez • Gloria E. Dure • Joseph L. Dovenbarger • Jorge L. Dozal • Irma A. Duarte • Gaylynn S. Duran • Michael A. Duran • Linda Elmendorff • Edmund Forrest Ely • Manuel E. Encina • Jose A. Enriquez • Amanda Zita Escobar • Martha J. Esquivel • Rita Yolanda Esquivel • Judith Estrada • Michael A. Evans • Hector Fuentes • Godofredo Faudoa • Arturo Flores • Ezequiel Flores • Juana Flores • Maria C. Flores • Mario E. Flores • Veronica Flores • Rita Galaviz • Marcos Galindo • Jose L. Gallinar • Sonia Gamboa • Leopoldo Garcia Jr. • Jose M. Garcia • Karyn Garcia • Luis E. Garcia • Maria Garcia • Roberto Garcia • Rodolfo Garcia • Vanesa Garcia • Omar A. Gardea • Ricardo S. Gaytan • Pamela R. George • Edward Joseph Gill • Alejandra Gomez • Jose L. Gomez • Martha E. Gomez • Alberto Gonzales • Adrian Gonzalez • George E. Gonzalez • Jose A. Gonzalez • Nydia Gonzalez • Salvador Gonzalez • Annabelle Gonzalez-Ortiz • James R. Grado • Rocio Granados • Shane B. Griffith • Patricia Guerra • Josefinna Guerrero • Jose L. Gutierrez • Ramon Gutierrez Jr. • Richard Guzman • Gene D. Gwyn • Diana Heredia • Sergio Hermesdorf • Alejandro Hernandez • David Hernandez • Edward Hernandez • Robert J. Hernandez Jr. • Luis A. Hernandez • Maria A. Hernandez • Maria Luisa Hernandez • Miguel A. Hernandez • Veronica A. Hernandez • Casandra R. Herrera • Luis Herrera • Ricardo Herrera • Virginia R. Hill • Enrique Hinojos Jr. • Jose A. Holguin • Pedro D. Huerta • Zulema Huerta • Enrique Ibarra • Ricardo Jacquez • Azael Jimenez • Louis Johnson • Gilberto Laca • Sonia Legarreta • Jeremy S. Lehman • Carlos Leon • Nohemi Leyva de Trevizo • Lorenzo A. Lira • Jesus J. Lopez • Jose E. Lopez • Carlos M. Lopez Jr. • Mariza Lopez • Martin Loya • Alfredo Lozano • Jose A. Lozano • Bertha A. Lucero • Edgar Lucero • Santos Luevanos • Amanda R. Macias • Jaime G. Macias • Ricardo Maese • Arturo Magallones • Ricardo Maldonado • Victor Maldonado • Victor Mancha • Carlos Manzano • Monica Marin • Ana L. Marquez • Martha L. Marruo • Griselda Martinez • Jose A. Martinez • Luis F. Martinez • Michael J. Martinez • Omar L. Martinez • Raul L. Martinez • Rebecca Martinez • Roberto Martinez • Sonya E. Martinez • Alfredo Masconro • Santos L. McGunnies • Arturo Medina • David Medina • Gregorio Medina • Sandra Medina • Robert Medrano • Sergio M. Melenzar • Marta C. Men • Jesus J. Mendez • Pablo Jr. Mendez • Edgar Medinazo • Eduardo Miranda • Priscilla Miranda • Armando Molina • Jose L. Molina • Roman Montelongo • Raul G. Montes • Martín J. Montez • Cynthia M. Montson • Hector R. Montoya • Salvador J. Montoya • Reyna E. Mora • Carlos Morales • Ernest Morales • Gerardo Morales • Hector Morales • Judith Morales • Nadia P. Morales • Jose Luis Moreno • Leonardo D. Moreno • Lisa K. Mota • Roman Moya • Felix Muniz • Jaime Munoz • Jose Munoz Jr. • Robert M. Munoz • Armando Munoz • Sergio L. Nahle • Teresa Nanez • George E. Navarro • Cipriano Nevarez • David Nieto • Jose L. Nunez • Maria Angelica H. O’Brien • Gerardo Ochoa • Juan A. Olivera • Alicia Ornelas • Manuel Ornelas • Ramon C. Ortega • Veronica Ortega • Jose Jr. A. Ortiz • Jose L. Ortiz • Daniel Pacheco • Miguel A. Pacheco • Saul Pacheco • Roy Padilla • Robert K. Paige • Monica A. Parra • Rex K. Parson • Anna Patiño • Lillian C. Payan • Albert Pedregon • Linda A. Pena • Luis Ruben Perales • Andrea Perez • David Perez • Lily Perez • Lisandra P. Piper • Alfredo Pizarro • Guillermo Pizarro • Lucila M. Pollar • Rosaura N. Ponce • Robert P. Porras • Ashley N. Portillo • Rosalinda Portillo • Manuel Prieto Jr. • Arthur S. Provengh • Juan Pulpido • Lourdes P. Quezada • Patricia Quintana • Alfreo Rayas • Raul Reyes • Alfonso E. Rojas • Lucio G. Ramirez • Juan M. Ramos • Laura Ramos • Alfonso Rangel • Luz Marcela Renteria • Claudia L. Renteria-Arras • Tomas Reves • Michael B. Reyes • Nancy Reyes • Elizabeth N. Reza • Graciela Reza • Manuel Reza • Jeannette L. Richie • Dolores Rivera • Lorena Rivera • Arturo Roa • Arturo Robles • Gilberto Robles • Lydia Aguirre Rocha • Bernardo Rodriguez Jr. • Eugene Rodriguez • Jesus P. Rodriguez • Olivia Rodriguez • Pedro J. Rodriguez • Veronica Rodriguez • Carlos Rojas • Gustavo A. Rojas • Alejandro Romero • Steve Romero • Ann Romo • Rocio Rubio • Ernesto R. Ruiz • Arcely G. Saez • Joshua A. Salcedo • Esteban Salgado • Manuel S. Salinas • Glenn Sampier • Rene A. Sanchez • Hanna Sarah • Joseph Sarrac • John C. Schneider • Oscar S. Serrano • Juan R. Sifuentes • Ida Silva • Oscar Silva • David F. Smith • Elizabeth A. Smith • Diego Solis • Alfredo Solis • Carlos Soto • Norma Soto • David Tapia • Hugo F. Telles • Jonathan Terrazas • James Tobias • Bridgette D. Torres • Jorge G. Torres • Marcos Torres • Maria Lourdes Torres • Miguel A. Torres • Sandra R. Torres • Ruben Trevino • Erika Valadez • Melissa T. Valadez • Julie S. Valdivia • Juan Valles • Mario Valles • Norma B. Varas • Antonia Vazquez • Luis Virgen • Antonio Vasquez • Juan D. Vasquez • Sergio R. Vasquez • Jorge Vazquez • Margarita Vega • Lizette Velarde • Celia Velasquez • Roman Baltazar Velasquez • Antonio Vilchez • Maria A. Villanueva • Guillermo Villasenor • Jose M. Villegas • Israel Villella • Carlos Wall • Lucía R. Wiesinger • Jose E. Wong • Rosa M. Yance • Berenice Yoder • Sandra Zamudio • Raul Zavala • William Zeigler • Dolly I. Zengotita • Ramon Zubia
Providing a Hand Up

HACEP provides more than a hand out, but a hand up to the 40,000 El Pasoans who receive some form of housing assistance through our Public Housing and Housing Choice Voucher Programs. Through innovative strategic partnerships, HACEP is forging new opportunities for our youth, elderly, and working families to pave a better path toward economic independence. After all, each family who graduates from subsidized housing assistance creates a vacant unit or available voucher that can then be allocated to another family in need who has patiently waited for years to enter our programs.

Some of the award-winning programs that we offer in conjunction with our community partners include the following:

- Higher Opportunities Thrive (HOT) Summer Conference with the University of Texas at El Paso (UTEP) that introduces up to 400 youth ages 10-18 to the campus and career opportunities each summer. There the kids explore a variety of career options and develop leadership skills that will help them excel in their future careers.

- Alpha Youth Leadership Academy with UTEP to prepare students to become happy, healthy, engaged and self-sufficient adults. The following sets of skills are developed:
  - critical thinking and problem solving
  - collaboration across networks and leading by influence
  - agility and adaptability
  - initiative and entrepreneurialism
  - effective oral and written communication
  - accessing and analyzing information
  - curiosity and imagination

- Back to School Supply Drive to provide hundreds of backpacks and supplies to children of the Housing Choice Voucher Program through the generosity of multiple area credit unions, business and individuals.

Home Ownership

For those families who wish to permanently move out of Public Housing or the Housing Choice Voucher (HCV) Programs, HACEP offers Family Self-Sufficiency (FSS) programs that also help our residents and clients make their dreams come true. Since 2003, more than 200 families have purchased their own homes through HACEP’s FSS programs.

The HCV Homeownership Program helps participants transition from rental assistance to homeownership using their voucher assistance. The HCV Homeownership Program is available to all voucher holders who meet the minimum requirements and qualifications set forth in the HACEP Administrative Plan and who have the ability to independently secure a mortgage loan.

FSS is a voluntary program open to adults residing in Public Housing or the Housing Choice Voucher programs. Upon enrollment, individuals meet with an FSS Coordinator who helps the individual develop a five-year training and services plan that charts the steps they need to take to acquire and maintain employment, increase their earnings, become independent of welfare assistance, and achieve other individual goals (such as homeownership). As the family’s earnings increase, the family rent goes up. However, an amount roughly equal to the increase in rent due to the family’s increase in earnings transfers to an escrow account that the family receives upon successful graduation from the FSS Program.
Community Partners

All Elected Officials and Staff at City, County, State, and Federal Levels • AVANCE – El Paso • Border Network for Human Rights • Borderplex Alliance • Boys & Girls Clubs of El Paso • Celebrando La Recuperación • Child Crisis Center of El Paso • Children’s Kingdom Learning • Christian Joy Center Academy • City of El Paso • Council of Large Public Housing Authorities (CLPHA) • County of El Paso • El Pasoans Fighting Hunger Food Bank • El Paso Affordable Housing CUSO • El Paso Collaborative for Community and Economic Development • El Paso Coalition for the Homeless • El Paso Community College (EPCC) • El Paso County Juvenile Probation Department • El Paso County Sheriff’s Office • El Paso Exploreum • El Paso First Health Plans • El Paso Hispanic Chamber of Commerce • El Paso Independent School District • El Paso Police Department • El Paso Public Libraries • El Paso Water Utilities – Public Service Board • El Paso Veterans Affairs Health Care System • Emergence Health Network • Federal Reserve Bank of Dallas, El Paso Branch • FirstLight Federal Credit Union • GECU • Greater El Paso Chamber of Commerce • HAI Group • Las Americas Immigrant Advocacy Center • Latinitas, Inc. • Molina Health Care • National Association of Housing and Redevelopment Officials (NAHRO) • Operation H.O.P.E. • Pan American Health Organization • Paso del Norte Health Foundation • Project ARRIBA • Project Bravo • Project VIDA Health Center • Public Housing Authorities Directors Association (PHADA) • Region 19 Migrant Education Program • Rio Grande Council of Governments – Area Agency on Aging • St. George Antiochian Church • Southwest Gospel Ministries • Teachers Federal Credit Union • Texas AgriLife Extension Service • Texas Department of Aging and Disability Services • Texas Housing Association • Texas Tech University Health Sciences Center School • University of Texas at El Paso (UTEP) • VOLAR Center for Independent Living • Walgreens • Workforce Solutions Upper Rio Grande • Ysleta Independent School District • YWCA – El Paso del Norte Region

Thank You Jurisdiction Wide Resident Council!

The Jurisdiction Wide Resident Council (JWRC) is one of HACEP’s most important partners as it is composed of the presidents of all of the resident councils. The officers of the JWRC work hand-in-hand with the HACEP Administration to resolve any issues and ensure consistent and effective communications with any policy-related initiatives.

From left to right: Beatriz Lozano – Treasurer; Miniam Felix – Sergeant at Arms; Lilia Vasquez - President; Virginia Trejo - Vice President; and Susana Herrera – Secretary.
## Financial Statements
### Statements of Net Assets

(in thousands)  

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td>$74,461</td>
<td>$70,035</td>
<td>$62,838</td>
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<tr>
<td>Restricted Assets</td>
<td>7,710</td>
<td>6,429</td>
<td>9,835</td>
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<tr>
<td>Other Assets, noncurrent</td>
<td>30,813</td>
<td>28,461</td>
<td>27,132</td>
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<tr>
<td>Capital Assets, net</td>
<td>126,666</td>
<td>129,910</td>
<td>126,104</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$239,650</strong></td>
<td><strong>$234,835</strong></td>
<td><strong>$225,909</strong></td>
</tr>
</tbody>
</table>

| **Liabilities** |       |       |       |
| Current Liabilities | $6,090 | $8,829 | $8,842 |
| Noncurrent Liabilities | 18,287 | 16,474 | 9,230 |
| **Total Liabilities** | **$24,377** | **$25,303** | **$18,072** |
| **Net Assets** | **215,273** | **209,532** | **207,837** |
| **Total Liabilities & Net Assets** | **$239,650** | **$234,835** | **$225,909** |

### Liabilities and Net Assets (in Millions)

- **2014**: $240
- **2013**: $235
- **2012**: $226
## Statements of Revenue, Expenses and Changes in Net Assets

(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dwelling Rental</td>
<td>$18,723</td>
<td>$18,463</td>
<td>$17,800</td>
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<tr>
<td>Federal, State &amp; Local Grants</td>
<td>53,510</td>
<td>51,064</td>
<td>50,222</td>
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<td>Other Revenues</td>
<td>5,416</td>
<td>4,674</td>
<td>9,041</td>
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<tr>
<td><strong>Total Operating Revenues</strong></td>
<td><strong>77,649</strong></td>
<td><strong>74,201</strong></td>
<td><strong>74,063</strong></td>
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<tr>
<td><strong>Expenses</strong></td>
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<tr>
<td>Operating Expenses</td>
<td>39,212</td>
<td>37,180</td>
<td>42,466</td>
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<tr>
<td>Depreciation Expense</td>
<td>9,889</td>
<td>10,219</td>
<td>7,961</td>
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<tr>
<td>Housing Assistance Payments</td>
<td>27,097</td>
<td>31,597</td>
<td>30,767</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>73,198</strong></td>
<td><strong>78,996</strong></td>
<td><strong>81,194</strong></td>
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<tr>
<td><strong>Operating Profit (Loss)</strong></td>
<td>1,451</td>
<td>(4,795)</td>
<td>(4,131)</td>
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<tr>
<td>Non-Operating Revenues (Expenses), Net</td>
<td>77</td>
<td>(266)</td>
<td>264</td>
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<tr>
<td><strong>Net Income (Loss) Before Capital Grants</strong></td>
<td>1,528</td>
<td>(5,061)</td>
<td>(3,862)</td>
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<tr>
<td>Capital Grants</td>
<td>4,213</td>
<td>6,757</td>
<td>11,871</td>
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<td><strong>Increases in Net Assets</strong></td>
<td>5,741</td>
<td>1,696</td>
<td>8,004</td>
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<td>Net Assets, Beginning of the Year</td>
<td>209,532</td>
<td>207,836</td>
<td>199,833</td>
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<tr>
<td><strong>NET ASSETS, END OF YEAR</strong></td>
<td><strong>$215,273</strong></td>
<td><strong>$209,532</strong></td>
<td><strong>$207,837</strong></td>
</tr>
</tbody>
</table>
Statements of Cash Flows

(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
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</thead>
<tbody>
<tr>
<td>Cash Flows Provided by Operating Activities</td>
<td>$10,081</td>
<td>$4,228</td>
<td>$3,630</td>
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<tr>
<td>Cash Flows used by Capital &amp; Related Financing Activities</td>
<td>346</td>
<td>(1,918)</td>
<td>(3,502)</td>
</tr>
<tr>
<td>Cash Flows Provided (Used) by Investing Activities</td>
<td>(2,771)</td>
<td>2,842</td>
<td>160</td>
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<tr>
<td><strong>Net Increase in Cash</strong></td>
<td>7,656</td>
<td>5,152</td>
<td>288</td>
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</table>

Cash and Cash Equivalent, Beginning of Year: 70,681, 65,529, 65,241

Cash and Cash Equivalents, End of Year: $78,337, $70,681, $65,529

Capital Assets

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$31,384</td>
<td>$31,109</td>
<td>$31,139</td>
</tr>
<tr>
<td>Building and Improvement</td>
<td>331,779</td>
<td>313,274</td>
<td>302,263</td>
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<tr>
<td>Furniture and Equipment</td>
<td>14,040</td>
<td>14,100</td>
<td>13,425</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>7,950</td>
<td>19,097</td>
<td>16,823</td>
</tr>
</tbody>
</table>

**Total Capital Assets**: 385,153, 377,580, 363,650

Less Accumulated Depreciation: (258,486), (247,670), (237,546)

**Capital Assets, Net**: $126,667, $129,910, $126,104