

**North & East
Lubbock**

Community
Development
Corporation



North & East Lubbock
Community Development Corporation
P.O. Box 3893 Lubbock, Texas 79452
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**Board of
Directors**

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*Carolyn Thompson
Conwright*

Irasema Velaquez

April 29, 2014

Cheryl Brock
Budget Director
City of Lubbock
P.O. Box 2000
Lubbock, TX 79457

Dear Mrs. Brock,

Enclosed you will find the North & East Lubbock Community Development Corporation's quarterly report. The period covers January 2014 through March 2014. Additionally enclosed are the Corporation's financial statements.

I am available if you have any questions or need more information.

Sincerely,

Thomas Harris III
Executive Director

NORTH & EAST LUBBOCK COMMUNITY DEVELOPMENT CORPORATION
2nd QUARTER REPORT
January 2014 – March 2014

Program Activities

The current program structure of the North & East Lubbock Community Development Corporation (NELCDC) includes:

- Single Family Housing Development
- Senior Citizen Housing Development
- Pre & Post Purchase Counseling
- Homebuyer Education & Financial Literacy Training
- Down Payment & Closing Costs Assistance
- Parkway Place Shopping Center Development & Operation
- Micro Lending
- Governance, Management, and Fundraising

Single Family Housing Development

The NELCDC has assisted three homebuyers in purchasing homes in King's Dominion - Phase II. Two of the buyers have closed on their homes, and the third is in the final phases of construction.

Senior Citizen Housing Development (Courtyard at Kings Dominion)

The Courtyard's grand opening was on June 25, 2013. National Church Residences (NCR) are the property managers of this senior citizens housing development. NCR is continuing tenant recruitment. The NELCDC hears positive feedback from Courtyard residents, regarding how they enjoy living in the facility.

Pre and Post Purchase Counseling

The NELCDC has enrolled 71 clients in the pre & post purchase counseling program this past quarter; and has a total of 203 clients actively pursuing homeownership. The counseling program has assisted 15 families with the purchase of a home during the first two quarters of FYE 2014. The NELCDC's total home sales are now *\$17,210,217.48*.

Homebuyer Education and Financial Literacy Training

The NELCDC has not conducted any live group Homebuyer Education and Financial Literacy Trainings for this past quarter. The next live group Homebuyer Education and Financial Literacy Training is being planned for June 2014.

The NELCDC offers online Homebuyer Education and Financial Literacy Training, where clients are able to attend an 8 hour online course at their own pace. Clients contact the Counselor when they have completed the online course, the Counselor verifies the courses have been completed, then provides a Homebuyer Education and Financial Literacy Certificate to the client. The NELCDC has discovered the online courses have been more convenient for many clients' schedules.

72 clients that have completed the NELCDC's Homebuyer Education and Financial Literacy Training. The following is an overview of topics covered during the Training:

- ✓ **Homebuyer Education & Financial Literacy Training**
Clients enrolled in pre and post purchase counseling must attend

8-hour workshop covering the following topics:

- **Financial Literacy – 3 hour workshop**
 - Money Matters – Budgeting
 - Pay Yourself First – Saving
- **Homebuyer Education – Part I – 2 hour workshop**
 - Charge It Right – Do's and Don'ts about your credit
 - Understanding your Credit Report
 - How to correct and clean up your Credit Score
- **Homebuyer Education – Part II – 3 hour workshop**
 - Steps to Homeownership – preparing to buy a home
 - ✓ Apply for a loan
 - ✓ Get team of Professionals (Lender, Realtor, Counselors, etc.)
 - ✓ Search for a home – consider your options (new or pre-existing)
 - ✓ Submit your bid
 - ✓ Get an inspection
 - ✓ Closing
 - ✓ Post purchase counseling – What to do after you close.

Clients continue to have the option for, and request, one-on-one counseling or group counseling. Those sessions are scheduled by appointment, or when live group Homebuyer Education and Financial Literacy Seminars are conducted, respectively.

Down Payment and Closing Cost Assistance

Two families have qualified for the King's Dominion Down Payment and Closing Cost Assistance. Their homes will be located in King's Dominion – Phase II, and construction will be underway shortly.

Parkway Place Shopping Center Development & Operation

Parkway Place, LLC., began under the affiliated North and East Lubbock Investments, and is self-sufficient. The NELCDC is still actively recruiting tenants for Parkway Place. Negotiations with a specialized medical service provider are in their final phase, and operations for their facility are anticipated to begin by the end of the calendar year. Construction is currently underway for MLK Pharmacy, and operations are anticipated to begin within the next 90 days.

Micro Lending

The NELCDC has funding from the City of Lubbock to provide micro loans to qualified businesses. The Corporation may utilize this funding to assist qualified applicants with small business loans.

Governance

The NELCDC Board of Directors continues to have oversight and formulate goals and objectives for the Corporation.

Management

The NELCDC and the City of Lubbock entered into a grant management agreement for Fiscal Year 2013-2014. The City has agreed to provide the NELCDC with \$251,068, in grant funding, to assist the Corporation with housing and economic development efforts within the target area. Furthermore, the NELCDC Board of Directors, along with City Council approval, appointed a City of Lubbock employee as the Corporation's Executive Director. Thomas Harris III currently serves as the NELCDC Executive Director.

Fundraising

The NELCDC is currently underway planning its annual Community Champion Award fundraiser, as this year will mark the 10th anniversary of the Corporation.

North & East Lubbock CDC Balance Sheet

Mar 31, 14

ASSETS

Current Assets

Checking/Savings

1016 · NELCDC (NEW) Operation Account	37,562.08
1015 · N & E CDC ASB Payroll (NEW)	1,731.66
1020 · N & E CDC ASB Savings Account	57,683.47
1030 · N & E CDC - BOA FL - Savings	1,205.46
1040 · Petty Cash Account	0.30
1050 · N & E CDC - WF Savings	19,069.33
1060 · ASB Savings - Micro	<u>6,190.96</u>

Total Checking/Savings 123,443.26

Accounts Receivable - NELI 62,767.00

Total Accounts Receivable 62,767.00

Other Current Assets

1450 · North & East Lubbock Invest. * 778,827.95

Total Other Current Assets 778,827.95

Total Current Assets 965,038.21

Fixed Assets

1500 · Land

1520 · King's Dominion

1521 · King's Dominio-Land 164,737.20

1522 · King's Dominio-Res. Lot Sales 63,025.05

Total 1520 · King's Dominion 227,762.25

Total 1500 · Land 227,762.25

1633 · Equipment 23,805.30

1699 · Accumulated Depreciation -16,036.70

Total Fixed Assets 235,530.85

TOTAL ASSETS 1,200,569.06

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2010 · Accounts payable

Total Accounts Payable

Other Current Liabilities

2250 · Accrued Interest 3,500.00

North & East Lubbock CDC Balance Sheet

	<u>Mar 31, 14</u>
2300 · Western Bank Loan	256,723.37
2100 · Payroll Liabilities	299.43
2200 · Deferred Revenue LEDA	<u>5,687.50</u>
Total Other Current Liabilities	<u>266,210.30</u>
Total Current Liabilities	<u>266,210.30</u>
Total Liabilities	266,210.30
Equity	
3001 · Opening Bal Equity	414,908.05
3010 · Unrestrict (retained earnings)	486,606.63
Net Income	<u>32,844.08</u>
Total Equity	<u>934,358.76</u>
TOTAL LIABILITIES & EQUITY	<u>1,200,569.06</u>

BUDGET vs ACTUAL - Operating Jan 2014-Mar 2014

North & East Lubbock CDC Operating Budget	Budget 2013-14	Year to date	Variance
Income			
City of Lubbock Grant	251,068.00	125,534.00	125,534.00
Total Sources of Income	251,068.00	125,534.00	125,534.00
Expenses			
Personnel			
Salaries	108,700.00	22,096.00	86,604.00
HUD Certified Counselor - Sub Contractor	42000	23200	18800
Car Allowances	2,400.00	1,400.00	1,000.00
Health Coverage	9,400.00	1,847.00	7,553.00
Total Personnel	162,500.00	48,543.00	113,957.00
Payroll Taxes			
Payroll Taxes	8,568.00	3,706.21	4,861.79
Total Payroll Taxes	8,568.00	3,706.21	4,861.79
Credit/Housing Counseling Program			
Credit Reports (300 clients @ \$50 per person = \$15,000)	15000	118.49	14881.51
Supplies, postage, etc	5000	490.14	4509.86
Training	10000	6082.25	3917.75
Total Credit/Housing Counseling Program	30000	6690.88	23309.12
Other Operational Expenses			
Supplies	3400	2000	1400
Phone	7000	3998.78	3001.22
Copier Lease	8000	4230.77	3769.23
Membership	1000	300	700
Bank Charges	500	208.51	291.49
Board Community Meetings	3600	2685.72	914.28
Travel	1500	1218.7	281.3
Officer & Liability Insurance	4000	3258	742
Legal	10000	8462	1538
Auditing & Bookkeeping Services	6000	0	6000
Professional	5000	4603.79	396.21
Total Operational Expenses	50000	30966.27	19033.73
Total Expenses	\$251,068.00	\$ 89,906.36	\$161,161.64
Net	\$0.00	\$35,627.64	< \$35,627.64

BUDGET vs ACTUAL			
King's Dominion Oct 1, 2013 - Mar 2014			
King's Dominion Budget			
	Budget 2013-14	Year to date	Variance
Income			
Lot Sales	87,010.00	37,010.00	50,000.00
National Church Residence Consultant Fee	6,687.50	6,687.50	0.00
Community Champion Awards Banquet	35,000.00	0.00	35,000.00
Total Sources of Income	128,697.50	43,697.50	85,000.00
Expenses			
Operating			
Legal	11,444.17	4,950.62	6,493.55
Development	20,400.00	20,390.40	9.60
Maintenance	5,000.00	225.00	4,775.00
CCA Banquet Expenses	18,000.00	0.00	18,000.00
Payroll - Thomas Harris, III	20,000.00	15,000.00	5,000.00
Payroll Taxes - Thomas Harris, III	6,333.33	3,706.21	2,627.12
Total Operating Expense	81,177.50	44,272.23	36,905.27
Other Expenses			
Western Bank Loan	47520	27720	19800
Total Expenses	\$128,697.50	\$ 71,992.23	\$56,705.27
Net	\$0.00	\$28,294.73	\$28,294.73

Parkway Place Lubbock, LLC
Balance Sheet

Mar 31, 14

ASSETS

Current Assets

Checking/Savings

Western Bank Account -

74,515.67

Total Checking/Savings

74,515.67

Accounts Receivable

Total Accounts Receivable

Other Current Assets

Total Other Current Assets

Total Current Assets

74,515.67

Fixed Assets

Land

67,500.00

Parkway Place Shopping Center

1,980,968.97

Total Fixed Assets

2,048,468.97

Other Assets

Accum. Amort. Organ. Costs

-210.00

Accum. Depreciation/Parkway

-66,456.00

Organizational Costs

1,078.35

Total Other Assets

-65,587.65

TOTAL ASSETS

2,057,394.99

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Other Current Liabilities

Plains Capital Loan

40,503.32

Western Bank Loan

-26,868.16

Total Other Current Liabilities

13,635.16

Total Current Liabilities

13,635.16

Total Liabilities

13,635.16

Equity

Gill Holdings Equity Investment

1,086,121.83

NELI Capital Contribution

873,703.37

Retained Earnings

84,095.89

Net Income

-161.26

Total Equity

2,043,759.83

TOTAL LIABILITIES & EQUITY

2,057,394.99

BUDGET vs ACTUAL Oct 2013-Mar 2014			
Parkway Place Shopping Center			
	Budget 2012-13	Year to date	Variance
Income			
Lease Revenue	125,520.00	75,186.54	50,333.46
Total Sources of Income	125,520.00	75,186.54	50,333.46
Operating			
Audit	2,000.00	900.00	1,100.00
Insurance	15,000.00	5,290.81	9,709.19
Legal	4,000.00	2,519.56	1,480.44
Maintenance	8,000.00	4,669.70	3,330.30
Printing/Copying	500.00	99.99	400.01
Property Taxes	21,000.00	20,247.04	752.96
Utilities	13,000.00	5,769.69	7,230.31
Total Operating Expense	63,500.00	39,496.79	24,003.21
Other Expenses			
Plains Capital Bank Payment	35,000.00	20,149.50	14,850.50
Total Expenses	\$98,500.00	\$59,646.29	\$39,853.71
Net	\$27,020.00	\$15,540.25	\$10,479.75