



PPEP, Inc. & Affiliates

Annual Report

2005-2006



Portable Practical Educational Preparation, Inc.
Multi Service Center/Farmworker Hall of Fame
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John David Arnold, Ph.D.
Chief Executive Officer & Founder








Hector Sanchez
President

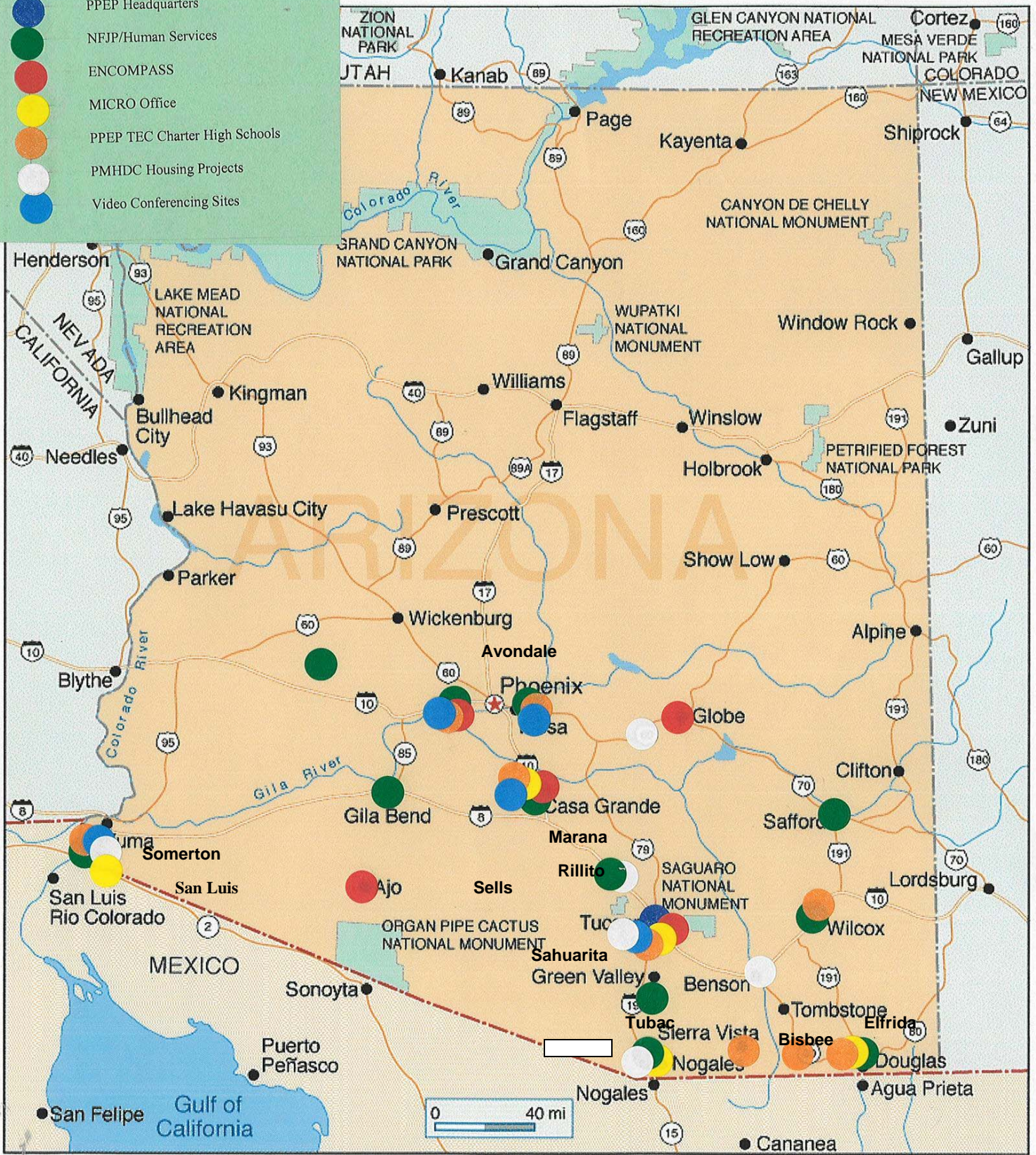
Dedicated to Improving the Quality of Rural Life

"Looking forward to PPEP, Inc.'s 40th year of dedicated services to improving the quality of rural life."

"Si Se Pudo!"
Since 1967

KEY

-  PPEP Headquarters
-  NFJP/Human Services
-  ENCOMPASS
-  MICRO Office
-  PPEP TEC Charter High Schools
-  PMHDC Housing Projects
-  Video Conferencing Sites



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PPEP in Arizona

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MOTTO:

"Si Se Puede" "Si Se Pudo"

2005 THEME: 2006

"Looking forward to PPEP, Inc.'s 40th year of dedicated services to improving the quality of rural life."



PPEP & AFFILIATES BOARDS OF DIRECTORS

PPEP=Portable Practical Educational Preparation
 PMHDC=PPEP Microbusiness & Housing Development Corp.
 PRBDC=PPEP Rural Business Development Corporation
 FARS=First American Resources
 PSHSC=PPEP Senior Housing Services Corporation

PPEP

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 Hector Sanchez

VICE PRESIDENT
 Benny McCabe, M.A.

TREASURER
 Maria Chavez

SECRETARY
 Gertha Brown-Hurd

MEMBERS AT LARGE
 Elizabeth Johnson
 Jacinto Cruz
 Jose Yepez
 Miguel Zazueta
 Ramon Guerrero

PMHDC

PRESIDENT
 John Bordenave

VICE PRESIDENT
 Gilbert Mungaray

TREASURER
 Don Pearson

SECRETARY
 Dollie Hurley

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 Edgar Granillo
 Jim Stewart

PRBDC

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VICE PRESIDENT
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TREASURER
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SECRETARY
 Ken Jewell

MEMBERS AT LARGE
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 Agustin Tumbaga

FARS

CO-PRESIDENTS
 Vacant

VICE-PRESIDENT
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SECRETARY
 Carol Locust, Ph.D.

ADVISORS
 Johnson Bia, Ph.D.

MEMBER AT LARGE
 Jacinto Cruz

PSHSC

PRESIDENT
 Gertha Brown-Hurd

VICE PRESIDENT
 Ken Jewell

TREASURER
 Gilberto Mungaray

SECRETARY
 Dollie Hurley

MEMBERS AT LARGE
 James Johnson



PPEP & AFFILIATES COMMITTEES

PPEP - TEC BOARD

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 Hector Sanchez
 Maria Chavez
 Don Pearson
 Celestino Fernandez

FINANCE COMMITTEE

Jim Stewart
 John Torrez
 Barbara Coronado

HOUSING/ECONOMIC

Agustin Tumbaga
 Joni Soriano
 Frank Vasquez

FOUNDATION LLC

Frank Ballesteros
 Enrique Feldman
 Maria Chavez
 John David Arnold

YOUTH

Miguel Zazueta
 Jessie Lopez
 Frances Rascon

FARMWORKER SCHOLARSHIP

Mayra Miranda
 Connie Martinez
 Leticia Lujan

INTERNATIONAL COMMITTEE

Ramon Guerrero, Chair
 Frank Ballesteros
 Jorge Valenzuela
 Olivia Ainza-Kramer

EMERGENCY CIVILIAN RELIEF COMMITTEE

Lisa Hopper, Chair
 George Long
 Art Benge
 Jesus "Rusty" Rascon

40th ANNIVERSARY COMMITTEE

Elise Arnold, Chair
 Frank Ballesteros
 Connie Martinez



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PPEP 39th ANNIVERSARY REPORT

THEME 2007

"Looking forward to PPEP, Inc.'s 40th year of dedicated services to improving the quality of rural life."

Dear Members of the Board, PPEP, Inc.'s staff and Family and Friends:

I. LOOKING TOWARD THE 40TH

On this our 39th Anniversary meeting we commence preparations towards the 2007 40th Anniversary Celebration of PPEP services to farm workers and the rural poor.

II. OUR ROOTS

Back in 1967, our first year aboard the old bus "La Tortuga" we were just thinking about being refunded the \$19,000 we needed to keep us in operation. In those days PPEP's official office was in our family living room in Pueblo Garden in Tucson. My father, who was then retired, answered the PPEP phone which by the way was our family phone too.

We parked the "La Tortuga" bus and 1957 Chevy was parked in the alley next to our house when I was not driving it in the evenings to Sahuarita, Continental, Tubac, Marana, Rillito, and the Marana Yaqui farm worker camps. Aboard the "La Tortuga" bus was an itinerant school where I taught Bracero migrant workers practical educational lessons such as consumer education, nutrition, literacy, GED and driving lessons to name a few.

III. LA TORTUGA DREAM REALIZED

The old bus "La Tortuga" is now parked at our Farm worker Hall of Fame in Tucson at 802 E. 46th Street where it still received visitors from all walks of life and national and international visitors. Thousands of people have come aboard La Tortuga to learn about the legacy of this itinerant school bus impact that has literally helped change the lives of 100's of thousands of people its services have touched.

IV. THE DREAM COMES TRUE

In 1967, the Bracero Migrant Farm workers and our rural committees had many dreams of a better way of live. Over the past 4 decades, many of these dreams have become reality including; affordable housing projects, micobusiness loans/technical assistance, education for adults such as the farm worker high school equivalency program HEP, some 800 farm worker adults have now graduated. For the youth many of the dreams of our farm workers kids just to make it to graduation now through our Charter High School 2000 have graduated with a high school diploma. Behavioral Health programs that address domestic violence, substance abuse, etc. have been realized to help families cope with the hardship they have. Another dream realized is that the developmentally disabled would have services in the rural areas so they

would not lose their family, church, and community support by being relocated to urban centers. Job training, human services have also been developed to support the socio economic needs of emerging rural towns.

V. REGIONAL SCENE

PPEP's founders' dreams also have taken our organization beyond the borders of Arizona. In 1990, we formed the Rocky Mountain Hawaii Farm workers (RMHIP) job training and housing coalition. The states that make of the coalitions prevue are from Oklahoma to Hawaii. Pass through dollars, technical assistance are provided to a number of farm workers non –profits. Housing Urban Development (HUD), United States Department of Agriculture (USDA), United States Department of Labor (USDOL) channel their dollars through PPEP to the sub grantees.

VI. THE INTERNATIONAL SCENE

On the international scene as far back as 1969 we had contact with programs in Yugoslavia and Thailand. Over the years, Peru, El Salvador, Guatemala, Australia, Brazil, Colombia, Ecuador, and the Dominican Republic. In Brazil, we established a funding stream for a children orphanage in Brasilia. In Thailand we set up a mirror agency called PPEP Thailand that provided relief assistance as well as starting micro loan programs with the Tri-sha workers and for young women rural sewing cooperative so the would not be recruited into prostitution in Bangkok.

VII. MEXICO CONNECTION

Mexico our neighbor is where most of our international activities have been focused because of the immigrant factors we must deal with being a border state. First and foremost has been the issue of assisting migrants especially farm workers.

Cross border socio economic issues we have dealt with including capitalizing, micro loan funds in Sonora border communities such as Agua Prieta, Nogales, and San Luis Rio Colorado. In 1995, we funded FAI de Sonora a Save the Children affiliate 5000 to capitalize their first micro loan fund. Over the ensuing 15 year, FAI and FONAES have multiplied those dollars by the millions of pesos and funded several thousand micro loans in rural Sonora. With FONAES, a Mexican Federal Loan Program similar to our Small Business Administration (SBA) we signed the first bi-national import/export agreement creating a mini NAFTA between their government and a non-profit.

This effort has produced exchanges between micro businesses based in the United States and Mexico to attend trade shows and micro product expos in each other countries.

President Vicente Fox's administration has opened up many opportunities for supporting the initial \$5,000 seed fund we capitalized in the Mexican border towns. In each of these participating communities FONAES and FAI both have active micro lending offices.

In September, we met with 11 new key members of the Sonora State legislatures in Rio Rico, Arizona to talk building on the mini NAFTA as well as helping them to initiate a law in Mexico similar to the U.S. CDFI law of 1993. PMHDC assisted the Clinton Administration to with input on the legislation. The new law would support Mexico's micro business community that makes up an estimated 85% of their business sector.

VIII. RECENT APPOINTMENTS

My recent appointment by Rosa Rosales, League of United Latin American Citizens (LULAC) National President as Co-Chair of the International Relations Committee will give me more

access to the powers that be on the international scene. Also, President Rosales has appointed me as the National Co-Chair on Education. Other appointments include State to Rocky Mountain States Regional LULAC Chaplain. I also serve as the Southeastern Arizona Behavioral Health Services (SEABHS) board representative on the Community Partnership of Southern Arizona (CPSA) Behavioral Health board.

IX. EMERGENCY DISASTER RELIEF EFFORTS

Over the years, PPEP, Inc. has been involved in a number of disaster relief efforts. Included in those disaster relief efforts was Chiapas, Deep Freeze in Sonora, Katrina/Rita Hurricane relief and most recently the nationally declared flood disaster in Doña Ana County along the Rio Grande in New Mexico to name a few.

The last two major efforts were in cooperation with World Care and LULAC. The Hurricane Katrina relief effort was cited by NBC as “the largest non-governmental interstate relief effort in U.S. history.” Thanks to World Care, LULAC, and the PPEP TEC students and staff we were able to realize over 50 semis over 1½ million pounds of relief and reconstruction supplies. Furthermore, a 55,000 square foot facility was acquired on 10 acres with railhead. This site we are in the process of obtaining funds for our farm worker partners’ agency in Clarksdale, Mississippi (MDC) to purchase and renovate the facility as a permanent emergency relief facility.

The New Mexico relief efforts much smaller in scale also anticipates a permanent emergency civilian relief center to be located in Las Cruces, NM.

At a recent board meeting PPEP invited Lisa Hopper the President of World Care to become our emergency disaster relief liaison.

X. ACTIVITY BOARD COMMITTEES

Our agency by laws allow for creating board committees. The committees are appointed by the board chair and confirmed by the full board. Just recently, we organized an Affordable Housing Committee, Micro business/Finance Committee, International Committee, Disaster Relief Committee, Endowment Committee, and Civilian Relief. These committees allow our board members to become more involved in the programs we offer that serve their communities.

The International Committee recently hosted the 11 newly elected legislators from Sonora State Legislature to a luncheon to discuss the aforementioned issues including Mini NAFTA.”

XI. THE REVIEW AND ANNUAL REPORT OF 2005-2006

Attached is both a written and pictorial report about what has transpired in the past year. Part of this report is the collection of the CEO Quarterly Reports as well as reports from each of PPEP major divisions. PMHDC, PPEP Senior Housing, the other PPEP affiliates also have submitted reports and are attached.

XII. HIGHLIGHTS OF 2005-2006

PPEP efforts to do the first official count of migrants and farm workers in this state. We have retained the services of Alice Larson to do the survey. Also, we have organized under the purview of AIFC the Arizona Interagency Farmworker Coalition the lead organization, and AZ State Agencies, the Federal Agencies, the Mexican Consulates to name a few. It is anticipated that by the end of 2007 we will have produced a survey that is accurate and will help farm workers and their families.

XIII. CREATION OF THE PPEP ENDOWMENT FOUNDATION

As far back as the mid 1990's the board authorized the creation of a foundation/ endowment fund to mobilize resources through charitable giving by corporations, social investors, and people that wish to leave donations in their will to PPEP. In order to make this effort really take -off the Board has created an endowment/foundation fund raising committee. Also we have hired Frank Ballesteros as our full time corporate fund raiser. Jeremy Sohn who is an attorney and board member serves on that committee for legal advice; Steve Boyle of the Bellows Foundation is the Chair of that committee. We have a goal of raising unrestricted dollars sufficient to sustain and expand PPEP's mission in the 21st Century. We feel with the shrinking Federal dollars to support socio economic programs we must turn to soliciting funds through the endowment/foundation and fundraisers. This coupled with all of PPEP's programs being in the positive is critical to our survival.

XIV. PPEP AS A CHARITABLE CONTRIBUTOR

Giving back to grass roots projects and programs in the rural communities we serve. Over the years, as PPEP has grown it has accepted its responsibilities to give back to the rural communities funding and support for their projects. For example, PPEP Inc. donated \$10,000 to the Cesar Chavez Bronze statue in Cesar's hometown of San Luis, Arizona. We sponsored the 2006 LULAC State Annual Convention in Douglas, Arizona in May 2006 as well as the District IV Inaugural LULAC Convention in Sierra Vista. We donated to the San Luis Fashion Show fundraisers that make possible college scholarship for farm workers.

PPEP donated two \$500.00 scholarships for middle students in Somerton to a youth leadership training course in Washington, D.C. PPEP donated drivers (me) a van and funds for the youth of the Patagonia Youth Activity Council (PYAC) to go on several out of town outings this summer. We make available our Farm worker Hall of Fame to the Blue and White Fashion Kidz art, clothing design and model school operated by Lydia D'Amico. This past year several used vans retired from PPEP's transportation fleet were donated to a dozen community organizations in rural Arizona and Sonora towns. Numerous small community events are also supported throughout the year with donations from PPEP.

XV. FAITH BASED INITIATIVES

PPEP has been working with the Diocese in Cd. Obregon, Sonora bread basket region to do a pesticide safety and education program for the farm workers. Sonora is known as Mexico's bread basket but also a dumping group for dangerous chemicals and fertilizers. This coupled with the workers lack of knowledge of safety and harm way from exposure make the one of the deadliest places to be a farm worker. Furthermore, much of the agriculture produce is sent to the United States chemically contaminated which we consume. The project is designed to use the parish priests in the Diocese to help teach the workers and their families to practice safety, avoid exposure, and how to get medical help. We have been working with Bishop Juan Manuel Mancilla to set up this educational prevention program. LULAC National President appointed me as Rocky Mountain States Regional Chaplain what opens some doors. PPEP has also provided some technical assistance to emerging faith based groups that perform social services.

XVI. MIDDLE SCHOOL OPPORTUNITIES

PPEP is emphasizing in youth development on the middle school level. This year, Chaska Arnold, Ashley Cano, and Yesenia Yopez all were supported in their trips out of State to the east coast conferences for leadership development conferences.

XVII. SUMMARY

As we are very grateful for having the financial resources to help improve the quality of rural life we must prepare for much harder times for our rural people in 2007. Higher gas prices, poor economy, low paying minimum wage jobs are all taking a toll on our rural families. Medicine, gas, food prices, and housing costs have escalated and wages have not what his means in poverty in the nation and our rural communities has also escalated to crisis proportions.

We as a service organization must mobilize more resources at a time to government is cutting back. The private sector must be tapped and partnerships with other organizations must be forged if we hope to keep with needs of the poor and the new poor. Our staff, board, and funding partners are committed to this end. Happy 39th Anniversary and may we have a great 40th!

The attached PPEP and Affiliates Annual Report is both presented in written and visual form so that you can see first hand what each agency department has accomplished this past year. I hope you will take a moment to look through this report and feel free to ask questions at the Annual Board meeting or through emails to me.

Si Se Pudo!

John David Arnold, PhD
CEO/Founder



COMMITTEES OF PPEP AND AFFILIATES

The purpose of the committees is outlined in the agency by-laws that allow members to meet and work on recommendations to improve the agency service delivery and accountability. The members of the committee are appointed by the respective board chair and confirmed by the board of directors. The committees meet in the interim between the quarterly and report back to the board.

The board chair serve as members of each committee as well as the CEO which is a non-voting member.

The committees are as follows:

- | | |
|---|--|
| I. FINANCE COMMITTEE
Jim Stewart, Chair
John Torrez
Barbara Coronado | IV. HOUSING/ECONOMIC DEVELOPMENT
Agustin Tumbaga, Chair
Jonie Soriano
Frank Vasquez |
| II. EMERGENCY CIVILIAN RELIEF COMMITTEE
Lisa Hopper, Chair
George Long
Art Bengé
Jesus "Rusty" Rascon | V. YOUTH
Miguel Zazueta, Chair
Jessie Lopez
Frances Rascon |
| III. INTERNATIONAL COMMITTEE
Ramon Guerrero, Chair
Frank Ballesteros
Jorge Valenzuela
Olivia Ainza-Kramer | VI. Farmworker Scholarship
Celestino Fernandez
Connie Martinez
Mayra Miranda |
| | VII. 40 TH ANNIVERSARY COMMITTEE
Elise Arnold, Chair
Frank Ballesteros
Connie Martinez |



Elise P. Arnold, MAM
Chief Administrative Officer for:



PPEP TEC CHARTER HIGH SCHOOL

Becky Edmonds, Superintendent
Beverly Olson, Business Manager/ Grants Coordinator

BEHAVIORAL HEALTH COUNSELING

Carlyn Hacker, M.A., Director
Roxanna Gonzales, M.A., Clinical Director

EMPLOYMENT AND TRAINING FOR MIGRANT AND SEASONAL FARMWORKERS, HIGH SCHOOL EQUIVALENCY PROGRAM, COMMUNITY ACTION PROGRAM AND WIA TITLE I, AND YOUTH BUILD

Kari Hogan, Executive Director

Barbara Simcoe, NFJP Field Operations Manager
Sandy Adams, Compliance and Systems Manager

Jimmy Pruitt, HEP DIRECTOR
Jose Luis Sotelo, HEP COORDINATOR

Dannie Dyas, CAP and WIA Title I Director
Dana Katbah, WIA Title I Coordinator
Bill Stern, Garden Coordinator

Jessie Lopez, YOUTH BUILD Coordinator

This year has been very busy with some expansion and some consolidations; therefore, I am providing highlights of each department which will then be followed by a complete report from each department.

PPEP TEC CHARTER HIGH SCHOOL

- Completed 11 years of operation.
- Graduated over 1,900 students.
- In compliance with the No Child Left Behind standards PPEP TEC was labeled as a performing school under the AZLEARNS. One campus is in improvement status.
- Opened a new campus in Pima Co. called Robles Junction

- Consolidated the Coy Paine Learning Center with the Alice Paul Learning Center in Casa Grande.
- Relocated the Victor Sotelo Learning Center to a new building.
- Formed a Recruitment and Retention Department
- Up dated curriculum.

BEHAVIORAL HEALTH COUNSELING SERVICES

- Through a contract with New York University, have expanded services to Nogales through the court system for a new service approach for domestic violence issues.
- Have met and exceeded all licensure standards.
- Have met local and state programmatic audit standards according to reviews and reports.

EMPLOYMENT AND TRAINING FOR MIGRANT AND SEASONAL FARMWORKERS.

- Successfully complete 26 years of operating the program.
- Reorganized various service areas as agricultural in Arizona shifted due to urban growth.

HIGH SCHOOL EQUIVALENCY PROGRAM (HEP)

- Successfully applied and received funding for another 5 years.
- Successfully completed our first 5 years of program operations; serving and graduating more students than required.

COMMUNITY ACTION PROGRAM/DEPARTMENT

- Secured on going funding from DES for as long as TANIF Case Management is funded by the Federal Government.
- Successfully secured funding from Pima County to continue our WIA Title I activities in rural and urban areas Pima County.
- Secured new funding from Pima County to serve seniors 50 and over with employment workshops.
- Expanded the Arivaca organic gardens participation in several farmer markets thereby expanding the clientele we serve.

YOUTH BUILD

- Successfully finished the program with NFJP funds and CDBG funding from the City of San Luis.
- Applied and secured new funding from HUD for another
- 30 months of program activities.



PPEP TEC High School Annual Report

Introduction and History

It is with pleasure that we share with you the history of PPEP TEC High School and some of our successes from this past year.

PPEP TEC High School is a publicly financed, statewide high school whose purpose is to provide an alternative educational program for students' ages 15-21, in grades 9-12. Our primary focus is on high academic standards, AIMS preparation, and technology and school-to-career programs. We are designed to meet the needs of alternative students such as at-risk students, students who work, high school drop-outs, and sons and daughters of migrant and seasonal farm workers.

Our teachers are Arizona certified, the classes are small, and the students get lots of individual attention. Our curriculum is aligned with the Arizona Academic Standards, and all students must meet or exceed the standards on the AIMS test in order to receive a high school diploma.

Students at PPEP TEC High School are required to attend 20 hours per week, but our hours are flexible with some locations offering night school and some locations providing transportation. Students are able to move at their own pace through the curriculum material. For those with less time to devote to school this allows them the ability to complete work over an extended period, while other students might accelerate the pace and finish in a much shorter time than expected in a traditional high school format.

Since its inception in 1995, PPEP TEC High School has played a leading role in educating Arizona's youth. We have graduated over 1500 students throughout our 12 sites. Our enrollment each year is approximately 1000 students, and we maintain a student teacher ratio of 15:1.

For the 2005-2006 school year, PPEP TEC High School had four learning centers in the Tucson area, including Robles Junction, and one center each in Avondale, Bisbee, Casa Grande, Chandler, Douglas, San Luis, Sierra Vista, Somerton, and Willcox.

2005-2006 Major Successes

- The *Victor Soltero Learning Center* began its planning for a new home at 8677 E. Golf Links Road in Tucson. Since the lease was up at the learning center's location on 22nd Street, and a wonderful building became available to purchase less than 2 miles away on Golf Links, PPEP took advantage of the opportunity to move the school to its own building and out of a complex that housed a competing charter school.
- For the 2005-2006 school year, PPEP TEC High School was awarded \$130,000 for the second year of a technology grant from the Arizona Department of Education. The grant

project was a continuation of Technology Integration Project that has added more technology-based learning into the core curriculum. Teachers worked together to find the most effective software and web-based programs to enhance student learning, especially in the areas of math, reading, writing, schools-to-career, and science.

- The new PPEP TEC High School site in Robles Junction opened in August as the *Robles Junction Learning Center*. In partnership with the Altar Valley School District, the new learning center served approximately 60 students in its first year, and had 21 proud graduates!



- Preparations were made to consolidate the *Coy Payne Learning Center* in Chandler with the *Alice Paul Learning Center* in Casa Grande for the 2006-2007 school year. In the near future, there are plans to consider relocating the *Coy Payne Learning Center* to Queen Creek, a quickly developing area southeast of Phoenix.
- PTHS provided services to over 230 students with disabilities under IDEA and Section 504. PPEP TEC High Schools' ten special education teachers may serve the largest number of students receiving such services at any charter school in the state.
- PPEP TEC High School is very proud to announce that all of its schools were given "Performing" labels under the state's accountability system, AZLEARNNS. In addition, 11 of the 12 sites met the "Adequate Yearly Progress" accountability standard mandated by No Child Left Behind. Meeting the standard means that PTHS students improved their scores on the AIMS test; they met the graduation rate requirement; and at least 95% of the students were in attendance on the AIMS testing dates. Congratulations to all of the PTHS staff and students. This is a great accomplishment!
- In an effort to increase enrollments and encourage students to stay in school, PPEP TEC High School added two new positions in the spring of 2006, a Statewide Recruitment Coordinator and a Student Retention Specialist. This new staff is working very hard and enrollments and attendance are up from previous years!



- PPEP TEC High School partnered with PPEP Behavioral Health Services to provide counseling services to all of our schools on regular schedule of at least once a week.
- PPEP TEC High School buses provided transportation for the campuses in Chandler, Bisbee, and Avondale last year. In some cases, our drivers covered great distances, but we got our students to school! In the Tucson and Sierra Vista areas, bus passes were provided for students who needed transportation, and in San Luis and Somerton, bus service for our students was contracted to an outside agency. Since transportation is often a challenge for our students, we do all we can to accommodate their needs.
- New curriculum was developed for Integrated Science, Language Arts, World History and American/Arizona Government courses in order to maintain curriculum alignment with the Arizona Academic Standards. The courses were piloted in several schools this year and a full rollout to all schools is planned for August 2006.
- PPEP TEC High Schools throughout the state have participated in and supported a variety of community services, including the Red Cross Blood Drive, the American Cancer Society, Adopt-a Highway cleanup, Toys for Tots, Adopt-a-Family Christmas program, Cochise County Fair, donations to local food and clothing banks, and diaper drives.
- PPEP TEC High School partnered with the FAME Foundation to provide music lessons, leadership workshops, and intensive English language programs to our students at the *Celestino Fernandez Learning Center* in Tucson, and the *Victor Soltero Learning Center* in Tucson. PPEP TEC High School truly values the relationship it has with the FAME Foundation and looks forward to many more years of its service to our students.

Recognitions and Updates

- Two Hundred and Forty-five (237) outstanding students graduated from PPEP TEC High School in 2005-2006. Congratulations on a job well done!

- The PPEP TEC High School administrative staff for 2005-2006 is a team comprised of the following outstanding team players: Rebecca Edmonds, Superintendent; Leticia Lujan; Business Manager; Pat Riggs, Special Education Director; Sharon Davis, Region 2 Coordinator and Testing Coordinator; Debra Deininger, Special Education Coordinator, Doug Davidson and Brad Biggs, Curriculum Coordinators; Doreen Hunnicutt, Office Manager; Olivia Bernal, Receptionist and Transportation Coordinator; Annette Peralta, Student Records and Reporting Coordinator; Anna Alegria, Records Compliance Specialist; Norma Guest and Luis Vega, Student Retention Specialists; Debra Castelan, Statewide Student Retention Coordinator; and Karol Basel, School Psychologist. Thanks to all of you, PPEP TEC High School is one of the premier charter schools in Arizona.
- Leticia Lujan represents PPEP TEC High School as President of the Tucson-Kino Rotary Club of South Tucson. She also is the Youth Scholarship Coordinator, LULAC Council # 1088, and she participates as a parent representative on the NCLB Committee of Practitioners.
- Rebecca Edmonds serves on the State School Superintendent's charter school advisory committee. And, at the request of the Arizona State Board for Charter Schools, she and Leticia Lujan serve on a committee to advise potential charter school operators.

Accolades

- Many thanks to the students of PPEP TEC High School for making our jobs so rewarding!
- Special thanks to all of our teachers, staff, and parents for helping us become one of the most respected charter school programs in the Arizona!
- Many thanks to Gary Kleopfer, Cher Gislason and the entire Property Management Department for their constant support of the needs of PPEP TEC High School. No matter what time of the day or night, they help without complaint!
- Thank you, thank you to Rob Riggs, Ryan Wild and Jay Twyman from the IT Department for keeping our computers up and running! They'll always drop what they're doing to help in an emergency, and they're never too busy to help troubleshoot a problem.
- Thank you to our Chief Executive Officer and Founder, Dr. John David Arnold, for his continued vision of what can be done for our special youth.
- Thank you to our Chief Administrative Officer, Elise Arnold, for her constant support of our high school program and staff.
- Special thanks to our Governing Board for their support of our high school program, and for their willingness to come to all of our quickly-scheduled School Board Meetings!
- Thank you, too, to all of the many visitors we have had the privilege of meeting. We are proud of our schools and are honored that you would take the time to stop by and see what we are doing with these special students.
- Finally, we extend our gratitude to the entire PPEP, Inc. family for their efforts on our behalf.

**Annual Report
PPEP Behavioral Health Services
2005-2006**

Throughout this year, the counseling department has been very busy helping those individuals that may have made some poor choices in life, are in serious need of an attitude adjustment, or just having difficulty dealing with everyday stressors. These individuals range from children to adults of both sexes, and of various ethnic and financial backgrounds. It does not seem to matter where you live, the city of Tucson, or the far outskirts of Ajo, people sometimes just need a little help. This is where we come in.

Children Services:

With a wide range of issues affecting children/adolescents such as family discord, oppositional behavior, conduct, parent-child conflict, motivation, or just poor academic performance, PPEP has become very involved with our own PPEP Tec High Schools as well as other schools within the rural communities of Marana, Robles Junction, Catalina and Ajo. Some of the children and adolescents referred for counseling have made unfortunate choices in life leading to legal involvement and are recommended for treatment by the Superior Court (juvenile division). PPEP BHS is a respected therapeutic resource that provides not only counseling but acts as a consultant to other professionals in the community.

Adult Services:

The adult populations serviced by the PPEP counseling department continue to grow. PPEP offers counseling in Tucson, Marana, Catalina, Continental, Robles Junction, and Ajo. Many of the adults come to counseling services for a wide range of reasons; some are adult youth of our Charter high schools who are trying to beat the every day adversities of getting a high school diploma to others who have had their children taken away due to substance abuse issues. Some people come to get a little advice and guidance in parenting and others encouragement and support towards fulfilling certain goals in their life. What ever the reason, court referred or on a volunteer basis, PPEP BHS employs highly educated and skilled clinicians that help the client through the therapeutic process. To truly be successful, the counseling department has relied on the other divisions of PPEP (Human Services, Charter High School, Encompass) as well as collaborates strongly with outside agencies such as Child Protective Services, DES, probation, parole, and various court systems. It is through this joint effort that PPEP BHS assists individuals in an attempt to change unhealthy behaviors, learn new skills, and become responsible people. This has been quite a challenge over the past year but very rewarding when the client meets this goal.

Specialized Services:

In addition to assisting those adults in need of our services with in Pima County, PPEP continues providing innovative treatment to those individuals arrested for Domestic Violence within Santa Cruz County. PPEP BHS is participating in a study developed by Dr. Linda Mills of New York University and monitored by the University of Arizona called "Construyendo Circulos de Paz". The goal of this program is to provide an alternative treatment to the traditional batters intervention groups. The study has had its one year anniversary with two existing years remaining. Through the



Behavioral Health Staff - Nogales

joint effort of the Santa Cruz Justice Court, magistrate Mary Helen Maley, and the PPEP behavioral health staff this study will demonstrate a successful outcome.

Other Adult Services:

PPEP BHS provides a very comprehensive package of counseling services including:

- Substance abuse, DUI Treatment, DUI Education, DUI Screening, and evaluation services for clients referred through Diversion, Parole, Probation, Supreme Court, Superior Court, and various other court systems;
- General Mental Health counseling including domestic violence, adult/civic responsibility, couples, family, parenting classes, and individual counseling where needed;
- Domestic Violence treatment licensed by the State of Arizona;
- “Psychiatric, medication monitoring, and case management for our seriously mental ill clients within Ajo, Arizona;
- CPS coordination and counseling for individuals enrolled in the AZ Families First program that have their children removed due to chronic problems with substance abuse, or other causes;
- Joint effort between the DD system and behavioral health to wrap services around individuals dually diagnosed and participating in PPEP’s Encompass program;
- Motor Vehicle evaluations delivered by licensed Clinician who reviews with the client not only their substance use and treatment history but interprets two Screening instruments, to ascertain if they should be granted the privilege of their driver’s license.
- Psychiatric and medication monitoring (Ajo only)

Staff:

Administration:

Elise Arnold, MAM, *Chief Administrative Officer*
Carlyn Hacker, M.S., LISAC, CDVC, *Executive Director*
Roxanna Gonzalez, MA, LISAC, CDVC, *Clinical Director*
Tamara Zuniga, MC, NBCC, *Program Manager*

Support Staff

TUCSON:

Christine Valle, *Network Specialist*
Dora Moreno, *Eligibility Specialist*
Araceli Garcia, *Administrative Assistant*
Susan Behrens, *Program Assistant*

AJO:

Lorraine Showers, *Eligibility Specialist/Case Manager*

NOGALES: Claudia Garcilazo, *Administrative Assistant*

Clinicians:

TUCSON:

Brenda Hanna
Margaret “Peggie” Rodriguez
Jessica Courtney
Elizabeth Rios
Susanna Villa
Harrell “Goody” Goodman

Timothy Bridges
Josefina Valenzuela
Laura Thompson
Cristine Sardina
Kent Baker
Lori Mitts

Joleen Ciha-Eggert (*DUI Education*)

AJO:

Thomas Richeson

Beth FitzGerald

NOGALES:

Rosalba Mada (*Circle Keeper*)

Margaret Rodriguez

Jesus Aranda



Behavioral Health Staff

Department of Labor, Workforce Investment Act, Section 167, Migrant and Seasonal Farmworker Program (NFJP)



Kari Hogan, Executive Director

“When you do common things in life in an uncommon way, you will command the attention of the world, but remember that the door of opportunity may not always open unless you do some pushing”

As every year the DOL 167 program faces its challenge of survival, as we did this past year and for the last four years. But even in the face of great odds, this program has survived as a National Program and so it will continue. Not only did we survive the president's cuts we survived Open Competition as well because of continued dedication on behalf of the state staff to serve Migrant and Seasonal Farmworkers and meet expected goals.

This past year, as with many, Kari Hogan along with Dr. John Arnold put in many hours working with the National Association of Farmworker Opportunities (AFOP) and their own time making sure that our state legislative members and others were educated on the farmworker program and how important this program is to Arizona and the rest of the United States, that this program continues to be a vital link in serving America's economy in the employment and training arena.

Overall the farmworker program did very well in obtaining projected goals in meeting 102% of farmworkers enrolled into the program and 92% of placement goal met. Knowing how important it was to meet our goals, staff did an excellent job. Along with enrollment and placements the program also met expectations in expanding the network of employers. Over the past year we doubled our Employer base with a total of 200 new employers. We also increased our Agricultural employer's base by 20% with a total of 32 new employers. This also encompassed a number of High Growth and High Demand occupations, which was a target goal in our grant plan as well.

This past year brought with it many positive changes not only in program curriculum, but in staff as well. In August of 2005 we welcomed Ms. Barbara Simcoe as our new Field Operations Manager of the 167 program. Ms. Simcoe came to us from the One Stop arena in California where she has worked with Employment and Training for many years and brought a wealth of information and knowledge to our program here in Arizona. Through her knowledge of the One Stop System she brought the VOS (Virtual One Stop) to the NFJP program, where job developers are able to assess and match participant skills with new job openings and obtain employer information. She has been a key point person in working with the state to open the door for UI wage information and developing the MOU and contract that encompasses all of the needed information to move forward

with this process. She has introduced many new tools that provide in depth career counseling, job readiness and has helped the Executive Director to get those and the new ESL classes off the ground. Her expertise has been proven invaluable.

Yuma County:

Once the 05-06 grant year was complete and all the paperwork submitted, it was clear that the staff in Yuma County had done an outstanding job. They enrolled a total of 391 participants (including their carryovers) for 111% of their area goals. This represented 59% of the statewide enrollments. As for placements, they found jobs for 141 farmworkers for 101% of their area goals, representing 60% of the total statewide placements. The DOL program Executive Director, Kari Hogan and PPEP CAO, Elise Arnold, presented the Yuma County staff with an award for their outstanding success, during a luncheon held at the Sheraton Tucson on August 17, 2006.



Kari Hogan, at the podium, along with Elise Arnold. Yuma NFJP staff (left to right): Ricardo Becerra, Jezreel Ramirez, Ricardo Esquivel, Leticia Beltran, Maricela Alvarado, Cinthia Jacobo, Alma Rojas and Cesar Fandino



Cinthia Jacobo, DOL Employee of the Year, displays her award below.

One of the Yuma area Case Managers, Cinthia Jacobo, won the award for DOL Employee of the Year. Cinthia was able to single-handedly enroll 113 farmworker participants during the program grant year. She attributes her success to being able to co-enroll GED and ABE students in the PPEP HEP program in Somerton.

“Hats off” to Ricardo Esquivel, PPEP’s CDL Instructor in Yuma County, for his excellent customer service as well. When surveyed about the services that they receive, participants of this training gave Ricardo a 4.9 rating (out of 5) overall Score.

Success Story: From Yuma County, comes the story of a determined father of three, Heriberto Peralta. Senor Peralta had a high school diploma and an Associates Degree in Auto Mechanics, although he has not worked as a mechanic, due to his vision problems (he needs a cornea transplant). Senor Peralta has spent the last ten years working in the fields and packing sheds in Yuma and taking care of his children. In fact, he is such a dedicated parent that he was elected the President of Chicanos Por La Causa’s Parent Council and taught parenting classes to other members who were parents of children in the Migrant Head start Program. However, he was dissatisfied with working in agriculture. His dream had always been to become a US Border Patrol Agent. Since the application process for Border Patrol positions takes approximately two years and the training take another five months, Senor Peralta decided to pursue the shorter-term goal of becoming a Corrections Officer. He was accepted into the Corrections Officer Training Academy in Phoenix, where he spent his first two months in training. He graduated in March of 2006 and is now working as a Corrections officer in San Luis, Arizona, making \$12.91/hour with full benefits. That’s an earnings gain of \$545.60 per month. He intends to continue to pursue his dream of becoming a Border Patrol Agent (which pays even better), while he works in Corrections. With its tenacity and dedication, we are quite sure he will one day fulfill that dream.

Maricopa County: This past year was a little rough for Maricopa County with a number of staffing changes in this area. But though these changes Maricopa County enrolled 150 farmworker participants and met 85% of their overall enrollment goals and placed a total of 45 farmworkers meeting 63% of their placement goals for their area. Although Maricopa County did not meet all of their planned goals, their outreach efforts and reaching out to new employers continued throughout the year.

Staff worked weekends assisting the Mexican Consulate staffs, who were at PPEP Tec providing services to hundreds of local Mexican Nationals needing copies of their matriculas. Fliers were handed out to over 300 people who attended this event. Presentations at the DES Farmworker Monitor Advocate Program lead PPEP staff to a number of farms which lead to invitations to present to many of the farms on program services and trainings available. Other presentations to Migrant Ed PTA meetings lead to the potential enrollment of 35 individuals.

Maricopa staff contacted Univision Radio, which resulted in several of them being interviewed for a Public Affairs Program and they provided services and participated in the Farmworkers Appreciation Day in Queen Creek, held an Open House event in the Avondale office, made other presentations to City of Phoenix workforce Connections One Stop, attended the Cesar Chavez luncheon at Estrella Community College.

Success Story: Jorge Borcelo made a move from Yuma County to Maricopa County with his wife and their 10 year old daughter. PPEP staff assisted them in obtaining an apartment and household items needed to be comfortable. Jorge was then placed in a OJT training at Upper Crust, a huge bakery located in the heart of Phoenix, Arizona. He began training a Multi-Mixer for dough prep for a variety of pastries. These pastry goods are shipped throughout the United States and Europe. You may, in fact purchase these pastries at any Starbucks. After his training was complete, Jorge was scheduled for a \$1.00/hour raise and had the opportunity to continue to climb up the ladder to a pastry chef position. His income was projected to go up 25% once his training was completed, but even during training it raised 15% immediately. The company he works for has fringe benefits and overtime opportunities. Jorge and his wife continue to thank the staff at PPEP for their opportunity for the American Dream, who also realize the impact of their efforts and what they can do for a family.

Pima Plus Counties (Graham, Pinal, Santa Cruz, Cochise, Greenlee): This past year has brought a lot of change to the Pima Plus areas of the state.



Here you see Rosa Garcia (left) and Frances Rascon, case managers for the NFJP program out in the fields in Cochise County speaking with farmworkers who are picking chilis. This past year with a combined effort staff enrolled 113 participants for an enrollment goal of 83% met and had 50 of 60 placements needed for 83 of placement goal. Because all of the above counties are very rural it is a challenge in itself to reach the farmworkers.

In the Pima Plus Counties it is critical to be out in the small communities and let your voice be heard and for the communities to get to know who you are. Over this past year PPEP staff has participated in Rex Allen Days in Cochise County, Wyatt Erp Days, Farm Empowerment Expo, and many other community functions throughout the counties. They have collaborated with the One Stop Centers, Adult Probation, Farm Bureau, local Chambers of Commerce, Migrant Education and Migrant Head start programs, and many others. Other services that are very useful in these

areas and for the farm owners and contractors are the Pesticide Safety Training that PPEP staff provides statewide. This has been a very good tool in the way of meeting potential participants and growers for employment and training opportunities.

This last year also brought full staffing to these areas where new staff Frances Saiz of Safford came on Board as well as Alicia Buckholz and Gus Luna, who are the new Job Developers for the areas. Polly Gutierrez also came on board as the new Area Coordinator for these regions. Because of all of their efforts and the existing staff, positive change has occurred. We look forward to even a better year in 2006-2007 now that everyone has been trained and are on top of their game.

Success Story: In Douglas, Mario Hernandez, came into the program, while working at the local chili cannery, to support his wife, daughter and brother. He took a survival job at Takata Seatbelts, while studying for his GED, in which he received. His long term goal was to work for the Arizona Department of Corrections. He then entered training and began studying for his tests and by the end of March had completed all of his testing and passed. He then entered the next phase of training in May and headed off to the Academy. During this process PPEP NFJP program was able to help Mario purchase work clothing until he received his uniforms. He was thrilled at this since he thought he might have to sell his car or borrow money, in order to purchase appropriate clothing for the job. Mario became Officer Hernandez on August 4, 2006 when he began his new career as a Correction Officer, making 13.00 per hour to start.

Statewide Staff Training throughout the Year: This past year brought a lot of training to the staff across the state. Training is critical for the development and ongoing learning of the staff when working in employment and training programs and working with people in general.

Throughout the year Barb Simcoe, Field Operations Manager and Sandy Adams, Data and Compliance Manager were out in the areas continually updating staff on the CERTSS program, which is our computerized data program for application and intake of the NFJP program. They also gave one on one training for those that needed it. In Sept. 2005 a new service was acquired to assist staff in documenting employment. NFJP staff now has access to information, via phone or website, of employees, provided by employers through "The Work Number" system. By entering an employee's SSN and the employer name, they will be faxed information on the individual's employment status if they are in this data base. In Oct. 2005 all of the Job Developers and Area Coordinators from across the state spent two days in Phoenix with Bernice Carter, who taught them job development skills and techniques. Job Developer handbooks, which included forms and letters, were distributed to the staff in the field, to help them organize their efforts. In Nov. 2005 a large number of staff, along with administration staff were able to attend the AFOP national conference in Miami, FL. Staff attended workshops on Marketable Skills Identification, Income Improvement Orientations, Motivation, and Selling Employers on Job Retention Services, Mistake Free Job Finding, Writing Successful Success Stories, and Providing Good Customer Service among many others. Also in November all staff met in Tucson to cover technical issues related to enrollments and exits that were learned at the AFOP conference, in order to bring staff up to date on program requirements. Barb Simcoe also did training at this time on "selling retention to our customers" and shared forms and other tips on successful success stories.

In Jan. of 2006 statewide staff attended the Rocky Mountain Hi Conference in San Diego and attended trainings to include Common Measures for 167 programs, Job Readiness training, Best Practices, Diversity Training and Housing. In Feb. 2006 all case managers attended training on "How to Get Better organized" that was initiated because of concerns that were popping up

statewide when it came to organizing and time management. All Job Developers were sent to San Francisco to a two day workshop on “Mistake Free Job finding... and the “Key to Quicker Employment”. The Field Operations Manager did internet research and supplied each of the Area Coordinators with information based on local businesses that might employ our potential participants. These were business other than crop producers. In March of 2006 Yuma County staff and some of the Managers attended the 11th Annual AIFC conference where they attended workshops on Housing, Labor, Education, Youth and Health and Immigration. In May of 2006 several staff from the NFJP program were able to attend the NAWDP conference for Workforce Development Professionals. Training included Making Case Management Work, by Beverly Ford, Building a Portfolio, along with many other Employment and Job related workshops and client centered approaches. And in June of 2006 front line staff again went to Phoenix to attend training by Dr. Beegle that presented on strategies for working with customers whose incomes are below the poverty line. What are their needs, concerns and how do we turn it around.

I would personally like to thank all of the NFJP staff for a job well done and to keep up the great work. I would especially like to thank my Data and Compliance Manager, Sandy Adams and my Field Operations Manager, Barb Simcoe for their invaluable service and keeping it all on track. I couldn't have done it without them.

Kari Hogan, Executive Director



Kari Hogan, Tracey Wearing, Dr. John David Arnold, and Barbara Simcoe



High School Equivalency Program FY 2005 - 2006

The Yuma Valley, where PPEP-HEP is based, is the primary producer of the winter vegetable supply for the United States. The local economy of this area is driven by the winter vegetable harvest. This past harvest season, growers were faced with a severe labor shortage of field and packinghouse workers. Workers were forced to work 12 hours daily and to work seven days a week during peak harvest times.

Many produce companies were uncooperative in allowing workers to have time off to test at the GED testing center in Yuma. As a result, some students tested after working all night, and their test results reflected their inability to concentrate. The passing and completion rates for Cohort I, which tested in November and December (peak harvest months), and Cohort II, which tested in March and April (many students left the area to travel to California to follow the harvest season and were unable to test), were below past averages for the same time periods. Students, who did not pass the GED examination, and those who withdrew from PPEP HEP to follow the produce season, will have the opportunity to attend classes to prepare them to retake the parts of the examination they did not pass or take, at a later date. Cohort III, which began in April, will test in August and early September, months of inactivity in the local produce industry. In the past, students from Cohort III have had good success in passing the GED examination.

Scheduling testing for Cohort III was facilitated by the Director of the GED testing center. They modified their testing schedule to accommodate the 61 students from Cohort III. Even though they began testing the first week of August, the last examination will be taken on September 11, 2006, since other area programs are testing as well.

In order to pay their tuition and to purchase textbooks, many of the PPEP HEP graduates need to receive financial aid through Arizona Western College; therefore the graduates of Cohort III will have to enroll in the spring semester, when they receive their financial aid.

PPEP HEP has coordinated with Chicanos Por La Causa, Arizona Western College, and Campesinos Sin Fronteras to help to recruit students for the HEP program. This year, PPEP HEP recruited and served 168 students with the help of these agencies.

The PPEP NFJP program started an Adult Basic Education class. Students, who did not pass the HEP admission examination, were referred to the ABE class. Ten students, who went through the ABE class, were enrolled in Cohort III in the HEP program, and they are currently taking the GED examination.

All the local health agencies have two health fairs for migrant and seasonal farmworkers yearly. Agencies have booths set up, where the attendees can be tested for diabetes, have their blood pressure measured, vision and hearing tested, and learn about all the health and medical services, which are available to them. Approximately 80% of PPEP HEP students attend these fairs.

Students, who have needs in housing, food and clothing, eyeglasses, and other economic services are referred to the PPEP Community Action agency, and to other local health agencies.

One hundred percent (100%) of PPEP HEP students are made aware of this help, which is available to them.

PPEP HEP has worked diligently to try to achieve its goals and objectives, and the PPEP HEP staff will continue to strive to provide the best possible service to our migrant and seasonal farmworker community.

Brief Summary Remarks of 12-month Performance

Goal 1 (ACADEMIC): Provide education to migrant and seasonal farmworkers and/or their children resulting in a GED and placement into higher education, employment or the military.

Objective 1 of 2: *Recruit, enroll and educate 160 migrant and seasonal farmworkers and /or their children as students annually in the PPEP HEP GED Program.*

One of the biggest barriers for PPEP HEP students is trying to attend classes, while they are working. The primary months of the produce harvest season are October to April for the winter vegetable season and May and June for the cantaloupe, mixed melon, and watermelon season. PPEP HEP has three Cohorts during the year. Cohort I normally begins in August and ends in December. Most students can complete testing by late November before the winter harvest season is at its peak. Cohort II begins in January and ends in April. Students in this group work in the day and attend classes in the evening, or they work all night and attend classes in the morning. Cohort III begins in May and ends in August. Cohort III is always the most successful as students are not working. Recruitment of students is an ongoing process. PPEP HEP has a working agreement with Chicanos Por La Causa, Campesinos Sin Fronteras, and Arizona Western College. Each of these agencies refer students to PPEP. In addition, PPEP HEP is a member of the Adult Education Providers Consortium. PPEP HEP refers students, who do not qualify for HEP, to the other members of the Consortium, and they refer students to PPEP HEP. For FY 2005 – 2006, PPEP HEP recruited and served 168 students.

Table (FY 2005 – 2006) – Goal 1 (Academic) – Objective 1 of 2

Cohort	Served	Completed and Tested	Passed
I	68	52 (76%)	28 (54%)
II	33	26 (79%)	15 (58%)
III	67	54 (81%)	35 (65%)
Totals	168	132(79%)	78 (59%)

Objective 2 of 2: *Achieve an eighty percent (80%) placement rate for those completing a GED into higher education, employment, or military.*

Almost all of PPEP HEP graduate are very low income and need financial aid in order to attend Arizona Western College (AWC). During their course of study in PPEP HEP, they receive two workshops by AWC personnel on how to apply for admission and how to fill out financial aid forms. Most of the PPEP HEP graduates enter AWC during the spring semester as they do not receive their financial aid in time to enroll in the fall semester. Some graduates travel to other states to work during the summer and enroll in the spring. From Cohort I and II, of the 43 graduates 16 are attending AWC (16/43 = 37%) and 13 gained full time employment (13/43 =

30%). Twenty nine of the forty three graduates have continued their education or have gained full time employment (29/43= 67%).

Goal 2 (CULTURAL): Provide opportunities for the migrant and seasonal farmworkers and/or their children to participate in cultural events and advanced education.

Objective 1 of 2: *Raise student cultural awareness through attendance to two cultural events during each cohort at Arizona Western College (AWC).*

PPEP HEP is located in close proximity to the U.S. border with Mexico, and close to the Cocopah and Quechan Indian reservations. During the year both tribes have many cultural events, and the communities of Yuma, Somerton, and San Luis have cultural events honoring U.S. customs as well as Mexican customs. In addition, Arizona Western College has many events ranging from live theater to touring singers and dancers from other countries. From Cohorts I, II, and III 136 of 168 (81%) students attended at least two cultural events, and 100% of those attending the reported an increased cultural awareness.

Objective 2 of 2: *Raise student awareness of AWC resources (library, classroom, financial aid, coursework, enrollment, computer laboratory) through two workshops and a campus visit during each cohort.*

All PPEP HEP students receive a presentation about AWC resources during orientation week. In addition, students visit the computer labs at one of the AWC sites. During the workshops, students learn about course work required for different degree or certificate programs, and learn how to fill out admission and financial aid forms. One hundred and forty two of 168 (85%) students attended two workshops, and 132 of 142 (93%) reported increased awareness of AWC resources.

Goal 3 (SUPPORTIVE/FINANCIAL): Link students to financial and support services (stipend, health & medical, housing, economic, emergency services, food & clothing, eyeglasses and the like).

Objective 1 of 2: *To provide linkage to support services to 100% of students requesting service through existing partnerships within Yuma County.*

Any PPEP HEP student that qualifies for the PPEP NFJP program is eligible for help with food vouchers, clothing, eyeglasses and gasoline vouchers. Students, who cannot pay their utility bills or rent, may also receive emergency funds to pay these bills. Students, who do not qualify for the PPEP NFJP program are referred to PPEP's Community Action agency. HEP students, who have medical needs are referred to Border Health Foundation, a local health agency. Any HEP student that needs or wants counseling is scheduled to meet with Dr. Kevin Tansey, a full time counselor for PPEP, who works out of the PPEP HEP office. Help in these areas is available for all HEP students.

Objective 2 of 2: *To provide daily stipends (up to \$400 during a 14-week cohort) to 100% of active participants to meet discretionary needs.*

All HEP students sign attendance rosters daily, when they attend class. The attendance rosters are collected every day, and student time sheets are filled out, signed by the students, the instructor, and are processed. Students are paid a stipend for each day they attend class, with a cumulative total of stipends up to \$400. Students use the stipends to defray costs of attending HEP

classes, such as gasoline or child care for their children while they attend class. One hundred percent of the students say that they are grateful for the stipends.



PPEP HEP Graduation Ceremony
June 23, 2006 – Yuma Civic Convention Center

P. P. E. P. & AFFILIATES
Community Action Department
Community Services Block Grant, & Pima County Community Action
Annual Report for 2005 – 2006

The Community Action Department with in Project PPEP maintains the honor of being the only non-profit Department in the agency since its birth in 1967.

This department provides services such as, rental and utilities assistance, food, clothing, and transportation, employments, and day care, some of these services can be provided State Wide and some in Pima County only. Here is a brief description of some services we did for low-income household.

This department had \$ 63,047 in state funds, and we serve over 1240 low-income households in five (5) counties, and funds coming from Pima County, it was \$71,000 and serve over 855 households. We also provided more than \$20,510 for food vouchers for the state. We have Medical Services to for the clients at Yoem Pueblo, here are some pictures of our clients, four in all, than you will have the Pima County One Stop/Workforce Investment Act. And the Arivaca Community Garden



PPEP, Inc.
Human Services Department
Pima County One Stop / Workforce Investment Act (WIA)
Program

Annual Report 2005-2006

In 2005, PPEP was awarded one of the largest WIA workforce contracts in Pima County, and was made the sole contractor responsible for **all** WIA adult on-the-job training in the entire county. PPEP also had the honor of being the only Pima County agency (at the time) represented on the prominent *One Stop Employer Outreach Team*, and, consistent with the purpose and spirit of Project PPEP, was the only contractor designated to serve **rural** Pima County adults.

PPEP's team was charged with assisting job-seeking Pima County residents in career selection and consulting; employment preparation; vocational, professional, or other job training (including the aforementioned on-the-job training); job placement; and follow-up services. We were to serve adults and older youth in all urban and rural areas of the county.

In 2005-2006, our team consisted of:

Margaret Slaughter, *Curriculum Specialist*
Yvette Cruz, *Program Support Specialist (One Stop)*
Mary Palma, *Workforce Development Specialist (One Stop)*
Grace'yetta Askew, *Workforce Development Specialist (DES)*
David Rodriguez, *Workforce Development Specialist (Rural)*
Polly Gutierrez, *Workforce Development Specialist (Rural)*
Victoria Matheny, *Workforce Development Specialist (Rural)*
Dana Katbah, *Workforce Development Coordinator*
Dannie Dyas, *Community Action Director*
Elise Arnold, *Chief Administrative Officer*

The team produced phenomenal results (End of PY '05-'06):

	Enrollments	Credentials (Training/School Graduates)	Job Placements	Average Wage
@ DES	100	9	42	\$10.17
@ One Stop	132	33	49	\$9.32
Rural	128	18	33	\$12.36
Total	360	60	124	\$10.62 (weighted equally)

Looking Ahead to 2006-2007. For us, program year 2006-2007 has already begun. Despite rather severe nationwide WIA funding cuts, none of our PPEP team members lost their jobs. One of our positions was cut, but fortunately that position had already been vacant.

This year, we are looking forward to providing the same comprehensive employment and training services to Pima County residents as we have for many years now. PPEP is still the *only* contractor producing WIA adult on-the-job training contracts in Pima County, and is still the *only* WIA adult **rural** service provider in Pima County. However, what *is* new this year is that we are the grantee of an additional contract – one to serve Pima County job-seekers ages 50 and over! PPEP will house this program at the Kino Services Center One Stop. Services provided to mature workers will include: *Employability Skills Workshop for the Mature Worker*, employability take-home workbooks, career counseling, referrals to other service providers (Title V/SCSEP grantees), resource center, *National Employ Older Workers Week*, and much more.

¡Sí se pudo!



Project PPEP workforce development facilitator Nancy Richeson, at far left, stood behind David Rodriguez and Dana Katbah of Pima County One Stop Career Center in Tucson.

Arivaca Community Garden Annual Report

This year at the Arivaca Community Garden we continued to work at becoming an efficient and productive market garden. Many of our past strategies for food production have been altered in order to have a greater variety of foods to offer at the local farmers market. This year the ACG more than doubled its participation in direct marketing of our produce.

In addition to our continuing education in marketing we also remain dedicated to our local food bank partners through the donation of thousands of pounds of fresh produce for their clients.

Currently, the garden is expecting to see another positive change that will help staff keep on top of the work load.

By the end of the winter we expect to have created a guest worker program that will attract interested people from all around the world. Changes at the garden include the installation of a septic system and another electric service. Along with these important improvements we will have living quarters for guest workers. Because our program has a lot to offer in terms of education in farming and social work, we expect we will have many visitors staying in our new facilities and helping in the fields.

As we approach the end of this years summer season we are all grateful for a very healthy monsoon season. The plants grew fantastically this year and improved our yield over last year.



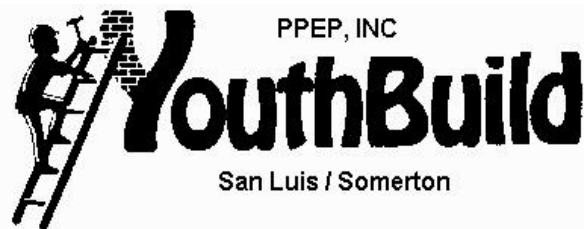
PPEP Arivaca Community Garden



PPEP Arivaca Community Garden Greenhouse



Garden staff sowing the seeds



Kari Hogan, Executive Director

Heidy (Pamela) Soto and Kari Hogan (left) put on the final touches before Youthbuild graduation



“If your actions inspire others to dream more, learn more, do more and become more, you are a leader, for the very essence of leadership is that you have a vision”

“We must not believe the many, who say that only free people ought to be educated, but we should rather believe the philosophers who say that only the educated are truly free. For education is for improving the lives of others and for leaving your community and world better that you found it.”

Pictured above is one of the many graduates from the Youthbuild program in 2005 -2006. Over the past year and a half the PPEP Youthbuild program has graduated 18 at-risk youth from its program. Last year two cycles graduated and we now begin our 4th. It is hard to believe that we have touched the lives of so many young people and the positive contributions that they have made to their communities and to the program. Throughout the last year students not only completed their educational studies, but completed over 50 new homes under the self help housing program in conjunction with Housing America Corp. and completed 6 rehabilitation projects with the Smile Program for low income disabled individuals and families.

Project PPEP Youthbuild students were involved in many community service projects which included a very large voter registration campaign last year. Students also worked with the San Luis and Somerton Parks and Recreation Departments to clean up graffiti, they participated in the El Dia del Campesino Days in San Luis where they talked with other youth about their program and helped to educate the public on programs and services. Students served lunch to the seniors at the Somerton Senior Center and had lunch with them, students received a bus that was donated by Comite en Bienestar and then cleaned and prepared it to be presented to the Centro de Atencion Multiple in Estacion Delta Baja California, Mexico for transportation services in low income community. They received recognition from the Mayor of Mexicali Baja California, Mexico

for their work to the bus and the donation at a presentation at the Yuma Civic Center. These are just some of the examples what youth are doing in their communities.



Youthbuild staff and students work with community in voter registration campaign



There were many opportunities for leadership activities as well this past year. Because of staff efforts and the leadership of Kari Hogan, PPEP Youthbuild was able to secure CDBG (Community Development Block Grant) funds in order to leverage the Youthbuild dollars and give more opportunity to the youth enrolled in the program. Because CDBG dollars were provided and paid for the training stipends and incentives for the youth, other dollars were made available for leadership opportunities. Over this past year young people were able to go to Phoenix and visit the states Capitol. Students were able to meet with Arizona State Senator Robert C. Cannell and Arizona State Representative Amanda Aguirre. Students were able to attend a luncheon for United States Congressman, the Honorable Raul Grijalva, whose office is located in the Yuma County area where the Youthbuild program is located. The congressman's top aide Luis Heredia was also our Leadership Instructor for the Youthbuild programs college course that is provided through the program. Students participated in the Cesar Chavez memorial luncheon and helped with the setup of the overall function. Students participated in the 17th annual LULAC Youth Leadership conference in Tucson, Arizona where they attended workshops at Pima Community College.

On a National agenda, student Carlos Rodriguez was chosen to attend the Rural Caucus Youth Leadership Conference in Washington, D.C. last year, where he was able to meet with United States Senator John Kerry and many other Governmental officials and talk to them about Youth in America, what are youth issues and the Youthbuild program and the positive changes that it is making in our communities and across the nation. A total of 10 students were able to go to Milwaukee, Wisconsin this past year and attend the National LULAC Young Leaders conference where they met with United States Secretary of Labor, Elaine Chow and National LULAC president Hector Flores and newly elected Rosa Rosales. They were also able to participate in a large

community service project with other youth in one of the neighborhoods in the Milwaukee area and visited and toured the University of Milwaukee.

Another positive activity within Youthbuild are the speakers that come to the program and speak to the youth on a number of topics. This past year topics included: Honorable Judge Many Figueroa from Somerton who spoke about laws that affect people negatively and positively. College staff from AWC spoke to students about the college, classes, tuition, pell grants, and other topics surrounding admissions into the college. Staff from Border Health spoke to students about Cessation programs to help people stop smoking, about STD's, and about health programs that are available in their community. There have also been a number of Construction companies come out and speak to the youth about job opportunities once they graduate from the program. Ramona Corrales, CPLC Director did a presentation on Immigration Reform and how it affects you if you are a felon and the process. Roxana Sanchez, Loan Officer from National Bank also spoke about loan processes, budgets, opening checking accounts and savings account. These are just a few of the speakers that come.

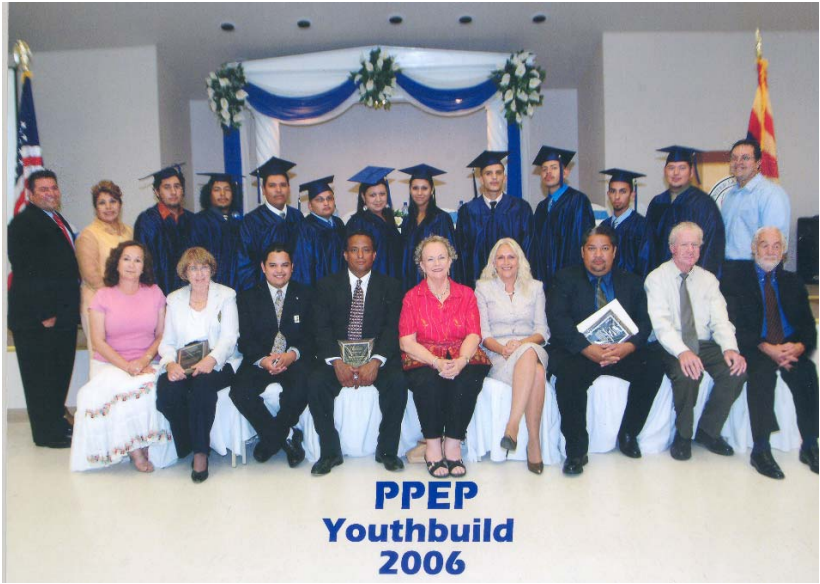
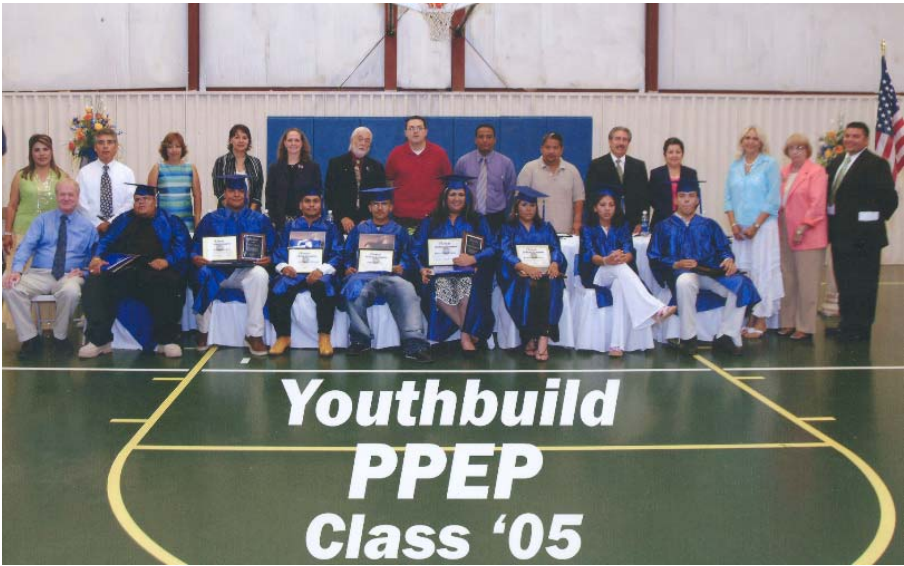
We also knew how to have fun when it was appropriate. This past year students were able to go San Diego to see other YouthBuild projects and have a little fun as well.



PPEP Youthbuild in San Diego

Overall the Youthbuild Program met its goals with HUD, graduating 19 students overall when the HUD program portion ended in 2005. The Youthbuild also met its goal of 10 more graduates under the CDBG program when it received that funding from the City of San Luis, Arizona in 2005 thru 2006. PPEP has recently been funded again by HUD for the 2006 – 2008 program years.

Overall a total of 29 students have graduated successfully from the PPEP YouthBuild program out of a total of 40 who have entered to date. We look forward to all of our student who just enrolled to graduate next May 2007.



Sincerely,
Kari Hogan, Executive Director



PPEP Microbusiness and Housing Development Corporation

Nash Verdugo
Community Investment Officer

Loan Funds Report for the period ending June 2006

PPEP Microbusiness and Housing Development Loan Funds outstanding portfolio for June 30, 2006 ending was **\$4,630,185 against notes payable of \$4,403,700**. The PMHDC Loan Funds is comprised of 20 different investment sources. These are then grouped into 12 sections. A brief description is provided for each section.

Small Business Administration MICRO Loan Funds

The Small Business Administration/MICRO Loan Fund is made up of four separate loans made to PMHDC. The outstanding balance to SBA on these four loans is **\$1,270,750**. The outstanding portfolio on these four loans is **\$927,570 and** is made up of 126 accounts with an average loan of \$7,362. Of the principal outstanding, \$195,281 (21%) is in arrears. PMHDC is aggressively looking into all of the accounts that are past due more than 30 days and corrective action is being taken by staff as well as management.

Social Program Related Investment Fund (SPRIF)

This fund is made up of seven social investments, which include the Tides Foundation, Seton Enablement Fund, SSM International Finance, Sisters of Saint Francis of Philadelphia, Sisters of Mercy, Burlingame, U.S. Conference of Catholic Bishops, and the Cabalero Investment. This fund is capitalized at **\$320,000** the portfolio balance for this fund is **\$162,407**, which is comprised of ten active loans. PMHDC is utilizing these funds at an average cost of funds of 3.5% per annum.

Rural Development

This Loan fund was established for the three border areas of Douglas, Nogales and San Luis. The **\$165,000** RD grant was made to PMHDC in May of 1996. Under the grant guidelines, these funds can only be used in these three border communities. As of June 30, 2006, the outstanding portfolio was **\$61,839** with 12 active accounts with an average loan of \$5,153.

United States Department of Agriculture Intermediary Relending Program

The Intermediary Relending Program (IRP) is a program of Rural Development. PMHDC was awarded two \$750,000 (**\$1,500,000**) 30 -year loans, IRP # 3 for \$346,250, IRP # 4 for \$750,000 and IRP #5 for \$750,000. It's uses include pre and site development housing opportunities for low-to-moderate income families as well as create sustainable small businesses with loans of up to \$150,000. Under these five separate funds, there are 17 loans utilizing IRP funds with a principal outstanding of **\$1,801,420** as of June 30, 2006. Total notes payable to Rural Development is **\$2,302,701**.

Economic Development Administration (EDA) Bridge Fund

This federal funded bridge fund pro-actively develops new jobs for low-income individuals and minorities by nurturing the start up and sustain ability of microenterprises as they expand and enter their new stage of development and full-time job creation by providing bridge loans. EDA approved a \$300,000 investment and EDA #2 in the amount of \$500,000 for the CDFI. As of June 30, 2006 there were 16 loans outstanding under this funding source for **\$515,759**.

Calvert Foundation Fund (CFF)

The Calvert Foundation Fund is a social responsible fund created from the Calvert Community Investments. This loan is structured at 4.0% interest only and is payable in a one balloon payment on July 15, 2006 this loan is capitalized at **\$250,000**. At the end of June 30, 2006, there was one active account with a balance of **\$14,203**.

PMHDC EQUITY Fund (CDFI)

For the fiscal year end of June 30, 2006, equity investments made by the U.S. Treasury (\$250,000) and a \$250,000 investment made by Wells Fargo Bank totaled **\$500,000**. There is one investment in this portfolio with a balance of \$219,270, which was used for the down payment of the PPEP Charter School. This portfolio generated \$1,448 in revenue during the past 12 months. Currently this fund is capitalized at \$506,509.

Rural Housing and Economic Development (RHED I) (HUD)

The grant funds of \$450,000 are made available to PMHDC to infuse into construction loan funds to help self-help borrowers and non-profit builders proposing

to develop affordable housing in rural Arizona. The objective of this funding source is to finance 40 homes over the next five years under the self-help program of USDA in rural Arizona. Currently there three loans outstanding totaling **\$292,671**. There is \$164,346 available for lending under this funding source.

Rural Housing and Economic Development (RHED II) (HUD)

RHED funds are being used to provide economic development assistance to retain and expand existing small businesses and micro enterprises in need of developing or enhancing their technological and communication capabilities, helping them to bridge the digital divide. Businesses served through this initiative are located in the “Colonias” areas of Arizona along the US-Mexico border, also known as the Arizona Border Region Enterprise Community, which includes Douglas, Nogales and San Luis. Grant dollars for this initiative is \$282,700. At the end of June 30, 2006, PMHDC has principal outstanding of \$125,230 in 33 separate loans.

Rural Housing and Economic Development (RHED III) (HUD)

These federal funds were received in late 2002 for the acquisition, development, construction or renovation of housing serving elderly, developmentally disabled adults, farm workers and other special populations residing along the US-Mexico border known as the Arizona Border Region Enterprise Community which includes Douglas, Nogales and San Luis, Arizona. This fund is capitalized at **\$333,278** with **\$238,154** in loan commitments.

Rural Housing and Economic Development (RHED IV) (HUD)

The January 2004 RHED \$400,000 grant will support the Colonias within the Arizona Border Region Enterprise Community and small distressed communities (populations below 2,500) to provide technical assistance and training of grassroots and community based groups in the Arizona Border Region Enterprise Community to develop their capacity to carry out housing and economic development projects. Six groups located in rural Cochise County, Miami, Superior, Patagonia and Wenden are receiving technical assistance and a seventh TA plan is being developed for a grassroots group in Pirtleville, Arizona. An owner-occupied home repair project was funded in Elfrida, Az. PMHDC invested \$32,800 in two loans to date leveraging an additional \$317,200 of IRP loan funds used to renovate two elderly assisted care locations in Willcox and for business equipment that will increase job opportunities in Miami, Arizona. Marketing strategies have been developed for Elfrida, and are underway in Miami, Superior and Patagonia.

WELLS FARGO Blend Fund

This product provides low-income families with financing for their new home in cooperation with Rural Development’s 502 program. The financing is secured with a \$600,000 loan with Wells Fargo Bank. The portfolio outstanding presently is

\$142,991 with six families receiving this blend financing. Previously PMHDC had financed 18 single family loans under this project.

PORTFOLIO PERFORMANCE AND NARRATIVE for June 30, 2006 ending.

Number of first-time business loans made to micro businesses during the year July 2005 through June 2006: 23

Total number of business loans, which includes cash advances, made during this 12 month period: 66

Total dollar amount of business loans funded: \$887,500

Community facility loans funded: 4 for \$717,620

Total dollar amount of loans funded during the 12 month period ending 6/30/06: \$1,732,648

Total number of active accounts as of 6/30/06: 239 for \$4,602,505

WOMEN-OWNED ENTERPRISES

At the end of June 30, 2006, there were 91 women-owned enterprises that had an investment with PMHDC. This represents 43 percent of all loan holders.

PRINCIPAL PAYMENTS

In the fiscal year that ended in June 30, 2006, PMHDC collected \$1,538,699 in principal payments from its loan recipients. This is a increase of 2 percent of what was collected during the same period ending June 2005.

LOAN FUND REVENUES

The following are the revenues PMHDC collected during the fiscal year end 2006 with a comparison of the revenues from the previous fiscal year ending June 2005.

PERIOD ENDING	Fiscal Year End 2005	Fiscal Year End 2006
PORTFOLIO	\$4,512,794	\$4,602,505
INTEREST	\$286,425	\$280,316
FEES/IMPOUNDS	\$41,705	\$16,810
LATE FEES	\$15,800	\$16,145
INVESTMENTS	\$10,219	\$18,717
TOTAL REVENUE	\$354,149	\$331,988

TECHNICAL ASSISTANCE

The Community Development Officers (CDO) and CDFI Loan Officers provided extensive technical assistance to our current and delinquent borrowers. During the 12 months ending with June 30, 2006 the CDOs provided 4,142 hours of technical assistance.

The following report breaks down the assistance hours by specific tasks. Staff continued to provide 87 presentations, which attracted 554 persons to these presentations. Most of these presentations were provided to civic, business and social groups like Chambers of Commerce, Lions and Rotarians and some financial institutions.

Customers of PMHDC were provided 69 small business seminars/workshops during the 12-month period. These workshops attracted 405 micro businesses to the seminars/workshops.

During the 12-month period that ended with June 30, 2006, 149 customers received 4,142 hours of technical assistance from the Community Development Officers and other staff. These customers received an average of 28 hours of technical assistance.

In this 12-month period, 23 first-time loan recipients were provided with technical assistance and \$219,200 in loan funds. During this period of time there were four micro businesses linked with other financial institutions.

The technical assistance provided to the CDFI customers in the 12-month period ending June 30, 2006 is broken down by the following categories:

- ❖ Classroom Training Hours: 94
- ❖ Business Plan Development: 252
- ❖ Site Visit Hours: 1,389
- ❖ One-On-One Counseling: 888
- ❖ Loan Documentation Prep Hours: 871
- ❖ Collection Hours: 1,198
- ❖ Technology Assistance Hours: 234

**HISTORICAL INFORMATION
PMHDC LOAN FUNDS
A CERTIFIED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION AND
A COMMUNITY DEVELOPMENT ENTITY
PROGRAM-TO-DATE STATISTICS**

January 1987 through June 2006

AMOUNT INVESTED: \$19,517,278

AVERAGE INVESTMENT: \$5,898

AVERAGE TERM OF INVESTMENT: 18 MONTHS

TOTAL NUMBER OF FIRST-TIME LOANS: 1,420

TOTAL NUMBER OF ALL INVESTMENTS: 3,309

**PERCENTAGE OF WOMEN-OWNED ENTERPRISES IN CURRENT PORTFOLIO:
43%**

HISTORICAL LOSSES: \$1,578,279 PERCENT OF LOSSES: 8.1%

RECOVERY PROGRAM-TO-DATE: \$141,861 (9.0%)

PMHDC CAPITALIZATION: \$5,645,621

PMHDC LOAN PORTFOLIO: \$4,602,505

Portfolio Analysis and Social Impact

In accordance with our PPEP Microbusiness and Housing Development Corporation's ***Guidelines and Procedures Operating Manual 2000***, the following summary is provided on the portfolio status of 151 micro and small business loans with a balance as of December 30, 2005. This report is a compilation of semi-annual reviews of 151 accounts in the small business portfolio. At the beginning of every January and again in July of each year, PMHDC's Community Development Officers and Loan Officers are required to perform a rigid business analysis on each loan in their portfolio. The purpose of the analysis is to ascertain the condition of the business, the identification and condition of the collateral that is pledged for the loan, report on the previous six month sales, the amount of taxes paid and the

number of jobs the business is supporting and finally, to evaluate how the business is performing by reviewing its payment history in the last six months. After the analysis has been completed, the business is given a grade from one to five. This grade is both objective and subjective. The entire portfolio is then graded and compared with the grade of the last 12-month period. This information is then used to rate the portfolio for risk. This loan rating is explained in detail under section(s) 12.5 of the ***Guidelines and Procedures Operational Manual 2000***. As a result of this vigorous evaluation and utilizing this loan risk rating system, the following analysis is provided.

(A) Total Small Business Accounts: 151 Total Accounts Reviewed: 151

The annual reviews were started in the first week of April and were completed by June 30, 2006 and were completed in 90 days. PMHDC staff received Loan Ledgers for each customer, which included payment information through December 31, 2005. Using this information, our staff proceeded to conduct a site visit and review each account. Our Management Information System (MIS) compiled this information into our database. The following summary is derived from this database.

(B) Combined business sales increased by 6% from the previous 12-month period.

The sales of the 151 businesses reviewed generated \$4,528,319 in gross sales during the 12-month period that ended on December 31, 2005, compared to gross sales of \$4,270,699 during the previous 12-month period.

22 (businesses) were no longer in business at the end of 2006.

(C) Risk Analysis

Risk is defined as “the potential for loss, either directly through loss of earnings or capital or indirectly through the imposition of constraints on an organization’s ability to meet its business objective.”

In performing rigorous risk assessments of the 151 accounts in the portfolio, staff rated each business in accordance to how well the business performed (in gross sales), how the business repaid its loan debt, the condition and location of the collateral and the quality of its business practices and marketing plan. Staff also reviewed the next six-month work plan with the owner. Using our risk factor of 1 to 5, the loan rating system utilized by PMHDC is based on a process of risk analysis. Each loan was given a rating based on risk at the time of the visit. PMHDC’s Loan Risk Analysis is a combination of both objective and subjective evaluations. It covers the following questions:

- (1) What is your opinion of the borrowers ability to successfully complete and manage the business,
- (2) In general is the business operating successfully? Are there any significant problems that need to be addressed?
- (3) What has the repayment history on the loan been?
- (4) What are the basic financials indicators like?
- (5) Is the business owner open to discussions regarding business practices and growth potential?
- (6) Where is the collateral located? In what condition is our collateral? Does it still exist?

The numerical rating system for loan risk assessment is the following:

- (1) Low Risk Loan
- (2) Moderate Risk
- (3) Average risk
- (4) Substantial Risk
- (5) High Risk

The annual reviews revealed the following risk ratings:

86 (55%) businesses received a risk rating of 1

21 (13%) businesses received a risk rating of 2

13 (8%) businesses received a risk rating of 3

9 (6%) businesses received a risk rating of 4

28 (18%) businesses received a risk rating of 5 of which 22 (14%) were no longer operating under the activity that they were provided with the loan.

157 loans were graded (six clients had two loans each).

The risk factor given to each business indicates an overall risk factor 2.18 for the 157 loans that were rated as of December 31, 2005. This compares to 2.18 risk factor for the period ending December 31, 2004.

The 2.18 rating indicates moderate risk where 86 (55%) businesses are current and paying as agreed, 21 (13%) of these businesses have been assessed two to four late charges in the last six months. Ninety-seven (68%) of the businesses surveyed have implemented and maintained good to excellent bookkeeping practices, loan

collateral is still in good to excellent condition. The majority of the businesses are following their business plan. Very few businesses don't know what a marketing plan is and fewer yet did not have a working marketing plan during the annual review process. This is a major concern for PMHDC in that this could be one reason why delinquencies have increased. This could also be a reason why more and more businesses are dropping into the 90- day plus accounts.

The fact that these risks do occur should not lead to negative conclusions regarding program performance. It is the measure of the level of risk being taken verses the organizational capacity to bear that risk that is the critical relationship.

PMHDC's risk assessment model is predicated on three major categories: risk identification, risk analysis and risk mitigation. These areas are often interrelated and generally interdependent. That is, upon identifying inordinate risk, PMHDC seeks to provide detailed analysis as a basis for intervention or mitigation strategy.

Not having an essential tool like a business or a marketing plan will not make a business successful, but it can help to develop the business to where at least the business owner knows what is working and what is not working. Knowing this, the owner can make better decisions and make those adjustments to take the business to a higher level of profitability.

(D) Delinquency

PMHDC's total loan fund was in the following condition at the end of June 30, 2006:

Total Active Accounts: 239

DAYS DELINQUENT	31-60	61-90	91-120	120+
PORTFOLIO @ RISK	\$44,798	\$42,497	\$33,653	\$585,810
% OF PORTFOLIO	.97%	.92%	.73%	12.73%
# OF ACCOUNTS	10	7	2	26
% OF ALL ACCOUNTS	4.18%	2.93%	.84%	10.88%

(E) Portfolio at Risk

The total delinquent amount for June 30, 2006 ending was \$706,758 which represents 15% of the total outstanding portfolio.

Staff dedicated 18% of their time to do site visits and collection efforts to decrease their delinquent accounts. The 26 accounts in the advanced delinquency stage are being aggressively pursued by staff and by our attorney's.

(F) Default

PMHDC processed \$259,879 as losses by the end of June 30, 2006. These 13 accounts referred for charge off by the Internal Loan Review Committee were reviewed and were approved as bad debt. All collateral associated with these accounts as well as the promissory notes and all other legal documents have been collected and readied for appropriate legal action. All of the charged-off accounts have been referred to our attorney for legal processing and all of the accounts have been reported to three major credit bureaus.

(G) Recovery

During the fiscal year, which ended on June 30, 2006, PMHDC recovered **\$17,122** from previous charged -off accounts.

(H) Legal Status Report

The legal status of the 13 defaulted (charge-off) accounts is as follows: (A) 6 accounts have been referred to our law firm that is representing PMHDC in legal matters, (B) of the 13 accounts, 3 have filed for bankruptcy protection, 1 is in Justice Court litigation, and 3 of these accounts were referred to a Tucson collection agency, (C) these 13 accounts were reported to all three credit-reporting bureaus. (D) of the 13 accounts, there are two accounts that are paying monthly payments through our law firms. Through these efforts, PMHDC recovered **\$17,122** in the last twelve months from these charged-off and other accounts.

(I) Social Impact

These 151 business owners were responsible for supporting an additional 244 FTE jobs. In comparison to figures from the last reporting period, this is a net increase of 7 full-time jobs.

(J) Taxes

PMHDC is reporting on the amount of taxes that our SBA/MICRO businesses are paying to local, state and federal (Internal Revenue Service). This indicator provides impact data on how important our micro businesses are to their local economies. During the 12-month period ending December 30, 2005, micro-enterprises reported paying \$27,536 in city taxes, \$94,640 in state taxes and \$38,835 in federal taxes. This is the fourth attempt of PMHDC to collect this sensitive information from our customers. Our customers know that this information is critical and must be collected to insure the sustain-ability of PMHDC in order to continue to receive federal funds to provide technical assistance at no cost to our customer.

Respectfully submitted,
Nash Verdugo
Community Investment Officer



PMHDC Micro Staff - Douglas

**2005-2006 FARM LABOR TECHNICAL ASSISTANCE GRANT PROPOSAL
SUCCESSFUL & NOT-SUCCESSFUL PROJECTS (USDA FLH-TA FUNDING FOR
PROJECT DEVELOPMENT IMPLEMENTATION)**

AGENCY FLH-TA PROVIDER	PROJECT NAME	ACTUAL AND PROJECTED CAPITAL FINANCING OF THE PROJECT	PROJECT CURRENT STATUS	# OF HOUSING UNITS	BR SIZE & #	ACTUAL & PROJECTED COST OF THE PROJECT
CRHDC COLORADO	TIERRA NUEVA II - ALAMOSA, COLORADO	FHLB-AHP/514-516 CHFA & CDH FY 2004- 2005 FUNDED	NEW CONSTRUCTION COMPLETED JUNE 2006	38 Units	18-3 20-4	\$4,526,920.00 (Actual Cost)
CRHDC COLORADO	No Project Name Town of Walsh, BACA County Colorado Division of Housing	514/516 USDA FY 2005-2006 NOFA USDA FY-2007, HOME, FHLB, CDBG, NW & Other	NEW CONSTRUCTION PRE- DEVELOPMENT	30 Units	25-3 5-4	\$4,000,000.00 (Projected Cost)
CRHDC COLORADO	No Project Name OLATHE, MONTROSE COUNTY CO Montrose County Housing Authority (SPONSOR)	514/516 USDA FY- 2005-Set-a-side \$400,000 Rehabilitation FUNDED	REHABILITATION ISSUES IN FUNCTIONALITY & DESIGN/CHANGE IN PROPERTY MANAGEMENT & OWNERSHIP	36 Units		\$500,000.00
CRHDC COLORADO	No Project Name PALISADE, MESA COUNTY Housing Resources of Western Colorado (SPONSOR)	514/516 USDA FY 2006 514/516 USDA FY 2007 FHLB AHP, LIHTC, NW, CDBG, HOME, and Other Funds	NEW CONSTRUCTION NO SITE CONTROL	30	25-3 5-4	\$4,000,000.00 (Projected Cost)
ORFWH WASHINGTON	VISTA DEL RIO DOUGLAS CO, WA	514/516, WA HTF FY 2005 USDA FUNDED	NEW CONSTRUCTION 100% SEASONAL FW	24	16-1 8-2	\$3,700,000.00 (Projected Cost)
ORFWH WASHINGTON	CHELAN CO, WA	514/516, WA HTF FY 2006-2007 USDA NOFA	NEW CONSTRUCTION NO SITE CONTROL	30-	1-2	\$4,500,000.00 (Projected Cost)
CASA OF OREGON	CANYON EAST MADRAS, OR	HOME HTF FY 2006-2007 USDA NOFA	NEW CONSTRUCTION SPONSOR-ISSUE USDA	24	8-2 12-3 4-4	\$4,000,000.00 (Projected Cost)

CASA OF OREGON	PLAZA LOS ROBLES MOLALLA, OREGON	514/516, OHTF, ODH-HELP, WEATHERIZATION FTC, FHLB, CO HOME, BETC USDA NOFA FY 2005 FUNDED	NEW CONSTRUCTION CONSTRUCTION	24	8-2 12-3 4-4	\$5,000,000.00 (Actual Cost)
CASA OF OREGON	No Project Name HOODRIVER, OREGON	514/516 FY 2007 NOFA	NEW CONSTRUCTION INITIAL DESIGN CONCEPTUAL	20-24 Units	2 & 3 beds	\$5,000,000.00 (Projected Cost)
TDSHC NEW MEXICO	DESERT SUN II DEMING, NM	514/516 LIHTC FY 2004-2005 FUNDED	NEW CONSTRUCTION COMPLETED JUNE 27, 2005	56 Units	2,3 & 4	\$3,500,000.00
TDSHC NEW MEXICO	MESQUITE VILLAGE – LAS CRUCES, NM	514/516 & LIHTC NEW MEXICO FY 2004-2005 FUNDED	NEW CONSTRUCTION COMPLETED JUNE 27, 2005	49 Units	2,3 & 4	\$4,041,000.00
TDSHC NEW MEXICO	FRANKLIN VI ANTHONY, NM	515 & LIHTC FY 2004-2005 FUNDED	NEW CONSTRUCTION PRE-DEVELOPMENT	24 Units	12-2 12-3	\$1,500,000.00
TDSHC NEW MEXICO	FRANLIN V11 ANTHONY, NM	516 & LIHTC FY 2004-2005 FUNDED	NEW CONSTRUCTION PRE-DEVELOPMENT	24 Units	12-2 12-3	\$1,500,000.00
TDSHC NEW MEXICO	DESERT SUN III DEMING, NM	514/516 & LIHTC USDA FY 2007 NOFA	NEW CONSTRUCTION INITIAL DESIGN CONCEPTUAL	56 Units	28-2 28-3	\$4,000,000.00
PMHDC HAWAII	No Project Name HERITAGE FARM, (SPONSOR) KONA, HAWAII	514/516 & LIHTC USDA FY 2007 NOFA	LOSS SITE CONTROL-Due High Land Cost & Local Zoning NEW CONSTRUCTION	36 Units	36-SRO 36-2&3	\$10,000,000.00 (Projected Cost)
PMHDC CALIFORNIA	No Project Name CALEXICO COMM ACTION COUNCIL (SPONSOR)	514/516 & LIHTC USDA FY 2007 NOFA	LOSS SITE CONTROL Due to Political Power Struggle NEW CONSTRUCTION	30 Units	SRO 18-2 8-3 4-4	\$4,500,000.00 (Projected Cost)
PMHDC-NEV. Fallon, Fernley Amargosa Valley	No Project Name NEVADA HISPANIC SERVICES (SPONSOR) Nevada Rural Housing Authority (Developer)	514/516 & LIHTC USDA FY 2007 NOFA	INITIAL DESIGN/ CONCEPTUAL-High Cost of Water Rights NEW CONSTRUCTION	30 Unit	SRO 8-2 8-3 4-4	\$3,9 00,000.00 (Projected Cost)

PMHDC ARIZONA Yuma County	No Project Name ARIZONA DES- MSFW Somerton, Arizona	514/516/ & LIHTC USDA FY 2007 NOFA	INITIAL CONCEPTUAL PLANNING & DESIGN NEW CONSTRUCTION	30 Units	SRO 8-2	\$3,900,000.00 (Projected Cost)
COMMUNITY FRAMEWORKS Eastern IDAHO	No Project Name Eastern Idaho Community Action Partnership (SPONSOR)	514/516 & LIHTC, Idaho Finance Commission, NHS USDA FY 2007 NOFA	INITIAL CONCEPTUAL PLANNING & DESIGN NEW CONSTRUCTION	No Unit	No	\$0,000,000.00 (No Cost Projection Yet)
RCAC CALIFORNIA	SMITH RIVER PROJECT DEL NORTH CO CALIFORNIA	514/516 & LIHTC, FY FY-2005 USDA Funded HTF, Joe Serna Farmworkers Bond	INFRASTRUCTURE DEVELOPMENT NEW CONSTRUCTION	250 Units	SRO, 1,2,3, & 4	\$10,000,000.00 (Projected Yet)
RCAC ARIZONA	No Project Name Cochise and Yavapai Counties	514/516, AHTF, FHLB, LIHTC USDA FY 2007 NOFA	INITIAL CONCEPTUAL PLANNING & DESIGN NEW CONSTRUCTION	None	2,3,4	\$0,000,000.00 (No Cost Projection Yet)
RCAC CALIFORNIA	No Project Name Mendocino & Riverside Counties	514/516, HTF, HOME, FHLB and LIHTC USDA FY 2007 NOFA	INITIAL CONCEPTUAL PLANNING & DESIGN NEW CONSTRUCTION	None	None	\$0,000,000.00 (No Cost Project Yet)

ACRONYMS

HTF- Housing Trust Fund (Washington, Oregon,
New Mexico, California, Arizona, Colorado)
FHLB - Federal Home Loan Bank
USDA- United States of Agriculture
HOME -US HUD HOME Investment Partnership Funds
LIHTC - Low-Income Housing Tax Credit Program
NOFA - Notice of Funding Announcement USDA
FY - Fiscal Year
PMHDC- PPEP Microbusiness Housing Development
Corporation
CRHDC- Colorado Rural Housing Development
Corporation

CASA - Community And Shelter Assistance
Corporation
CF- Community Frameworks Corporation
ORFH- Office of Rural Farm Workers
Housing Corporation
RCAC - Rural Community Assistance
Corporation
TDSHC- Tierra Del Sol Housing Corporation
CDH- Colorado Division of Housing
CHFCA- Colorado Housing Finance Commission
Association

FINAL REPORT/GRANT CLOSING
FY 2002 Rural Housing and Economic Development (RHED) Program
Grant Number: RH-02-AZ-I-0025
PMHDC RHED Grant Number 3/PMHDC Sub-Account: 2-880-03
Period of Performance: 01/01/05-01/15/06

Reporting Period: January 1, 2005 –to- October 31, 2006/RHED Semi-Annual Reports

INTRODUCTION

The U.S. Department of Housing and Urban Development under of Economic Development Office of Community Planning and Development award the Rural Housing and Economic Development (RHED) Grant Number: **RH-02-AZ-I-0025** to PPEP Microbusiness and Housing Development Corporation. The FY 2002 RHED Grant Implementation period is from January 15, 2003 to January 15, 2006.

PMHDC has received \$400,000 of RHED to “Establish a below market interest rate revolving loan pool to finance pre-development and construction costs of housing serving special needs populations residing within the Arizona Border Region Enterprise Community. This grant will provide a sorely needed source of capital for nonprofit organizations and private small business owners to use as interim financing at interest rate of 3% -to- 5% for earnest money deposits, environmental reviews, market studies, property surveys, off-site and on-site utilities, architectural and engineering fees, and interim financing of construction costs

RHED Grant’s Work Plan (Goals and Objectives) Deliverable Requirements

- The major goal and objective of this grant is to “Establish a below market interest rate revolving loan pool to finance pre-development and construction costs of housing serving special needs populations residing within the Arizona Border Region Enterprise Community. Other Technical Assistance Services will include:
- One-on-one direct assistance working with staff and the Board of Directors to increase the capacity to develop, own and manage housing projects;
- Creating operating and development budgets, assessing project feasibility, cash flow projections, and creating strategic management plans;
- Packaging of project financing and grant applications;
- Assembling housing development teams, architectural and engineering services, ADA and universal design features, construction management, bidding and closeout;
- Affirmative marketing and fair housing requirements, tenant outreach, resident initiatives and counseling program to assist renters to become homeowners;
- Property management, property maintenance and asset management plans;

- Encouraging collaborations with other agencies through a network of providers;
- Enhancing financial accountability and compliance with generally accepted accounting principles; and
- Computer applications for project development and management.

RHED Grant's Demographic Expected Outcomes and Work Plans

- Funding for over 24 months of the program to assist a minimum of 22 nonprofit organizations and private businesses;
- 22 Nonprofit organizations and small private business will be assisted to produce 150 units of housing for special needs populations residing in the targeted areas of the Arizona Border Region Enterprise Community;
- \$750,000 of Intermediary Re-lending Program funds will be leveraged;
- Over the Five (5) years period, by relending the RHED funds, a minimum of 38 organizations will be provided loans to create and renovate 250 units/beds serving low-income, special populations in the Arizona Border Region Enterprise Community;
- Over the Five (5) years period, by relending the RHED funds, PMHDC will generate \$105,000 of program income to be reinvested in the region, thereby continuing the benefit from the initial investment of RHED funds well into the future.
- By securing RHED funds for this purpose, these housing development projects will be better positioned to compete for other funding, including HOME Investment Partnership Program, CDBG, Low-Income Housing Tax Credit Program, and Federal Home Bank Affordable Housing Program funds.

RHED Grant's Targeted Areas of Service

Program Activities to be concentrated in the Colonias and Arizona Border Region Enterprise Community and small rural distressed communities whose population base are below 2500 inhabitants that struggle to overcome economic isolation and are underserved due to inadequate access to capital and community funding. These communities are:

City of Douglas, Arizona
 Town of Elfrida, Arizona
 City of Globe, Arizona
 Town of Miami, Arizona
 Wenden and Salome

Town of Patagonia, Arizona
 Town of Pirtiville, Arizona
 Town of Somerton, Arizona
 Town of Superior, Arizona
 City of Casa Grande

City of Nogales, Arizona
 City of Willcox, Arizona
 Sulphur Springs Valley
 Carmen and Tumacacori
 City of San Luis, Arizona

RHED Grant's Expected Outcomes and Accomplishments

- **Successful funding for over 24 months of the program to assist a minimum of 22 nonprofit organizations and private businesses;**

<u>Name of the Agency</u>	<u>Type</u>	<u>Technical Assistance</u>	<u>Accomplishments</u>
(1) Comite de Bien Estar Homeownership	Nonprofit	Housing/Self-Help/Loan	100 Units
(2) Chicanos Por La Causa	Nonprofit	Housing/Self-Help	16 Units Homeownership
(3) Guadalupe CDC	Nonprofit	Housing/Self-Help	23 Units Homeownership
(4) Old Pueblo Community Foundation	Nonprofit	Housing/All types	10 Units
(5) Tucson Metropolitan Ministries	Nonprofit	Housing/All Types	40 Units Rental
(6) Elfrida Citizens Alliance	Nonprofit	Organizational/Housing Economic Development	Capacity Building
(6) Campesinos Sin Fron	Nonprofit	Housing/Organizational	Capacity Building
(7) City of Willcox	Public/Gov	Housing/Departmental	Project Planning
(8) City of Miami	Public/Gov	Housing/Organizational	Project Planning &
		Economic Development	Project Planning
(9) Town of Superior	Public/Gov	Housing/Organizational	Project Planning &
		Economic Development Capacity	Project Planning &
(10) Wenden Salome	Nonprofit	Organizational, Housing And Economic Development	Capacity Building,
Planning			Housing Development
(11) Tucson Indian Center	Nonprofit	Rural Housing Development	Board Training
(12) Patagonia Business Association	For & Non Profit	Organizational, Housing & Economic Development	Capacity Building,
Dev.			Planning & Economic
(13) Encompass	Nonprofit	Housing Loan	Acquired Group Homes
(14) Encompass	Nonprofit	Housing Loan	Acquired Group Homes
(15) The Joshua Tree Homes	For profit	Housing Loan	Rehabilitated Group
(16) The Joshua Tree	For profit	Business Loan	Acquired Building
(17) Patricia Mellor	Private Ind.	Housing Rehab	Property Insurance
(18) Circle B Adult Care	For Profit	Housing & Business Loan	Rehab Group Home
(19) Encompass	Nonprofit	Housing Loan	Acquired Group Homes
(20) Douglas Business Incubator Center	Nonprofit	ERR, Organizational, Funding Organizational Capacity	Acquired, Receipt of
RROF			
(21) PMHDC, Douglas Development	Nonprofit	Housing, organizational	Project Planning &
(22) Quail Run Project	Nonprofit	Housing Homeownership	10 Units Homeownership
(23) DreamHome Const	Forprofit	Housing/Subdivision Dev/Loan	The Vargas Estate
(24) Carivaca Estate, Inc.	For profit	Housing Rehab/Organizational	15 Units

- **22 Nonprofit organizations and small private business will be assisted to produce 150 units of housing for special needs populations residing in the targeted areas of the Arizona Border Region Enterprise Community;**

<u>Name of Agency</u>	<u>Location</u>	<u>Assistance</u>	<u>Special</u>	<u>Needs</u>	<u>Population</u>
(1) Encompass	Casa Grande	Loan	Developmental Disability		3 Units SRO
(2) Encompass	Casa Grande	Loan	Developmental Disability		3 Units SRO
(3) Encompass	Globe/Miami	Loan	Developmental Disability		3 Units SRO
(4) Encompass	Uninc. Pima	Loan	Developmental Disability		3 Units SRO
(5) The Joshua Tree Family	Miami	Loan	Developmental Disability		4 Units Multi-
(6) Circle B Adult Care	Willcox	Loan	Mixed Disability Adult Care		20 Units SRO
(7) TMM/Wilcox Arm Family	Willcox	Loan	Farmworkers/Low-Income		40 Units Multi-
(8) Campesinos/ Tierra Del Cielo Family	Somerton	Loan	Farmworkers/Low-Income		32 Units Multi-
					Not Built/Gap
(9) DreamHome	Somerton	Loan	Farmworkers/Homeownership		10 Units
(10) Comite	San Luis	Loan	Farmworkers/Homeownership		18 Units
(11) CPLC, Nogales	San Luis	TA	Farmworkers/Homeownership		4 Units
(12) Old Pueblo	Uninc. Pima	TA	Homeless Men		10 Units
(13) Guadalupe CDC	Guadalupe	TA	Farmworkers/Homeownership		5 Units
(14) Carivaca Estate	Carivaca	Loan	Mixed Disability Adult Care		15 Units
TOTAL					170 Units

- **\$750,000 of Intermediary Re-lending Program funds will be leveraged;**

PMHDC Housing Division has set aside USDA Intermediary Re-Lending Dollars in the total amount of \$750,000 under IRP Loans Number 2, 3 and 4. These set-aside funds were used to leverage RHED #3 Grant funds. A total of \$281,000 has been lent out to the following businesses as leverage funds for RHED # 3 Grant Number: **RH-02-AZ-I-0025**. These Businesses are:

USDA IRP Loan No.	Name of Businesses	Loan Amount	Purpose
(1) IRP 2	The Joshua Tree Lamp Shade	\$ 11,000.00	Building Acquisition
(2) IRP 3	Carivaca Estates, Inc.	\$150,000.00	Rehab/Working Capital
(3) IRP 4	Circle B Adult Care Homes	\$120,000.00	Rehab/Working Capital
	Total	\$281,000.00	

- **Over the Five (5) years period, by relending the RHED funds, a minimum of 38 organizations will be provided loans to create and renovate 250 units/beds serving low-income, special populations in the Arizona Border Region Enterprise Community;**

At the end of the grant period on January 5, 2006, 36 months of the implementation of the program, this fund have developed 170 units, and more than 200 beds serving low-income and special populations in the Arizona Border Region Enterprise Community.

After 36 months of implementation of the RHED #3 Program, PMHDC has already assisted 24 organizations in the targeted area of service. PMHDC has successfully accomplished 63% of our goal of 38 organizations in 60 months or five (5) years period.

However, there are set-backs; we've only provided 17 loans using both RHED #3 Revolving funds and IRP # 2, 3, and 4 Leveraged Funds in the last 24 months. This represents that in the 24 months period PMHDC has accomplished 45% of it goal of providing loans to 38 organizations in the five (5) year period.

- **Over the Five (5) years period, by relending the RHED funds, PMHDC will generate \$105,000 of program income to be reinvested in the region, thereby continuing the benefit from the initial investment of RHED funds well into the future.**

After the 24 months of implementation of the RHED # 3 Grant Number: **RH-02-AZ-I-0025 Revolving Loan Fund**, the total loan fund value of the RHED # 3 is already \$347,195.38, which the initial investment of the RHED funds for this revolving loan fund was \$333,000. PMHDC has grown the loan funds by \$14,195.38 in 32 months at the end of August 31, 2006. As per meeting the goal over the five (5) years period, that this loan fund will generate up to \$105,000 in program income. As of August 31, 2006, the program income generated by the loan fund is \$14,195.38, a mere 13.52% of the goal in 32 months, which these program income dollars were added back to the loan funds.

In meeting this goal that PMHDC has leveraged more IRP dollars than the initial investment of \$333,000 to be reinvested in the region in five years. After 32 months, PMHDC has generated \$347,195.38, 34.55% of the goal in the five years. If we have counted the investments of the IRP Numbers 2, 3 and 4 funds, at this point, PMHDC will be able to have a combined net worth between RHED # 3 and IRP #2,3, and 4 of more than the projected goal of \$1,010,000 in revolving loan funds.

- **By securing RHED funds for this purpose, these housing development projects will be better positioned to compete for other funding, including HOME Investment Partnership Program, CDBG, Low-Income Housing Tax Credit Program, and Federal Home Bank Affordable Housing Program funds.**

By securing the RHED #3 Grant Number: **RH-02-AZ-I-0025**, PMHDC were successful in positioning the financial capacity of our consortium affiliates in Arizona in the development of affordable housing and businesses both for multi-family and homeownership. The RHED #3 revolving loan funds were provided for pre-development funds in the development of affordable housing for special needs population that includes farm workers, and low-income families and individuals. In addition, through the direct program dollars provided by this grant many consortium affiliates' organizational capacities have been strengthened to take on the development of affordable housing through the TA provided by PMHDC. This goal has been realized in the 36 months of the grant implementation. Below are some examples of successful capital financing development through the help of RHED program dollars.

HOUSING ACTIVITIES AND OTHER FUNDING ACCOMPLISHMENTS DUE TO RHED #3

<u>Agency Name</u>	<u>Funding Purpose</u>	<u>Funding</u>	<u>Amount</u>	<u>Project Name</u>
Comite	Land Acquisition	SHOP	\$ 180,000	Bienestar8A Subdivision
Comite	Land Development	HAC	\$ 600,000	Bienestar
Subdivision				
Comite	Permanent Financing	FHLB-AHP	\$ 204,500	18 Units
Homeownership				
Comite	Permanent Financing	USDA 502	\$1,630,500	18 Units
Homeownership				
Comite	Land Acquisition	Comite	\$ 418,072	Bienestar 8A and D
Comite	Infrastructure Development	USDA	\$ 778,846	Bienestar 8
Comite	Land Acquisition	USDA	\$ 716,108	Bienestar 8
Comite	Infrastructure	NBA	\$1,620,524	Bienestar 8 (100 Lots)
CPLC, Nogales	Land Acquisition	SHOP	\$ 160,000	Villas 13 Rio Rico
TMM, Willcox	Land Acquisition	USDA 514	\$ 150,000	40UnitsWillcox Apartment
TMM, Willcox	Construction	USDA 514	\$2,292,371	Willcox
Apartment				
TMM, Willcox	Construction/Soft Cost	AZ LIHTC	\$1,114,310	Willcox Apart. 40
Units				
Campeños Sin Fronteras	Pre-Development	Joel Gray Dev	\$17,524.80	Tierra del Cielo
32 Units				
	Land Acquisition/Cons	USDA 514	\$1,000,000	Tierra del Cielo
32 Units				

Acronyms:

- (1) SHOP – US HUD Self-Help Homeownership Opportunity Program
- (2) HAC – Housing Assistance Council
- (3) FHLB-AHP – Federal Home Loan Bank –Affordable Housing Program
- (4) USDA 514 – United States Department of Agriculture Section 514 Farm Labor Housing Program
- (5) AZ LIHTC – Arizona Low-Income Housing Tax Credit Program
- (6) NBA - National Bank of Arizona
- (7) Comite – Comite de Bien Estar
- (8) CPLC – Chicanos Por La Causa
- (9) PMHDC – PPEP Microbusiness and Housing Development Corporation

PROGRESS REPORT NUMBER: 1

PY 2006

USDOL Employment and Training Administration

SGA –PERMANENT HOUSING PROGRAM

UNILATERAL MODIFICATION Grant Agreement No. MH-14980-05-60

CFDA #: 17.264

GRANT PERIOD: JULY 1, 2006- JUNE 30, 2007

DATE OF APPROVAL: AUGUST 30, 2006

AGENCY: PPEP MICROBUSINESS AND HOUSING DEVELOPMENT CORPORATION (PMHDC)

LEAD AGENCY

820 East 47th Street Suite B-14 Tucson, Arizona 85713

Joni V. Soriano, Regional Grants Administrator

Phone: 1-800-293-2974/Fax: (520) 889-5319

Mayra Miranda, Program Assistant

Phone: 1-800-293-2974, x. 2000/ Fax: (520) 889-5319

INTRODUCTION:

One of the requirements of Unilateral Modification Grant Contract Agreement Number MH-14980-05-60 PERMANENT HOUSING PROGRAM REPORT as agreed by PPEP Microbusiness and Housing Development Corporation (PMHDC) "The Lead Agency" in the Rocky Mountain HI Coalition is to adhere to the Uniform Administrative Requirement 29 CFR Part 95, Cost Principles OMB Circular A-122, and other Requirements such as 20 CFR Part 669.430 "Workforce Investment Act" is to submit a Progress Report of the program in a timely manner. PPEP Microbusiness and Housing Development Corporation, Inc. *(PMHDC) is pleased to submit THE GRANT PY 2006 –UNILATERAL MODIFICATION PERMANENT HOUSING PROGRAM QUARTERLY PROGRESS REPORT* for the period of JULY 1, 2006 –TO-SEPTEMBER 30, 2006.

This narrative report is comprised of the *SUCCESSFUL RESULTS OF THE WORK PLANS OF OUR CONSORTIUM MEMBERS IN IMPLEMENTING THE SGA EMERGENCY, TEMPORARY AND PERMANENT HOUSING ASSISTANCE PROGRAM FOR THE MIGRANT AND SEASONAL FARMWORKERS PERFORMED BY THE ROCKY MOUNTAIN/HAWAII COALITION CONSORTIUM IN THE FOLLOWING STATE: ARIZONA, COLORADO, IDAHO, MONTANA, NEVADA, NEW MEXICO, UTAH AND WYOMING, which PPEP Microbusiness and Housing Development Corporation (PMHDC) is the Lead Agency* of the consortium. This report contains the suggested required format based on the goals and objectives of the consortium's allowable housing activities, data elements of the projects, and financial progress reports. The Financial report is not included in this report.

REPORTING PERIOD: JULY 1, 2006 -to- SEPTEMBER 30, 2006

(1) STATUS: (Goals, Benchmarks, & Outcomes Achieved)

Goal I: Continue with Development of 30 Farm Worker Rental Units in Boone, Colorado.

(A) ACTIVITIES SUMMARY: ---Rental Housing Opportunities

- Permanent Housing Development—Received Low Income Housing Tax Credit allocation from Colorado Housing and Finance Authority (CHFA).
- Reviewed 10% carryover requirements for tax credits
- Working with Sponsor to develop additional funding requirements for the project.
- Architect updating plans for project and submitting to Rural Development for review and approval

Goal II: Develop 10 Lease-to-Own Rental Units in Monte Vista, Colorado

- Continued Marketing for 10 families to participate in Lease-to-Own Housing Development
- Identified families and begin financial literacy and home buyer education classes
- Developed sweat equity task to be performed by participants
- Worked with architect to select house plan suited for size and needs of families
- Negotiated construction and permanent financing with Bank of The West
- Obtained \$90,000 grant funds from Colorado Division of Housing, \$100,000 from Neighbor Works America, \$35,000 from Federal Home Loan Bank of Topeka
- Hired Construction Manager to manage project
- Obtained bids from contractors for different phases of construction
- Started construction on first house

Goal I: Assist 20 Families build their Self Help Houses in the San Luis Valley and Trinidad build ---Homeownership

Home Ownership Opportunities—San Luis Valley/Trinidad

- Identified 8 families in Alamosa, Colorado to participate in the self-help housing program
- Provided Home Buyer Education Classes to these families
- Submitted loans to Rural Development for underwriting and approval
- Received approval from RD utilizing 502 loans and closed loans
- Identified building sites at the Montana Azul Subdivision and participants selected their individual lots
- Selected contractors and commenced construction

- Identified a group of 4 families in Trinidad, Colorado and submitted loan applications to RD for underwriting and approval
- Received approval from RD utilizing 502 loans.
- Provided Home Buyer Education to these families
- Closed Loans

Goal II: Develop Self Help Project in Walsenburg, Colorado, Huerfano County
Walsenburg, Colorado—Self Help Development

- Met with City Council to discuss development of Self-Help Housing Program
- City Council unanimously supported concept and agreed to assist in identifying potential building sites in the City
- Met with local realtor to canvas and identify potential building sites for the project
- Working on developing pre-application to RD for funding to develop and complete full application

Homebuyer Education Program

Goal I: Provide Homebuyer Education and Counseling to 40 Farm Worker Families

- Hired staff in San Luis Valley to provide financial literacy and homebuyer education
- Sent new staff for training and certification at the NeighborWorks America Training Institute
- Conducted first financial literacy classes in September and offered classes in both English and Spanish

Development of Sites, Land and Subdivision for Self-Help Housing/Lease to Own

Goal I: Continue with Development of 70 acre-tract in Monte Vista, Colorado

- Phase I consisting of 53 building sites and three—2.5 acre pads completed with all infrastructure including curb, gutter, paved streets, sidewalks, and retention pond for drainage
- Submitted request to City of Monte Vista to accept dedication of streets and infrastructure
- City officials accepted infrastructure and requested that 5 acre tract for park and 7 acre tract for retention pond be deeded over to City.
- CRHDC deed over acreage as requested by City

Goal II: Develop Phase II of 70 acre-tract consisting of 57 building sites

- Hired engineer to develop preliminary plat for phase II
- Submitted plat to planning department in City of Monte Vista
- Received favorable approval to continue engineering work with final plat for Phase II
- Solicited bids from local contractors to determine cost

Goal III: Begin Development of Phase II of Montana Azul Subdivision—Alamosa, Colorado

- Hired engineer to develop preliminary plat for Phase II
- Submitted engineering drawings to City of Alamosa planning department
- Received approval from City to continue engineering work for final plat
- Established estimates for cost of developing Phase II

(B) Financial Report submitted via EIMS system through SF-269

PMHDC and PPEP Inc. has the respective financial reports of the consortium.

(2) CHALLENGES: CHALLENGES: (Description of challenges, how they occurred, and proposed resolution)

- I. Farm Worker Housing—This project experienced delays due to NIMBY and infrastructure issues and set this project two years behind schedule. The delays increased the construction cost up to \$1million and when all potential funding sources had been depleted, we were forced to apply for Low Income Housing Tax Credits to fill the gap.
- II. Lease-to-Own project experienced some delays since it was a new concept in Colorado and it took some convincing with our lender and partners to accept the concept. The delay discouraged some participants and we had to intensify our marketing efforts to identify our 10 families.
- III. Self-Help Housing—Qualifying families has become a challenge and we are seeing families with credit and income issues. This problem intensified after the 9/11 attack on our nation. Loss of jobs, sluggish economy, and low paying wages have contributed to the problems plaguing families in rural communities in Colorado

(3) PLANNED ACTIVITES: (Expected or planned activities for the next reporting period)

- I. Farm Worker Housing-
 - Continue to work on meeting the 10% carryover requirements for the tax credit allocation
 - Submit any final architect changes to Rural Development for review and approval
 - Update construction cost
 - Apply for funding to meet any financial gaps
- II. Lease-to-Own
 - Hire contractors for all phases of construction
 - Complete all 10 foundations prior to temperatures reaching freezing point
 - Continue to supervise families with their sweat equity contribution

- Continue to provide one-on-one counseling to address credit issues and assist them in becoming credit worthy
- III. Self-Help—San Luis Valley/ Trinidad
- Continue strong marketing efforts to identify and qualify families
 - Continue providing one-on-one counseling and develop individual plans to assist in becoming credit worthy
 - Continue to provide homebuyer education classes
 - Establish a new self help group in Monte Vista
 - Establish a new self help group in the Town of San Luis
- IV. Self Help—Walsenburg, Colorado
- Continue working with City officials in identifying abandoned lots
 - Continue working with local realtor
 - Begin marketing efforts to contact interested families
 - Continue gathering information to develop the pre-application to submit to RD for funding



PMHDC Housing Staff and Patagonia Group

October 19, 2006

**TO: Joni V. Soriano, Regional Grants Administrator
Mayra Miranda, Program Assistant
PPEP MICROBUSINESS AND HOUSING DEVELOPMENT CORPORATION
(PMHDC) LEAD AGENCY
820 East 47th Street Suite B-14 Tucson, Arizona 85713**

**FROM: Dionicio Peña
Interim Director, Economic and Community Development
Community Council of Idaho
317 Happy Day Blvd, Suite #250, Caldwell, ID 83607**

**RE: PROGRESS REPORT NUMBER: 1 PY 2006
USDOL Employment and Training Administration
SGA –PERMANENT HOUSING PROGRAM
UNILATERAL MODIFICATION Grant Agreement No. MH-14980-05-60
CFDA #: 17.264
GRANT PERIOD: JULY 1, 2006- JUNE 30, 2007
DATE OF APPROVAL: AUGUST 30, 2006**

REPORTING PERIOD: JULY 1, 2006 –to- SEPTEMBER 30, 2006

- (1) STATUS: (Goals, Benchmarks, & Outcomes Achieved)
- (A) ACTIVITIES SUMMARY: Permanent Housing Development

Program Work Plan Activities	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
(1) Comprehensive Planning for Future Development				
Northern, South Eastern, South Western, South Central & Eastern Regions of Idaho, including Boundary & Bonner Counties in the North. Along the I-84 Interstate Corridor in the South, including Caldwell, Nampa, Meridian, Twin Falls, Heyburn, Burley and Glens Ferry.	Collection of Demographic Information, Poverty Levels, Dropout Rates, Unemployment – Underemployment, Homelessness, Housing Needs, Income, AMI	Collection of Demographic Information – continues.	Analysis of Gathered Demographic Information.	Development of a Comprehensive Housing Plan for each community which IMC serves – Report.
Status & Amendments	<i>Collection of Demographic Data will commence and be completed during the second Quarter of the Grant</i>		<i>Analysis of Demographic Data will be completed on</i>	<i>Development of Comprehensive Plan will be completed on</i>

			<i>schedule</i>	<i>Schedule</i>	
(2) Development of 20 units of Permanent Housing – multi-family rental housing for Elderly farmworkers	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
Twin Falls	Collection of Demographic	Completion of Feasibility	Pre-Dev Activities	Development Activities	
Central Idaho	Collection of Demographic	Completion of Feasibility	Pre-Dev Activities	Development Activities	
Status & Amendments	<i>Collection of Demographic Data and Feasibility Study will commence and be completed during the second Quarter of the Grant</i>		<i>Pre-Dev Activities will commence during the 3rd Quarter</i>	<i>Development Activities will be completed during the 4th Quarter on schedule</i>	
(3) Continuation of up to 100 Units of Farmworkers Housing	Name of Complex	No. of Units to Rehab		Grounds Upkeep - Landscaping	Estimated Completion
		Proposed	Complete		
Twin Falls	Colonia de Colores	10	7	On-going	06/30/2007
Twin Falls	El Milagro Housing	81	18	On-going, a new playground has been completed	06/30/2007
Hammet	Comunidad Juan Mayoral	23	8	On-going, blacktopping and parking improvements are bid	06/30/2007
Heyburn	Proyecto Esperanza	14	8 (6 in progress)	On-going	06/30/2007
Blackfoot	Colonia de Cesar Chavez	24	6	On-going	06/30/2007
American Falls	El Rancho Grande Estates	12	9	On-going	06/30/2007
Status & Amendments	<i>As indicated work is being completed on Unit Rehab</i>			<i>On-going</i>	<i>06/30/2007</i>
(4) Coordination of Housing Supportive Services	Education Program	Mental Health Counseling		Jobs & Employment Program	Children Services Head Start
Status & Amendments	<i>Pending identification of new staff</i>	<i>Pending identification of new staff</i>		<i>Will proceed as scheduled</i>	<i>Will proceed as scheduled</i>

(B) Financial Report submitted via EIMS system through SF-269

PMHDC and PPEP Inc. has the respective financial reports of the consortium.

(2) CHALLENGES: CHALLENGES: (Description of challenges, how they occurred, and proposed resolution)

During this reporting period the staffing for the Economic and Community Development Component of the Community Council of Idaho (formerly the Idaho Migrant Council) has experienced significant turnover. The Director’s position was vacated just prior to the commencing of this grant awarding and remains unfilled. These duties have been assumed on an interim basis by Mr. Dionicio Peña. During this implementation period we also lost management staff related to central

office Housing functions and management team members at several of our housing sites. As of this reporting we have filled all field positions and are currently searching for several positions within the Economic and Community Development Central Office staff. These positions include a; USRD Liaison, Administrative Assistant and Housing Specialist. During this transition we will continue to utilize Mr. Peña as Interim Director, have shifted a current staff member (Terry Blom) as interim USRD Liaison/management support and Mr. Tony Campa as a Housing/Field Support Specialist. These individuals will be working with our dedicated Housing staff to re-craft our housing related services and fulfill the expectations of this cooperative agreement.

We have focused our efforts within our seven housing projects on improving habitability, decreasing vacancies, reviewing resident files and finalizing completion of many deferred maintenance issues and unit rehab. (See #3 – Continue Renovation of up to 100 Units of Farmworker Housing) It is anticipated that these issues will be dealt with and completed prior to the 06/30/2007 completion date. We have just completed a Housing Management Team training in Boise, which involved all of our Site-based and Central Office staff in a training which focused on facilities issues, accounting and financial issues and strategic planning. We are working to create the team necessary to move forward with this project and to meet the housing needs of all of the communities which we serve.

However, during this transition phase we have not made significant progress on goals and benchmarks for #1, #2, and #4. We are working to establish these goals and measurements as activities within the new management team and look forward to making up time and completing these projects during the coming three quarters of the grant cycle. We will be following the modified Goals and Benchmarks schedule, as indicated in the *Table Above*.





PPEP MICROBUSINESS & HOUSING DEVELOPMENT CORPORATION
820 E. 47th Street, Suite B-14 Tucson, Arizona 85713 ♦ 520-889-4203 ♦ Fax 520-889-5319

The Quail Run Project, Modified Self Help Housing in Douglas, Arizona is scheduled for completion on November 6, 2006 with the closing of the six mortgages on November 21, 2006. Of the six homes, four were completely caulked and painted on the interior by the home owners, one home owner will need assistance because of her disability and one family was recently approved for mortgage financing which will select its paint the week of October 23, 2006. As of October 23, 2006 all scheduled activities for completion were on track to meet the November 6, 2006 completion date.

There are still four homes that are not sold at this time. We have six new applicants who are in the approval process.

October 22, 2006

I visited the Quail Run Site to Up-date the construction progress and the following is a report on each of the six homes for which we have qualified buyers:

- 2700 3br, 2702 4br, 2704 4br, 2706 3br, 2708, 2710 3br 2712 4br, 2714 3br, and 2716 4br E. 6th Street and 506 Elizabeth 3br. All homes are at approximately the same stage. The work remaining by the General Contractor, Odama Construction and Roofing for completion on or before November 6, 2006 is listed below:
 - Exterior to be completed:
 1. **Landscaping**
 2. **Painting**
 3. **Utility connections**
 4. **Garage Door**
 - Interior to be completed:
 1. **Living room**
 - a. **HVAC trim**
 - b. **Electrical trim in ceiling**
 - c. **Carpet**
 2. **Kitchen**
 - a. **Plumbing trim (Sink & faucets)**
 - b. **Electrical trim for Ceiling and range hood**
 - c. **Kitchen cabinets are 90% completed**

- 3. Dining area**
 - a. Hardware for patio door
 - b. Electrical trim 90% completed
 - c. HVAC trim in ceiling
- 4. Hall**
 - a. HVAC and Electrical trim
- 5. Hall Bath**
 - a. Plumbing trim for vanity and tub/shower unit
 - b. HVAC trim
 - c. Electrical trim
 - d. Medicine cabinet
 - e. Toilet & fixtures
- 6. Master Bedroom**
 - a. HVAC trim
 - b. Electrical trim
 - c. Carpet
- 7. Master Bath**
 - a. Vanity top
 - b. Medicine cabinet
 - c. HVAC trim
 - d. Electrical trim
 - e. Plumbing trim
 - f. Bath room fixtures
- 8. Laundry room**
 - a. HVAC trim
 - b. Electrical trim
- 9. Bedrooms 1,2&3**
 - a. HVAC trim
 - b. Electrical trim
 - c. Carpet

After all work is completed and before the occupancy permit is issued, final cleanup must be done by the General Contractor.

This project is our first in recent years and we have many diverse experiences which will enable us to benefit greatly on future building projects.

We will use a proven development due diligence check list and process that will give us the opportunity to prosecute the project from start to a project with minimal disruption and delays. An example of this process will be:

REAL ESTATE DEVELOPMENT DUE DILIGENCE

TITLE:

- Obtain a commitment for title insurance to insure the buyer's title to the property.
- Document what the seller can and cannot convey to the buyer by referring to both **Schedule B and Schedule C** of the commitment for title insurance.
- Read and understand all documents that are recorded against the property that will not be removed prior to the buyer acquiring the real property by referring **Schedule B** of the commitment for title insurance.
- Confirm that the items that are supposed to be removed or satisfied as part of the sale transaction are actually removed or satisfied.

SURVEY:

- Have a land title survey prepared. (ALTA)
- Confirm that all items listed in the title commitment are shown on the survey and that the survey certification certifies this.
- Understand the location on the property of third party rights.
- Confirm that the legal description on the survey matches the legal description on the title commitment.
- Make sure the survey is expressly certified to the buyer, buyer's lender, and the title company. Make sure the survey certification is signed and the survey is sealed by a licensed civil engineer.

LAND USE:

- Determine the municipality, county, and other governmental entity with jurisdiction over the property.
- Consider obtain a zoning letter, if the property is subject to zoning, to confirm the zoning classification.
- If the property is subject to zoning, make sure the current zoning allows the use that the buyer contemplates. If not, confirm that a variance or a change in the zoning can be obtained.
- Determine whether the property is already platted or if it will need to be re-platted.
- Verify that there is adequate access to the property.
- Confirm that desired utilities are present or can be obtained.
- If the property is to be improved, determine whether a building permit can be obtained for the improvements contemplated.

AD VALOREM TAX:

- Verify that taxes have been paid.
- Determine whether there is a possibility of "roll back taxes."
- Determine whether the valuation of the property or taxes on the property will be increased because of the change in the owner or because exemptions from or caps on taxes will no longer be available.

PRE-DEVELOPMENT:

Site Assessment:

- Identify potential sites
- Define infrastructure requirements
- Identify project site

- Recommend site
- Site and planning review

Scope Definition:

- Develop general scope for project objectives
- Develop specific scope
- Prepare final conceptual schedule
- Provide written scope information
-

Discipline Support:

- Create deliverables list
- Start discipline-specific drawings and equipment list
- Start conceptual layout
- Complete conceptual layout

Complete conceptual layout:

- Prepare conceptual scope and estimate for review
- Conceptual phase complete

Start Discipline Design: (Professional Services)

- Start architectural design
- Start civil design
- Start mechanical design
- Start structural design
- Start electrical design

Complete Discipline Design: (Professional Services)

- Complete architectural design
- Complete civil design
- Complete mechanical design
- Complete structural design
- Complete electrical design

Design:

Planning and Control:

- Develop or update project procedures
- Finalize design and construction schedule
- Establish and implement procurement and contracting plan
- Define engineering presentation and content for specifications and drawings
- Implement document control
- Establish project monitoring
- Finalize deliverables list
- Implement project reporting
- Invoice approval/contract payments
- Invoice approval/contract payments
- Implement expediting including vendor drawings

Construction:

- Select construction contractor
- Mobilize on site
- Construction
- Construction complete

CONDITION OF IMPROVEMENTS:

- For existing property, confirm the existence of certificates of occupancy for buildings.
- Determine whether improvements are subject to the Americans with Disabilities Act and confirm compliance.
- For existing property, determine whether property is in compliance with applicable codes, particularly if additional construction is contemplated.
- Determine whether improvements are in compliance with environmental laws. For existing property, consider in particular whether lead-based paint and asbestos are in the property.

TITLE TO PERSONAL PROPERTY:

- Confirm that there are no security interests in any personal property that is being acquired as part of the transaction by obtaining a search of the applicable Uniform Commercial Code records and by examining any certificated title documents.

LEASES:

- Obtain a copy of all leases and information about all tenants.
- Review the form of the leases to confirm that there are no unacceptable terms.
- Determine whether security deposits have been made and obtain transfer of the security deposits from the seller to the buyer.
- Whenever possible, obtain written estoppels certificates from tenants to confirm the existence and form of the lease, absence of defaults, absence of "extra contractual" obligations of the landlord, and other items of concern.

OTHER AGREEMENTS: (Commercial Investment Property)

- Obtain from the seller copies of all warranties, management agreements, maintenance agreements and similar agreements applicable to the property and the business being conducted on it.
- Determine whether such agreements can be terminated or assigned.
- Analyze the terms of any such agreements that are to be continued to determine acceptability.

Show Low, Arizona and Snowflake, Arizona

Katie Yeager, USDA Rural Development Manager in Show Low and Sandra Ann Angelo, Grants/Housing Coordinator for the City of Show Low Contacted me and requested assistance with their efforts to plan to provide Work force housing in the Show Low/Snowflake area. I had one telephone meeting with them on October 3, 2006. the meeting minutes are below:

Affordable/Workforce Housing Action Taskforce

In attendance: Katie Yager, USDA Rural Development Manager; Lee Ahrens, USDA Community Development Specialist; Terry Nagle, NACOG Homebuyer Program Specialist; Nelson French, Vice President Show Low Housing Coalition; Sandra Angelo, City of Show Low Grants/Housing

Coordinator; George Long, Housing Development Specialist Housing Development Corporation, Inc. (attendance by phone).

Meeting was called because collectively this group is concerned with and has the potential means to develop and implement an affordable/workforce program. It is an unfortunate fact that the City of Show Low has essentially no choices when it comes to home ownership options for the average wage earner in the City and surrounding area. In the City of Show Low there are currently 56 new developments. However, none of them fit the definition of “affordable/workforce” housing.

There are cultural challenges to developing affordable/workforce housing. Some of these include the fiercely independent nature of a farming/ranching community as well as a strong faith-based community where people feel ‘they should take care of their own.’

Ideas for generating funding opportunities:

State Partnerships

City backing

TIF (Tax Increment Financing)

Hook-up forgiveness

Gap funding

Developer participation

Controlling cost per square foot

Minimum lot size restrictions removed

Relatively affordable development in Snowflake: Sundance Springs Community, \$164,900 - \$210,900; 80 S. Main St. sundanceland.com This new development is located off of Concho Highway. Maybe we could learn something from them.

NIMBY (Not In My Backyard): There are great misconceptions about affordable housing. Consequently many are opposed to affordable housing in their neighborhood. Any affordable housing program would need to be accompanied by a marketing/education effort to minimize objections.

An updated housing study needs to be accomplished. The current study does not reflect the rapid changes in our community. A housing study should include:

- Current inventory
- Projected growth
- % of owner occupancy
- Average wage earners
- Type of wage earners
- Projected need

Possible Solutions

- Rehab possibilities
- Set asides
- Donations
- Infill development
- Identify developers
- Partnerships w/developers
- Roof tax for homes based on size and cost
- Self help (long-term goal)

- Local and regional coalitions
- Partnerships with Not for Profit Housing Coalitions
- Partnership with school district as a part of a home construction project

Funding Opportunities

Housing Finance Authority Katie will contact Carl Kinny, Home Finance Authority
Federal Home Loan Bank
FHLD & Fannie Mae leveraged funding
HUD funds – foreclosure prevention funds
Self-perpetuating programs

The City of Show Low is willing to support a demonstration project on one or two lots. They need to first have a plan that outlines the details of where funding for the structure will come from, what the home will look like (will it conform to the neighborhood and city requirements), how the families will be selected, how money will be returned to the project to continue housing projects.

Plan Vision

We decided to generate a vision for a project. Katie suggested as a starting point we begin with 12 homes. Issues to be addressed include sites, infrastructure, controlling cost per square foot, several basic plans, and partnering with a private developer. Attention should be paid to the possibility of in-fill development and building “energy star” homes.

George can assist with: an updated housing study, working with ADOH, outreach training, application qualification, capacity building, housing plans and preliminary plan of project

Developer suggestion: Loring Builders and Consultants (Pete McMahon, working with Cochise County, former Pima County Building Official)

Next meeting set for November 16, 10 am USDA Show Low office

We will continue to work on the process to set up a system to provide the much needed work force homes in the area.



Douglas, Arizona
Possible new Development

I was contacted by a property owner in Douglas who is willing to subordinate land for 22 work force homes to PPEP, Inc. and this land owner is willing to wait until the homes are sold to receive their payment for the land.

This is an opportunity for us to provide more homes for the area. We will look at this opportunity in more details in the coming months.

Submitted By:

George R. Long

Housing Development Specialist



ENCOMPASS

Enhanced Community Participation And Support Services

Letter from Gina K. Judy, Chief Administrative Officer

This year has been filled with many achievements. Since our last annual report, we have opened a new residential group home in the Casa Grande area and we have added two additional licensed residential settings in the Tucson area. We have struggled with the fall out that can sometimes occur with rapid expansion, and we have used this experience to improve program wide policies and systems. We have redesigned policies and systems that will more effectively support our staff and provide quality services to our consumers. This year marks the 26th year of providing support services for individuals with developmental disabilities throughout the state of Arizona. Over the years we have been instrumental in improving the lives of thousands of individuals in dozens of communities. As I write this annual report, I recognize that we have learned so much during this time.

We celebrate this achievement.....but only for a moment. Only a brief moment.... because we know that our journey has only begun..... What we have learned and achieved have now become tools. How we choose to use these tools will define who we are.... How we choose to use these tools will be a testament to our character.

My desire is that we each take our skills and our new found knowledge – and use them wisely. Use them responsibly. Remembering that responsibility is not a burden. Being responsible is a great source of personal power ...a way to take charge of our lives and shape the future.

This annual report marks the 26th year that ENCOMPASS has been providing services for individuals with developmental disabilities throughout Arizona, and this annual report marks the year that we choose how we will use what we have learned.

We have an opportunity to make a positive impact for future generations. For too long our children have looked to false heroes who prove only to be celebrities. Celebrities are not the true heroes of tomorrowthe true heroes of tomorrow will be found among us.

...Those who choose to be strong in character.

...Those who choose to be true to their word.

...Those who choose to exhibit integrity in day to day actions.

...Those who choose to be dedicated to the common good.

.....Those who recognize that they have a key role in the future.

...Those who recognize that if they don't take the lead, no one will.

As I write this report I remember why I have spent such long hours working to improve the PPEP, Inc. ENCOMPASS programs and services. I remember what our goals were at the beginning..... and, most important, I remember what our opportunities are now that we have achieved those goals. We have a choice. We will continue to strive to be leaders in the field of developmental disabilities. Leaders with a strong character. Leaders that do what is right even when no one is watching.

Gina K. Judy
Chief Administrative Officer

Enhanced Community and Participation Support Services

PPEP, Inc. ENCOMPASS has been a leader in the provision of culturally sensitive services in rural settings across the State of Arizona for more than 35 years. This experience has resulted in the development of systems and policies that insure the provision of highly individualized services in both metropolitan as well as rural areas. The ENCOMPASS division of PPEP, Inc. encourages respect for an individual's choice and preferences in all areas of life. ENCOMPASS measures its success through the outcomes for each person receiving services. This standard demands that individuals can live as ordinary citizens with success and without any stigma. It also believes that success cannot be achieved when an individual is not allowed to have life experiences, is sedated with medication, or is continually restrained. The ENCOMPASS program strives to uphold all of its practices, strategies and tactics of treatment to this standard of social validity. The outcome for each individual served continues to lead us to refine our practices.

ENCOMPASS has been recognized as a leader and expert in the development of services in very remote areas that may lack other resources. The success of ENCOMPASS in these rural areas has been due to person-centered and individualized design of service delivery. Such person centered approach to service delivery naturally includes the consumer, the family, and consumer representative involvement in the ongoing improvement of services.

While ENCOMPASS provides an extensive list of support services for individuals with developmental disabilities, the larger support services offered include habilitation (residential), day treatment, work-related, and transportation.

Habilitation services in community based residential facilities (or group homes) that are provided by ENCOMPASS are licensed by the Arizona Department of Economic Security Licensing and Certification Regulatory Administration to provide this Home and Community Based Service. In addition, all residential services providing supports for persons with a developmental disability are also monitored by the Division of Developmental Disabilities on an ongoing basis. ENCOMPASS currently operates eighteen group homes and more than a dozen individuals are supported in their own homes. Each of these homes would look very much like the home that you live in. The homes are integrated in the community. They look like any other home on the outside and the inside. Just like your home, each home is a reflection of the individual's living in the home. ENCOMPASS follows the principles of self-determination and continues to provide services in a manner that promotes and enhances an individual's independent. ENCOMPASS recognizes that individuals have many needs which cannot be met through state funded services, therefore, ENCOMPASS integrates schools, churches, neighbors, community organizations, and other natural supports when possible.

Some of the supports that ENCOMPASS might provide to an individual in a residential setting may include: implementation of therapeutic recommendations; ensuring health needs are met; positive behavioral supports and interventions; assistance with personal and physical needs; follow-up on team and medical recommendations; daily activities; and supervision. Special emphasis is placed on individualization of these services and the setting to the degree possible.

All ENCOMPASS services are provided in smoke free environments. In order to achieve this, individuals are not permitted to smoke on any property or vehicle where PPEP, Inc. ENCOMPASS services are provided.

ENCOMPASS has provided scheduled and non-scheduled transportation services throughout the State of Arizona for over 35 years. During this time, ENCOMPASS has created and continues to implement the highest standards in relation to vehicle maintenance and safety. In addition to proper maintenance, PPEP, Inc, ENCOMPASS insures that each vehicle is kept clean on the inside and out and free of clutter. All PPEP, Inc. ENCOMPASS transportation is provided in smoke free vehicles.

ENCOMPASS may provide a variety of transportation support services for an individual as identified in the individual's ISP or Person Centered Plan. The transportation services available are provided by qualified and trained drivers with expertise in positive behavioral supports and interventions. Transportation services are only provided in an agency owned, leased or contracted vehicle. Transportation services are not provided in an individual or staff owned vehicle.

ENCOMPASS also provides Day Treatment and Work Related services to individuals when appropriate. These services provide either daily activities or work related experiences to an individual within his or her own community.

ENCOMPASS in Avondale and Surrounding Area

The ENCOMPASS Avondale programs provide Day Treatment and Training services as well as Transportation services for individuals in the Avondale, Western Phoenix, Litchfield and Goodyear areas. Extensive community activities are provided for program participants Monday through Friday. Whether it is going to a movie, bowling, having a dance, or creating some very special art project, the program participants are very involved in designing the activity options for the program. Family and community members are also highly involved in this community centered program. A very dedicated team of staff have operated this successful program for more than a decade. Plans to expand these programs by including residential supports to the list of ENCOMPASS services for this area are currently underway. If the Department of Developmental Disabilities supports our plan to expanding our services just west of Phoenix, we should begin to witness new services as early as 2006.

ENCOMPASS in Casa Grande and Surrounding Area

The PPEP, Inc. ENCOMPASS division opened a new community residential home in the Casa Grande area this year, the Sunset Group Home. This beautiful home was designed to provide residential supports for four residents with high needs. At the present time, there are three residents in the home and availability for one additional resident who would benefit from such a unique setting. The home has a nice large therapy room where physical therapy sessions can be held. This home is also fortunate to have very active family members involved in this program. One of the resident's living at Sunset enjoys attending the Diamondback games and is anxious to attend some of the Cardinal games this football season. His family travels at least monthly to come and visit for most of the day. When this family comes to visit, they always provide a treat for all to enjoy. Another resident in this home also has an extremely active and supportive family that visits often each week and provides lots of interaction with everyone in the home. All of the residents in this home benefit from a very caring direct care support team.

We continue to operate the Kadota Group Home for four adult men who require a variety of service supports. The Kadota Group Home was the first group home that PPEP, Inc. ENCOMPASS

opening in the Casa Grande area. The residents in this home have been roommates for more than three years and seem to enjoy living together. One of the individuals in the Kadota home is even in the process of looking into owning their own home. Another resident of the Kadota home is currently retired and enjoys going to Tucson and to the Casinos. Somehow he goes in with two dollars and comes out with a little more. He also enjoys helping others so he likes to run as many errands as he can. He is always asking what needs to be done and then he gets a big laugh. He also enjoys bringing in his receipts from the times that he spends his personal money. He is very responsible with his own money and is quick to send in receipts so that his guardian can send more. He also enjoys visiting his Aunt often, especially during the holidays! A third resident of Kadota loves all types of activities. He actively communicates and visits his dad, grandpa, brother, sister-in-law and his new nephew. He was thrilled to attend his brother's wedding last December in Las Vegas and he loves holding the new baby in the family. The fourth resident at Kadota is also interested in someday exploring the possibility of living on his own, but he is currently working very hard at keeping his health in good condition. He is extremely cordial and friendly to everyone. He never hesitates to wish you a good day or tell you that you look nice today. He also enjoys visits with his brother and eating at his favorite Mexican food restaurant. We are also frequently reminded to buy his uncle's BBQ sauce that has recently been put on the market.

Our Cordova Group Home is our fairly new home that was obtained in the Casa Grande area last year so that the resident's could move into Casa Grande from Arizona City. The four adult men that live at Cordova have been together for over 13 years and are a close knit family of their own. The guys residing at Cordova actively take care of grapefruit and orange trees at the Cordova home that produce ample fruit for the home and more to give to the other homes too. The residents of Cordova enjoy all types of activities and especially enjoy Sunday brunches at a local Scottsdale resort.

The Casa Grande DTA has grown this past year and has a waiting list of nine. Director, Maria Davis, is currently seeking a building that would be suitable for expansion. The program participants in the Casa Grande DTA have enjoyed trips to the mountains, the area parks, watching sky divers, bowling, trips to the zoo, making a variety of craft projects, and especially pot luck events. Many of the participants in this group offer to help out and enjoy activities that offer support to others.

The transportation program, operated under Maria Davis's direction, continues to serve the Pinal County area from the Chandler outskirts to Casa Blanca, Maricopa, Coolidge, and Casa Grande. We have been very fortunate to have been awarded Arizona Department of Transportation support in the acquisition of mini-buses to help us provide much needed transportation services. We currently travel 3,000 miles per month in this area, but those numbers continue to grow.

ENCOMPASS in Ajo, Sells, and Surrounding Area

The Sells Day Program re-opened its doors on May 4, 2004. It currently has 3 consumers from various villages on the Tohono O'odham reservation. Transportation for all 3 of these individuals is provided by PPEP, Inc. The Day Program promotes healthy foods and takes the consumers to "HOPP" (Healthy O'odham Promotion Program) where all staff have been trained to use all exercise equipment. The staff and clients get a good work out twice a week. They set a goal on June 1st, 2005 to earn enough HOPP Bucks to turn in for a George Foreman grill. The staff and consumers earn 1 buck for every 1/2 mile they walk for ride on the bicycles. On October 1, 2005 everyone's goals were already accomplished and they received their grill! Hats off to the direct care support team and the program participants for such a terrific achievement!

Ajo had the pleasure of having Dr. John Arnold dedicate our Day Program to Dr. Alice Paul on August 29, 2005. Dr. Alice Paul was a prominent educator and one of the first Tohono O'odham members to receive a doctorate degree. A beautiful plaque was presented which will be displayed in the PPEP, Inc. ENCOMPASS Ajo facility. In attendance to receive this honor were Alice Paul's daughters Kathy and Lisa. It was also our honor to have the Tohono O'odham Chairwoman, Vivian Sanders, present for the ribbon cutting ceremony. Chairwoman Saunders spoke at the event and shared encouraging and supportive words for the future of services for individuals with Developmental Disabilities in the area. ENCOMPASS Chief Administrative Officer, Gina K. Judy, was also in attendance as well as Ron Barber and Nan Carle of the Arizona Department of Developmental Disabilities.



Globe Day Treatment Ribbon Cutting

Clients, staff, and dignitaries attended the rededication of the PPEP ENCOMPASS program site in honor of Tohono O'odham educator, Dr. Alice Paul. Cutting the ribbon is Tohono O'odham Nation chairwoman Vivian Juan-Saunders and Lisa Paul; in front are Alvadene Ortiz, Christopher Johnson, Terry Hockman, and Crystal Moreno; behind them are Gina Judy, John Arnold, Punky Showers, Molly Dufort, Pat Schnell, Deanna Richards, Phil Canez, Kathy Paul, James Simpson, Ron Barber, Ana Toro, and Nan Carle.

Reprinted from the Ajo Copper News August 31, 2005:

PPEP site renamed for TO educator

The Alice Paul Day Treatment Center at Plaza One, also known as the Old Train Depot, was the site of a rededication ceremony on Monday, August 29. The PPEP program site was renamed for the first Tohono O'odham to receive a doctorate degree and a founding member of Tohono O'odham Community College. Mrs. Paul died on May 3, 2005.

Born Alice Narcho, she lived on Tucson's south side, attending The University of Arizona for two years before joining the Navy. She met Richard Lee Paul in California and they were married in New Mexico because Arizona law prohibited interracial marriages at the time. She continued her studies at the UofA. After graduation, she spent ten years teaching in Tucson public schools and 30 at the university in teaching and administrative positions.

Paul received recognition awards from the Tucson Association for the Education of Young Children in 1990 and from the Tohono O'odham Nation in 1987.

She is survived by her daughters Kathy Paul and Lisa Paul of Tucson; by her son Bert Paul of Tucson; by her sister Lenora Jones; by her brother Herman Narcho, and by nine grandchildren and one great-grandchild.

Besides the renaming of the PPEP program site, a scholarship fund has been set up at Tohono O-odham Community College in her name for the training of future teachers.

All of the Ajo and Sells program participants and consumers were present for this very special event and attend other special events throughout the year. In addition to these types of events, program participants are provided an opportunity to attend a number of activities. Some of the activities that have been arranged for the program participants are the El Zaribah Shrine Circus, Kartchner Caverns, World Wildlife Zoo, Diamondback games, Arizona Indian Cultural Center, and the Arizona Science Center.



Globe Staff and Gina Judy, CAO

Crystal especially enjoyed an outing to visit a variety of animals.

In addition to special activities like these, the program also implemented a literacy program for both the Ajo and Sells Day Program participants. Program participants have truly enjoyed either reading books by themselves or having assistance reading books on Leap Frog computer pads. Everyone has enjoyed learning how to select a book, setting up the programs, and turning on the programs as they desire. This new edition has empowered all of the consumers and provided them with an opportunity to independently read books with little to no assistance.



ENCOMPASS in Globe and Surrounding Area

The Globe ENCOMPASS programs include four community residential programs, individualized living supports, and day treatment supports. The Paxton, Cottonwood, Surmount, and Mountain View group homes are each licensed residential settings operated by a team of well trained and highly skilled direct care support team.

Area Director, Bonnie Hayes, encourages a team approach in the provision of all services. Staff members and program participants work together to create program plans as well as implement the plans. This method of providing services ensures that all of the Globe ENCOMPASS services are more than just client centered, they are client driven.

ENCOMPASS in Tucson and Surrounding Area

Under the direction of Regional Director, Joy Weiermann, services in the Tucson area continue to expand to meet the needs of the growing waiting list. In addition to several individualized living arrangements that are supported, ENCOMPASS operates 11 community residential facilities.

Beehive, Las Casitas, Our Place, Lloyd Rich, Robin, Eli, Rosewood, Sierra, Poza, Serenity, and Castille all offer a home environment in a supportive neighborhood for individuals requiring 24 hour assistance. Due to the complex personal and medical care needs of each of the residents, the ENCOMPASS developmental trainers within these programs receive additional instruction to develop skills in areas such as hearing impairments, visual impairments, Parkinson's Disease, G-tube care, Diabetes, Alzheimer's Dementia, seizure disorders, Epilepsy, Cerebral Palsy, Autism, total personal care, behavior building, and much more.

In addition to residential services, Day Treatment and Training Services and Employment Related services are provided throughout the Tucson area. ENCOMPASS also offers a joint work program and day program atmosphere to those individuals who may have some unique challenges to overcome but would benefit from learning appropriate work ethics and reaping the rewards of working.





Human Resources Department

Mission: “To service all employees within PPEP & Affiliates with the utmost customer service in all aspects of Human Resources.”

Department Staffing:

The Human Resources Department is staffed by a Human Resources Manager and a Senior Compensation and Benefits Analyst. We also receive assistance on an as-needed basis from an on-call Benefits Analyst.

Human Resources Manager

Susan Marsett

February 2001 - Current

Senior Compensation and Benefits Analyst

Rosemary Montano

May 2006 - Current

On-call Benefits Analyst

Susan Condos-Mills

March 2001- Current

Responsibilities:

Human Resources delivers a wide range of employee services. These services are, but not limited to:

➤ **Benefits**

Responsible for the enrollment process for all benefits as employees become eligible under the guidelines established by PPEP Policies and Procedures. Human Resources educates eligible employees as to the benefits available to them, processes the enrollment forms and resolves any benefit related issues.

➤ **Recruitment and Retention**

Responsible for providing recruitment support to all departments/programs within PPEP & Affiliates. This includes preparing and posting internal job announcements and outside advertising media, reviewing/screening all applications, conducting pre-employment screening (i.e. MVR, reference checks). We also develop and implement strategies designed to enhance employee retention.

➤ **Employee Relations**

Responsible for resolving any labor related issues among the staff of PPEP & Affiliates. Investigates employee complaints and facilitates objectively fair and impartial resolutions. Ensures compliance with all federal, state and local employment-related laws.

- Policies and Procedures
Responsible for ensuring that all employees follow appropriate guidelines established within the PPEP Policies and Procedures. Monitors the disciplinary process to ensure fair and equitable treatment among all employees. Develops new policy or modifies existing policy to reflect current law and best protect the interests of PPEP.
- Employee Evaluation and Professional Development
Responsible for facilitation of the performance evaluation process for all employees at PPEP & Affiliates. Prepares evaluation forms. Notifies departments when evaluations are due and forwards evaluation materials to appropriate supervisory staff. Maintains completed evaluations in employee personnel files.
- Employee File Management
Responsible for maintaining accurate employee files. These files contain information regarding employment history, benefits and performance evaluations. Responsible for processing all employment-related paperwork for newly hired employees, employee status changes, performance evaluations, training, certifications/clearances, disciplinary issues and benefits. Enters this information, as required, into the Human Resources information system.
- Safety
Responsible for reporting and processing all work-related injuries. Submits this information to the Worker's Compensation Insurance carrier. Maintains OSHA logs.
- Training and Employee Morale
Responsible for providing training to all staff regarding policies and procedures and other Human Resources related topics, including new hire orientations. Develop morale boosting programs for PPEP employees to boost morale and strengthen company culture.

Company Staffing:

At the end of the fiscal year, PPEP & Affiliates had employed a total of 499 employees. This figure represents a slight decrease in staff from the previous fiscal year's figures.

<u>Employee Type</u>	<u># of Employees</u>
Regular, Full-Time	352
Regular, Part-Time	32
On Call	99
Work Experience (WEP)	0
Special Certificate (DD)	12
Temporary	4

Employee Benefits:

During this fiscal year, the following benefits were offered to our employees:

- ◆ Health Insurance – PPEP offered health insurance coverage to all benefits-eligible employees throughout the fiscal year. PPEP selected Aetna to provide coverage to all employees. PPEP

contributes approximately 86% of the cost of employee only coverage. Three options are available to eligible staff: The Base Plan, The Buy-Up Plan and the Health Savings Account with the High Deductible Health Plan.

- ◆ Dental Insurance - PPEP offered dental coverage to all benefits-eligible employees on a voluntary participation basis only. Premiums were paid 100% by the employee. PPEP selected MetLife Dental Services to provide a wide array of dental coverage to our employees. Two plans are available to eligible employees.
- ◆ Vision Insurance- PPEP offered vision insurance to all benefits-eligible employees on a voluntary participation basis only. Premiums were paid 100% by the employee. PPEP selected Avesis to provide this service to our employees.
- ◆ Flexible Spending Account- PPEP offers this account, which allows employees to pay for any un-reimbursed medical expenses or dependent day care using pre-tax dollars.
- ◆ Life Insurance - PPEP provided life insurance coverage to all benefits-eligible employees. PPEP contributed 100% of the cost of this benefit. The Hartford was contracted with to provide employee, spouse and dependent coverage. The Hartford also offers voluntary life insurance coverage.
- ◆ Short and Long Term Disability – PPEP provided short and long term disability insurance coverage to all our benefits-eligible employees. The Hartford was contracted with to perform this service and the cost was paid for 100% by PPEP.
- ◆ 401(k) Plan - PPEP created a 401(k) to assist our employees with retirement planning. The plan is administered by Benefit Retirement Strategies and Savage investments, which offers our employees a wide range of plans from which to choose and advice to assist them in their choices.
- ◆ 457(b) Plan - PPEP created a 457(b) plan for our employees as an alternative to the 401(k) plan. The 457(b) plan allows employees already investing the maximum in the 401(k) plan to continue their investments at an unlimited rate.
- ◆ Long Term Care - This plan provides care in private homes, assisted living environments or residential care facilities should the employee become incapacitated to the extent that they can no longer perform two or more activities of daily life. Premiums for this plan are paid 100% by the employee unless the employee has been with PPEP for over eight years.
- ◆ Colonial- PPEP offered this plan to provide supplemental short term disability, cancer insurance, and supplemental accident insurance to PPEP employees. Premiums for this plan are paid for 100% by the employee.
- ◆ Pre-Paid Legal – Legal services and Identity Theft protection are available to eligible employees. Premiums for this plan are paid for 100% by the employee.
- ◆ EAP – PPEP contracted with The Hartford to provide behavioral health services and resource information to our employees in need. This is a confidential service provided to PPEP employees 24 hours a day, seven days a week.
- ◆ Group Banking Program – PPEP offers all employees a group banking discount through Chase Bank.

Goals For The 2006/2007 Fiscal Year:

1. **Classification and Compensations Surveys:** Update PPEP's comprehensive compensation plan for all job titles. Evaluate past salary surveys to determine cost effectiveness of the compensation plan. This should increase the effectiveness of recruiting efforts and promote fiscal responsibility.
2. **Benefit Packet Summary:** Update the current benefit packet summary to be used as an educational resource for new benefits eligible employees. Promote the usage of our benefits websites on-line.

3. **Employee Training:** Host brown bag lunch sessions and other trainings on varied topics for employee's.
4. **Employee Morale Boosting:** Host a Health and Wellness Fair and implement a rewards program for employees who excel at their positions.



Rosemary Montañó, Compensation & Benefits Specialist and Susan Marsett, HR Manager



Property and Insurance
Gary Kleopfer, CAO, Property Management

This has been another very busy year for the Property and Insurance Department, The department maintains and supports 42 rental properties, 35 owned properties and a vehicle fleet of 111 vehicles. This year we have responded to over 3,500 service and support requests. The daily efforts of the staff are outstanding and I thank each and every one of them for their full support to the PPEP mission.

A few of our accomplishments include:

- Remodeling of several apartments at the El Memorial de Don Frew Apartments in Marana. We have completed remodel of 10 apartments with most receiving new kitchen cabinets, new appliances, new furnaces and new bathrooms. The residents are very pleased with the new units.
- A major remodeling of the PPEP administrative area of the William Brown Building. The project included new ceramic tile in the entry area and restrooms, new ceilings, and new furniture. The administrative offices present a first class professional appearance.



Before and After
El Memorial de Don Frew Apartment

- Renovations and general repairs to the Encompass DTA building in Avondale. The facility received new carpet, paint and general repairs throughout.
- Purchased and completed renovations to two Encompass Group Homes, one in Tucson and one in Casa Grande. Both homes required major renovation to make the home wheel chair accessible.
- Completed minor renovation and general repairs to group homes in Casa Grande, Tucson and Globe.

- Repaired a failed support beam at the Raul H. Castro Learning Center in Douglas. The beam failed at the very end of the school year and was repaired in time for the school to reopen on schedule.



Before and after repairs to main support beam

- Moved into furniture and equipment from the Victor Soltero Learning Center into storage in preparation for relocating the school to a new location on Golf Links. I will have more on this project next year.

I would like to recognize the people in the Property and Insurance department who make it happen everyday. **Cher Gislason**, Property and Insurance Manager, **Greg Saxman** Lead Maintenance Technician; **Art Benge**, Maintenance Technician and Locksmith; **James Sams**, Maintenance Technician; **Duwane Firestone**, Maintenance Technician; **Robert Sweat**, Sanitation Engineer at 802 E. 46th Street.



Cher Gislason and Gary Kleopfer



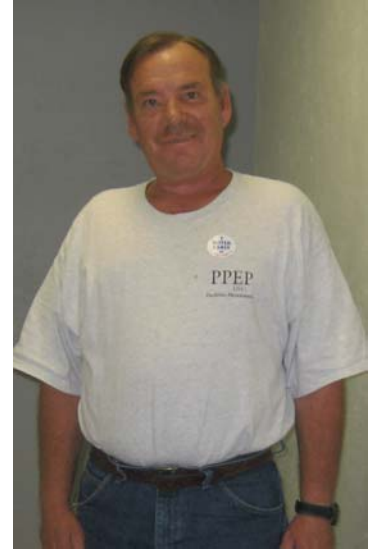
James Sams and Greg Saxman



Art Bengé



Duwane Firestone



Robert Sweat

We also have four new members on our team, **Chris Green**, Maintenance Technician; **Phil Green**, Maintenance Technician; **Lynette Toms**, HUD Multi-Family Housing Coordinator; and **Sally Edmonds** Transportation and Insurance Coordinator.



Chris Green



Lynette Toms



Phil Green



Sally Edmonds



PPEP Senior Housing Services Corporation

PSHSC Inc.

802 E. 46th Street

Tucson, Arizona 85713

(520) 622-3553

Toll Free: (800) 376-3553

FAX: (520) 622-1480

Internet Address: <http://www.ppep.org>

E-Mail Address: ppep@ppep.org

John David Arnold, Ph.D., Chief Executive Officer & Founder

PPEP SENIOR HOUSING CORPORATION

PPEP Senior Housing is embarking on its 21st year of operation. It was constituted circa 1985 in order to obtain HUD 202 funding. The site selected for the 32 unit semi independent senior living complex was Benson, Arizona. Jodie Gibbs from the Tucson Design Center was the architect and guided the builders of the tilt-up concrete facility. Etched on the outside were stylized cave drawings of prehistoric animals. This architectural design was nationally acclaimed and featured in a well known architectural magazine.

The name selected was the Ramona Morales Senior Apartments named after a long-time outreach worker in Cochise County that helped the elderly and farmworkers. On several occasions the facility has been rated A+ by the HUD Annual Review Team. This past year PPEP, Inc. took over the direct management of the La Ramona Morales Senior Apartments from the MHK firm.

Recently, we met with the Arizona Department of Housing to request funding to up-grade the parking lot cover the common area with shady, and several other needed improvements or repairs.

This year the board voted to refinance the facility to lower the interest rates and monthly payments.

The new apartment managers have an office as well as an apartment to live in. There is a well furnished spacious recreation room for the tenants. The tenants are assisted by rent subsidies from HUD. PPEP Property and Management Division provides for the major repairs. Smaller repairs are handled by a part-time maintenance person. We are very proud of the La Ramona Morales Senior Complex Apartments and believe it is a real asset to the community of Benson. PPEP personnel recently attended the Benson City Council meeting and shared an update on La Ramona Morales Senior Complex.

Staff support:PPEP Property Management:
Sheila Banister

BOARD MEMBERS

Gertha Brown
President

Ken Jewell
Vice President

Dollie Hurley
Secretary

Gilberto Mungaray
Treasurer

PPEP RURAL BUSINESS DEVELOPMENT CORPORATION

**806 E. 46TH STREET
TUCSON, ARIZONA 85713
520 622 3553**

PPEP Rural Business Development Corporation Inc.

This board was created in 1989 for the purpose of any for profit ventures PPEP and Affiliates might undertake. Up to date there is no funding stream for this corporation. However, PRBDC Board does not meet on a quarterly basis is joint session with the other PPEP and Affiliates entities.

PRBDC minutes are integrated in the general PPEP and Affiliates minutes.

The PRBDC Committee is also audited as part of the same.

Officers of the Board are as follows:

**Celestino Fernandez, Ph.D., President
Jesusita García, Vice President
Ken Jewell, Secretary
James Johnson, Treasurer**

Members at Large:

Jacinto Cruz

Agustin Tumbaga



FARS

PPEP First American Resources and Services

802 East 46th Street • Tucson, Arizona 85713 • Telephone (520) 622-3553 • Fax (520) 622-1480

E-Mail: ppep@ppep.org

John D. Arnold, Ph.D. Chief Executive Officer

This Corporation was constituted in February 7, 1991 for the purpose of advocating and promoting issues important to the Native American Community in Arizona. There is no funding stream connected with this corporation. Several members of the board are integrated in the two primary boards. PPEP and PMHDC that meet on a quarterly basis. Over the years, several important initiatives and resource mobilization activities have occurred.

Recently one of its prominent members Dr. Alice Paul passed way and was formally inducted into the PPEP Farmworker Hall of Fame. Dr. Alice Paul best known for her life time work in Native American Education was also honored by having the PPEP-TEC Charter High School in Casa Grande in her name.

Co-President

Jacob Bernal

Secretary

Carol Locust, Ph.D.

Treasurer

Benny McCabe, M.A.

Advisor, Education

Johnson Bia, Ph..D.

Member At Large

Jacinto Cruz

11728 W. Rosario Lane

Marana, AZ 85653

(520) 682-3826

ARIZONA VIRTUAL ACADEMY AZVA

The virtual education initiative was first conceived and operated by PPEP for three years before it entered into a partnership with K-12, Inc. of Virginia.

The PPEP Board decided to enter into partnership with K-12 Inc. and formed an LLC called the Arizona Virtual Academy. K-12, Inc. was to operate PPEP-TEC's Charter and grades K-8 and eventually K-12. The virtual instructor is computer based and operates out of the home. The first 4 years the administration offices were housed at the Celestino Fernandez Center. In 2006, as the staff had out grown that space they obtained a larger office space. Presently, there are over 100 staff and an enrollment expected to reach 3000 in 2006-2007 school year.

Mary Gifford has been the Director of AZVA since its beginning. Attached is the AZVA report for 2005-2006. For more information consult our website at www.azva.org

AZVA Update – October 2006

Enrollment/Marketing

- AZVA reached its statutory enrollment cap for the 2005-06 school year in January 2006. AZVA projects a 2006-07 enrollment of 3,200 students – 550 high school students and 2,650 K-8 students.
- Current enrollment is approximately 2,000 K-8 students and 400 high school students. There are approximately 300 pending enrollments. Mid-year enrollment efforts are underway. AZVA typically enrolls 800 additional K-8 and 200 high school students mid-year.
- Approximately 13 percent of the school's enrollment is classified as special education students.
- An enrollment processing plan and procedure is in place and AZVA leads the K12 schools in conversion of prospects to enrollees.

Instructional

- AZVA students won the National History Day competition in March and placed 4th in the country at the national competition.
- AZVA made Adequate Yearly Progress according to the federal No Child Left Behind standards.
- AZVA earned a Performing Profile as part of the Arizona LEARNS labeling system.
- Thirty students are newly-eligible for the National Junior Honor Society.
- Middle school honor roll students and others by teacher invitation will continue to participate in the PowerGlide foreign language program.
- AZVA started the year with 10 high school teachers, 1 high school special education teacher, one guidance counselor, 8 K-8 special education teachers, and 34 K-8 teachers. A K-8 principal, a curriculum alignment specialist and a teacher training specialist are important additions to the instructional staff.

- The Title I project launched in April and served 156 students. The 2006-07 Title I program serves 600 students. The Title I program is focused on increasing math skills. All Title I students have a customized learning plan.
- Teachers are preparing individual podcasts for parents and students to provide feedback on work samples.
- Middle school students are required to submit 4 essays and 4 math assignments for teacher scoring to aid with the transition to high school.
- The hybrid school launched in September and includes 220 students. The hybrid school allows students to receive direct instruction from an AZVA teacher in phonics, writing and math. There are 3 hybrid sites: East Valley, Tucson and West Valley.
- Added a retention specialist to the staff to work with teachers who have high withdrawal rates. Initial results are very promising.

Virtual High School

- AZVA's second year of high school started with students in grades 9-11. Students received individual calendars the first week of school and an online learning course prior to the start of school.
- Relationship building is a priority. Students and families need to feel connected to their teachers, their peers and their school.
- Teachers are available daily through Elluminate, email, phone, and the use of instant messenger to assist students.

School Community

- More than 400 families have an AZVA mentor.
- Fall outings have been attended by an average of 100 people.
- AZVA has 20 teacher-led clubs and 15 parent-led clubs.
- AZVA started a pen pal program with students in other virtual schools and in international schools.
- AZVA launched a sports program in September. A bowling league starts October 15. Field days are planned for 15 regions to occur in October and November.
- AZVA conducted two fall parent Expos in September and early October. Fifteen parent information sessions and three regional events are planned for the fall.

Enrollment/Registration

- AZVA's year-over-year enrollment great by 114% when compared to October 1 of 2005.
- All new enrollees spoke to a teacher or administrator to review school design, policies and procedures prior to enrollment
- Working to decrease the paperwork requirements and time it takes students to finish the enrollment process
- Utilizing a specialized high school enrollment team to work through the unique needs of high school students
- Creating increased communication with new enrollees regarding community building events, getting started information and expectations during the summer months
- AZVA is adding a customer service component to each monthly professional development session.

Parent Orientations/Reorientations

- Added an online reorientation session for returning families.

- Added weekly online parent orientation sessions for students enrolling after the start of the school year.
- Focusing more on how to schedule schooling at home, setting realistic expectations for your first month, what to do with all of the materials that come, and the basics of starting with the OLS.
- Facilitating the parent/teacher connection early on at Meet the Teacher/Back to School Night sessions. More than 1,500 parents attended Back to School night events.
- Continuing to offer monthly online sessions as families become more proficient with the school and want to customize more as well as sessions for families enrolling after the beginning of school.

Testing Logistics

- Preparing for fall high school AIMS test administration. Working with state-provided student study guides.

Retention/Truancy

- The fall parent directory is live and will be updated on October 19.
- K12 sent a Welcome Kit to all parents and teachers. The kit is beautiful and very well received.
- K12 launched a “Community Chest” via the online school. The Community Chest allows parents to connect with curriculum experts and other parents from across the country.

Teacher Training

- Monthly professional development sessions are now regional – Tucson and Phoenix.
- The AZVA University was a great success. New teachers were able to start the year ready to teach. The AZVA University courses are now available virtually for mid-year hires.
- Lead teachers have a teacher tracking tool to assist with teacher support and evaluation.



Arizona Virtual Academy Staff

PPEP FOUNDATION, L.L.C.

In August 28, 2006 the PPEP and Affiliates authorized the creation of the PPEP Foundation as a resource mobilization arm of the Corporation.

An L.L.C. was formed, the board of directors was named, and Frank Ballesteros was hired to administer the PPEP foundation with Dr. John David Arnold as the.

BOARD MEMBERS:

Frank Ballesteros
Enrique Feldman
Maria Chavez
John David Arnold



**Office of the Immediate Past National
LULAC Youth President
802 E. 46th Street
Tucson, AZ 85713**



**Report to the PPEP Board
Tucson, AZ
October 30th, 2006**



Hon. Mayor Alvarez of Miami presented my award as well as introduced me and proclaimed October 4, 2006 as "Selecciones: Generatino Latina Changing The World Day"

**National League of United Latin American Citizens Youth Organization
Cell: (520) 304-3990 www.lulac.org MiguelZazueta@lulac.org**

**Miguel J. Zazueta
Immediate Past National LULAC Youth President
Chairman: 78th Nat'l LULAC Youth Convention Chicago, IL July 9th – 14th, 2007**

"Serving the Hispanic Community Since 1929"



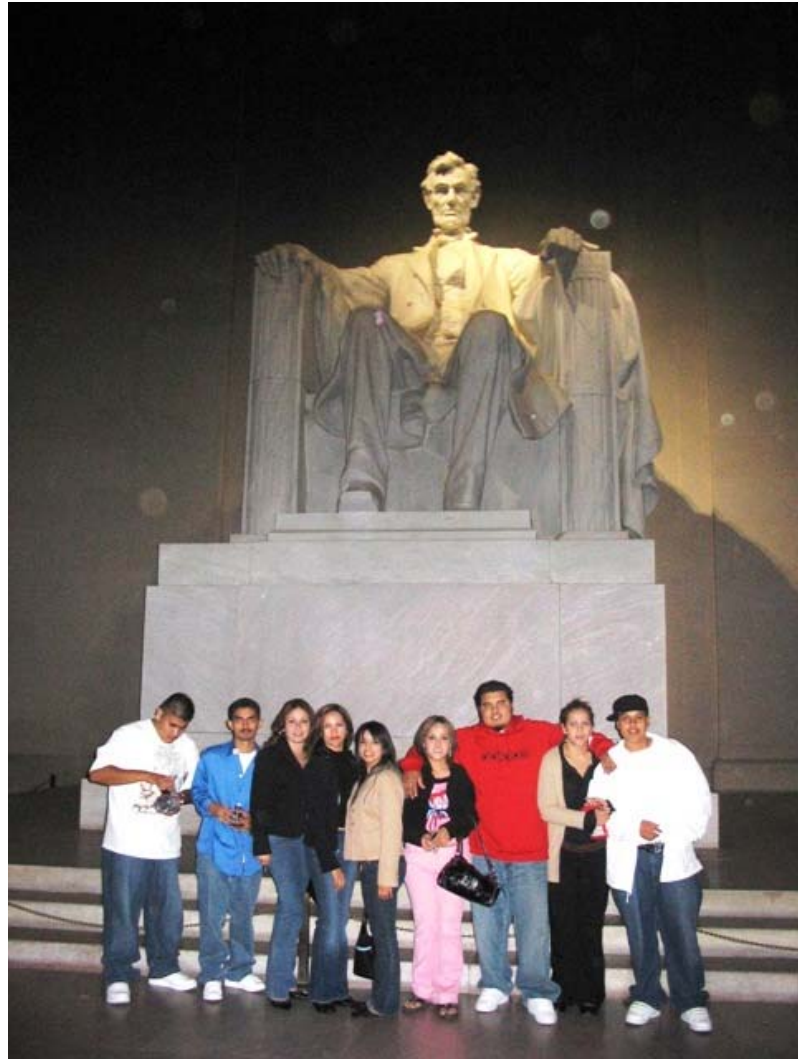
San Luis PPEP HEP and AZ LULAC youth council with sponsor and hosting council.



Counsel General of Mexico, Mr. Carlos Vizcarra, during a press conference in Phoenix, AZ recognizing Katrina Relief Partners.



Nat'l LULAC Youth President & Youth Council #5002 member, Miguel J. Zazueta receives a recognition award for contribution on Hurricane Katrina Relief Effort by Counsel General, Mr. Carlos Flores-Vizcarra in Phoenix, AZ during press conference.



AZ Youth in front of Lincoln Memorial

Dear Hon. PPEP, Inc. Board Members,

Thank you very much for this year of support and dedication to the different communities in which each one of you reside. I think if we had more people like you; the world would be a better place. Congratulations on all of your accomplishments and may the unity continue. GOD Bless you all!

Your Friend,

Miguel J. Zazueta
PPEP Youth Representative
2004 – Present

PHOTO ALBUM



Katrina Relief Partners receive recognition by Counsel General of Mexico, Mr. Carlos Flores-Vizcarra in Phoenix, AZ during a press conference.



Katrina Relief Partners meet with civil rights organization in Phoenix, AZ



Nat'l LULAC Youth President: Miguel J. Zazueta & LULAC Youth member: Roberto Garcia receive a standing ovation by AZ State House of Representatives in Phoenix, AZ for Katrina Relief partnership.



Katrina Relief Effort Partners meet with AZ State House of Representatives Whip in Phoenix, AZ.



Gov. Napolitano gives a welcome to AZ Rural Katrina Relief Effort Partner in Phoenix, AZ



Katrina Relief Partners are being awarded a proclamation by Gov. Napolitano for the assistance that the Arizonians involved in this project did for Katrina victims.



Brent Wilkes, LULAC Executive Dir. speaks at press conference in World Care, Inc. facilities regarding the Katrina Relief Partnership in Tucson, AZ



AZ LULAC delegation and Katrina Relief Effort Partners getting ready to enter the AZ House of Representatives building in Phoenix, AZ



Farmworker Scholarship Awards Banquet in San Luis, AZ organized by Adult Council #1091 and LULAC Youth members.



Mr. Henry Cisneros says hi to AZ LULAC Kidz Member Tika Arnold during Cesar Chavez March for Justice that took place in San Antonio, TX



Chaska Arnold, AZ LULAC youth member participated in the Cesar Chavez March For Justice in San Antonio, TX.



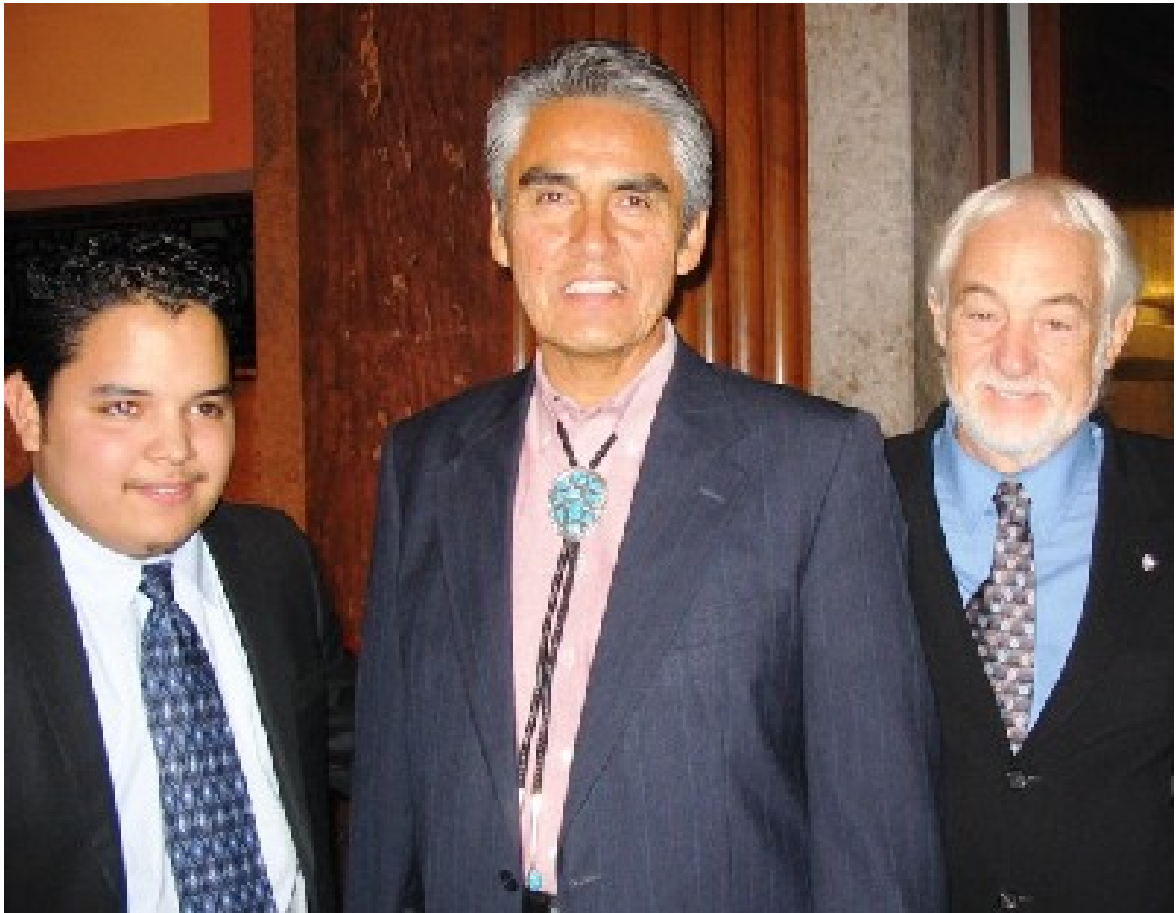
Gov. Napolitano meets with Tucson, PPEP TEC Youth members of Council #5001 in State of the State meeting.



US Naval Academy students at dinner with LULAC Youth President during his visit to the Academy.



AZ LULAC Youth members with Dr. Lemus, LULAC Dir. of Policy & Legislation as well as with Mr. Brent Wilkes who is LULAC Nat'l Executive Director at Washington, D.C. Youth Summit 2005



Nat'l Youth Pres meets with Mr. Shirley who the is the President of the Navajo Tribe



Farmworker Youth members with Cong. Grijalva during summit.



LULAC members meet with Sen. Salazar in Washington, D.C.



San Luis Youth Council #5002 in Washington, D.C.



Farmworker Youth in D.C. with AIDS walk organizers



Farmworker Youth at Space Museum, Washington, D.C.



Arizonians with Sen. Mc Cain as well as Katrina Partner, Mr. Don Green of Mississippi Delta



PPEP TEC/LULAC Youth Immediate Past Director models participated in scholarship fundraiser Fashion Show.



PPEP TEC/LULAC Youth members in fashion show fundraiser.