



## EXECUTIVE SUMMARY

### HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: May 5, 2022

HCR22-072

SUBJECT: Las Serenas Apartments Loan Refinance

COUNCIL DISTRICT: 4

ORIGINATING DEPARTMENT: Real Estate Division

CONTACT/PHONE NUMBER: Colin Miller (619) 578-7429

#### REQUESTED ACTION:

Approve the proposed restructuring of an existing San Diego Housing Commission (Housing Commission) residual receipts loan in an amount not to exceed \$8,241,463 to Delta Village Housing Associates, L.P, a California limited partnership, to facilitate the refinance and renovation of Las Serenas Apartments, a development at 4352 Delta Street, in the Southeastern San Diego Planning Area, which consists of 107 units that will remain affordable for 55 years for individuals and families with income up to 60 percent of San Diego's Area Median Income and one unrestricted manager's unit, to permit the owner to refinance the Las Serenas Apartments. The refinance will include a partial repayment of the property's existing Housing Commission residual receipts loan and an extension of the loan term and affordability period for 55 years, which will allow for the repayment of Multifamily Housing Revenue Bonds, and will subordinate the existing Housing Commission loan to a new CitiBank loan secured by the property.

#### EXECUTIVE SUMMARY OF KEY FACTORS:

- Las Serenas Apartments is an existing development with 107 units affordable for households with income between 50 percent and 60 percent of San Diego's Area Median Income (\$60,600 - \$72,720/year for a four-person household). The units at Las Serenas will remain affordable for 55 years.
- Council District 4 includes 2,603 affordable rental housing units, which represents 10.6 percent of the 24,551 affordable rental housing units in service citywide.
- The buildings at Las Serenas were partially renovated in 2015, using Multifamily Housing Revenue Bonds, low-income housing tax credits, and a loan from the Housing Commission.
- The developer believes that the property's best option to address the capital needs is to refinance with a Fannie Mae mortgage from CitiBank.
- The developer is requesting that the Housing Commission recast a portion of the Housing Commission's existing residual receipts loan of \$8,832,894 to include a partial payment of the accrued interest—\$591,431—as well as the full payment of the remaining Multifamily Housing Revenue Bond administration fees, or \$411,054. Payments to the Housing Commission will total \$1,002,485.
- The proposed renovation project will address capital needs expected over the next 10-15 years.
- Community Housing Works (CHW) is the developer and service provider for Las Serenas. CHW is in full compliance on its previous Housing Commission-funded loans.
- Las Serenas has an estimated total development cost of \$22,407,817 (\$207,434/unit).
- No new funding is being proposed for approval by these requested actions.



## REPORT

**DATE ISSUED:** April 28, 2022

**REPORT NO:** HCR22-072

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of May 5, 2022

**SUBJECT:** Las Serenas Apartments Loan Refinance

**COUNCIL DISTRICT:** 4

**REQUESTED ACTIONS:**

*Advance notice of San Diego Housing Commission hearing of the following matter has been provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(B).*

Approve the proposed restructuring of an existing San Diego Housing Commission (Housing Commission) residual receipts loan in an amount not to exceed \$8,241,463 to Delta Village Housing Associates, L.P, a California limited partnership, to facilitate the refinance and renovation of Las Serenas Apartments, a development at 4352 Delta Street, in the Southeastern San Diego Planning Area, which consists of 107 units that will remain affordable for 55 years for individuals and families with income up to 60 percent of San Diego's Area Median Income and one unrestricted manager's unit, to permit the owner to refinance the Las Serenas Apartments. The refinance will include a partial repayment of the property's existing Housing Commission residual receipts loan and an extension of the loan term and affordability period for 55 years, which will allow for the repayment of Multifamily Housing Revenue Bonds, and will subordinate the existing Housing Commission loan to a new CitiBank loan secured by the property.

**STAFF RECOMMENDATIONS**

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) take the following actions:

- 1) Approve the proposed restructuring of the existing Housing Commission residual receipts loan, with a partial repayment from Community Housing Works (CHW) for the Las Serenas Apartments, in an amount not to exceed \$8,241,463 to Delta Village Housing Associates, L.P., a California limited partnership, to facilitate the refinance and renovations of Las Serenas Apartments, an affordable housing development at 4352 Delta Street, San Diego 92113, in the Southeastern San Diego Planning Group/Area, which consists of 13 units that will remain affordable for 55 years for households with income up to 50 percent of San Diego's Area Median Income (AMI) and 94 units that will remain affordable for 55 years for households with income up to 60 percent of AMI.

- 2) Authorize the Interim President and Chief Executive Officer (Interim President & CEO), or designee:
  - a. To execute any and all documents necessary to effectuate the transaction and implement the project in a form approved by the General Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement the approvals upon advice of the General Counsel, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner in advance of approval for the designee to sign;
  - b. To adjust financing terms/conditions, as necessary, for consistency with requirements of other funding sources or to accommodate market changes that may occur, provided that the proposed \$8,241,463 maximum loan amount may not increase; and
  - c. To substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the Interim President & CEO, or designee, to take such actions as are necessary, convenient, and/or appropriate to implement this approval and delegation of authority by the Housing Commission upon advice of the General Counsel.

**SUMMARY**

A Development Summary is at Attachment 1.

**Table 1 –Development Details**

Address	4352 Delta Street , San Diego 92113
Council District	4
Community Plan Area	Southeastern San Diego Planning Group/Area
Developer	Community Housing Works (CHW)
Development Type	Rehabilitation
Construction Type	Type V-A and V-B (two and three stories)
Parking Type	180 parking spaces
Mass Transit	43 <sup>rd</sup> & Delta Street bus stop Route 955 0.1 mile west The 47 <sup>th</sup> Street Trolley Station is 2.1 miles north
Housing Type	Multifamily: Large Family
Lot Size	One parcel totaling 3.24 acres, 141,134 square feet
Units	108 (107 units restricted affordable units)
Density	33.3 dwelling units per acre (108 units ÷ 3.24 acres)
Unit Mix	107 affordable rental units: 2 one-bedroom units, 80 two-bedroom units, 25 three-bedroom units, and 1 restricted manager’s unit
Gross Building Area	85,265 square feet
Net Rentable Area	82,300 square feet
Affordable Units in Service by Council District	Council District 4 includes 2,603 affordable rental housing units, which represents 10.6 percent of the 24,551 affordable rental housing units in service citywide.

### The Development

Las Serenas Apartments is an existing 108-unit affordable housing development composed of one-, two-, and three-bedroom units. The apartment community consists of nine buildings with two distinct ages; the Villa Serena buildings were completed in 1964, while the Las Serenas buildings were completed in 1987. The buildings were partially renovated in 2015, using Multifamily Housing Revenue Bonds, low-income housing tax credits, and a loan from the Housing Commission. The Villa Serena buildings consist of four two-story Type V-B wood-frame construction buildings. The Las Serenas buildings are composed of five three-story Type V-A wood-frame construction buildings. The community includes 180 surface parking spaces. The development is located at 4352 Delta Street, San Diego 92113, within the Southeastern San Diego Planning Area. The closest bus stop, at 43<sup>rd</sup> & Delta, is within 0.1 mile (see Attachment 2 Site Map).

The challenges with resyndication at present due to the competitive nature of the 4 percent bond program, combined with California Debut Limit Allocation Committee's (CDLAC) preference for new construction, the developer believes that the property's best option to address the capital needs is to refinance with a Fannie Mae mortgage from CitiBank. The proposed renovation project will address capital needs expected over the next 10-15 years. The proposed rehabilitation budget is just under \$50,000 per unit. Unit interiors will be improved with low-flow faucets and fixtures, new paint, kitchen cabinets, kitchen sinks and fixtures as well as new ranges, refrigerators, garbage disposals, range hoods and ductwork, bathroom vanities, new toilets and bathtubs, GFCI outlets and LED lights.

Health and safety improvements will include new carbon monoxide and smoke alarms, asbestos abatement (if present), seismic repairs and upgrades, addition of security cameras, mold mitigation, replacement of existing carpet with vinyl plank, kitchen and bathroom upgrades, and new exterior doors, doorbells, and lighting. The scope of work also includes repairs to fencing, retaining walls and drainage. Ventilation will be improved by the addition of bath and kitchen exhaust fans and ceiling fans in the units. Electrical service does not support the adding of air conditioning in the units, so ceiling fans will be added instead in the dining room and all bedrooms. Walkways, stair and corridor guardrails will also be upgraded. The staff office will be expanded to provide additional office and meeting space, a bathroom, and air conditioning. Five of the existing units will be updated to comply with current Americans with Disabilities Act (ADA) requirements. This will include ensuring that the project meets ADA path-of-travel requirements to these units. The community building will be upgraded and community gardens and exercise areas will be added.

### Services

Community Housing Works (CHW) is the developer and service provider for Las Serenas. The holistic approach CHW utilizes includes supporting youth in Next Generation after-school programming and adults in preserving their financial well-being, as well as engaging the residents in their communities by creating a Neighborhood Safety Group and intentional community-wide connections. The coordination of Resident Services to be provided at the Property shall include the following:

#### 1. YOUTH EDUCATION

CHW will provide a safe, productive and positive place for students to receive academic support to improve their reading proficiency, utilizing iReady e-literacy resources. The program will also offer youth access to computers, a healthy and nutritious snack, and regular, ongoing access to supportive role

models and caring adults/volunteers. The After-School Program (ASP) will be offered five days per week for a total of 15 hours per week.

## 2. ADULT EDUCATION

CHW will identify partners that provide information and help residents achieve better health and wellness. CHW will build relationships with other agencies that seek to prevent disease and promote health, strengthen community partnerships and provide opportunities to residents to become self-empowered through managing their own health.

## 3. ASSESSMENT OF RESIDENT NEEDS

Providing appropriate resources and services to residents is informed by needs assessments. CHW utilizes survey and/or focus group interviews to develop programs that are responsive to the community.

## 4. COMMUNITY-BUILDING EVENTS

CHW believes that a healthy and safe community is based on residents knowing and trusting one another as well as working together toward common goals. CHW will work with residents so that they may act as their own activators and liaisons for the community as a whole.

## 5. PUBLISH/POST MONTHLY SCHEDULE OF PROGRAMS

CHW will publish and post a monthly schedule of anticipated programs, activities and presenters at each community. This schedule shall be provided to the on-site property manager and be distributed to residents on the third Wednesday of each month for activities upcoming in the following month. Additionally, a monthly newsletter filled with additional resources and connections to the outer community will be provided. These may include upcoming city-wide events, farmer's markets, and free or low-cost family events.

## 6. ANNUAL REPORT

CHW will provide an annual report detailing services provided, grants applied for and grants received, additional third-party services brought to the property, and any other relevant activities and/or information during the preceding year.

### Developer's Request

The developer is requesting that the Housing Commission recast a portion of the Housing Commission's existing residual receipts loan of \$8,832,894 to include a partial payment of the accrued interest for the existing Housing Commission loan—which is \$591,431—as well as the full payment of the remaining Multifamily Housing Revenue Bond administration fees, or \$411,054. Payments to the Housing Commission will total \$1,002,485. To allow the repayment of the bonds and to subordinate the existing Housing Commission loan, a new CitiBank loan will be secured by the property.

CHW proposes to renovate all 108 existing apartments, with financing that would include the proposed Housing Commission loan, a new first mortgage from CitiBank, and property reserves as described in this report.

### The Property

CHW is the owner and developer of the Las Serenas Apartments at 4352 Delta Street, San Diego 92113 in the Southcrest Neighborhood just north of National City (Attachment 2 Site Map). The 3.24-acre, irregularly shaped lot is currently improved with nine existing affordable multifamily housing buildings. The development plan calls for all existing structures to be partially renovated and all current residents to be temporarily relocated, and then return to their unit, subject to a relocation plan conforming to the relevant Housing Commission and State regulations.

### Appraisal

As part of the developer's refinance, a lender required third-party appraisal of the property will be conducted by CitiBank and issued by the end of May for review and approval by the Housing Commission. Nothing in the proposed approval will put the Housing Commission's existing debt at risk.

### Prevailing Wages

No new Housing Commission funds are contemplated for the project, and no other funds will require the payment of prevailing wages for this project.

### Project Sustainability

The developer's planned green features include LED lighting, low flow fixtures, and water-saving volatile organic compound (VOC) paints. Landscape architecture will be designed using drought-tolerant and native plants.

### Accessibility

The property will be brought into compliance with current ADA requirements as part of the renovations.

### Relocation

Temporary relocation will be needed for all of the units during interior renovations. The developer plans to limit the relocation duration to approximately one week for all units. In accordance with state and federal relocation regulations, the developer will provide temporary relocation assistance to all residents. Residents will be provided with a stipend amount based on current rent rolls, and property management will be utilized as a concierge service to help communicate resident needs to the CHW asset management and development team.

### Development Team

The developer, CHW, was formed in 2002 by the merger of Community Housing of North County and San Diego Neighborhood Housing Services. CHW has won many national, statewide and regional awards for development excellence. They provide multiple social services. CHW's mission is to revitalize neighborhoods through the creation of affordable housing with services for residents. CHW owns more than 3,670 apartments in 42 communities statewide, serving more than 9,000 families. CHW

has developed a number of affordable housing developments utilizing Housing Commission loans. CHW is in full compliance on its previous Housing Commission-funded loans.

Based upon the developer’s past experience and performance, Housing Commission staff has determined that the developers have the capacity to successfully complete the proposed project.

**Table 2 Development Team Summary**

<b>ROLE</b>	<b>FIRM/CONTACT</b>
Developer	Community Housing Works (CHW)
Owner/Borrower	Delta Village Housing Associates, L.P
Architect	John Stewart Company
General Contractor	Sun Country Builders
Property Management	ConAm Management Corporation
Construction and Permanent Lender	CitiBank
Tenant Services Providers	Community Housing Works

Property Management

Las Serenas will be managed by ConAm Management Corporation (ConAm). Established in 1975, ConAm is a nationwide management company, based in San Diego, with a management portfolio of approximately 53,000 units in more than 26 metropolitan areas. It is experienced in property management, marketing, maintenance, renovations and tax credit developments. CHW’s Asset Management Department will oversee ConAm.

Financing Structure

Las Serenas has an estimated total development cost of \$22,407,817 (\$207,434/unit). Financing will include a combination of sources as described in Table 3. The developer’s pro forma is included as Attachment 4 and summarized below (Attachment 4), and summarized in Table 3 below.

**Table 3 – Delta Village Housing Associates, L.P Estimated Permanent Sources and Uses**

<b>Financing Sources</b>	<b>Amounts</b>	<b>Financing Uses</b>	<b>Amounts</b>	<b>Per Unit</b>
Citi Refinance	\$13,950,784	Housing Commission Bond repayment	\$4,900,000	\$45,370
Replacement Reserves	\$215,570	Construction Costs	\$5,054,115	\$46,797
Housing Commission loan	\$8,241,463	Construction Contingency	\$505,412	\$4,680
		Architecture & Engineering	\$520,335	\$4,818
		Permits	\$110,792	\$1,026
		Finance/Legal/Insurance	\$291,400	\$2,698
		Relocation	\$558,761	\$5,174
		Replacement Reserves	\$215,570	\$1,996
		CHW Loan	\$300,000	\$2,778
		Title	\$5,000	\$46
		Developer Fee	\$702,485	\$6,504
		Housing Commission Bond Fee prepayment	\$411,054	\$3,806
		Housing Commission Loan Accrued Interest Payment	\$591,431	\$2,698

		Housing Commission loan	\$8,241,463	\$79,088
<b>Total Development Cost</b>	<b>\$22,407,817</b>	<b>Total Development Cost (TDC)</b>	<b>\$22,407,818</b>	<b>\$207,434</b>

The Housing Commission proposes to recast its \$8,241,463 residual receipts loan. The loan is funded with the U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program (HOME) funds, which the Housing Commission administers for the City of San Diego, and partly with the City of San Diego Affordable Housing Fund (Housing Impact Fees).

The Housing Commission requires affordable housing developers to pursue all viable sources of funding to reduce the financing gap and amount of Housing Commission subsidy required. If other funding is secured, proceeds will first be used to make an adjustment to reduce the Housing Commission’s loan.

Developers’ Fee

\$702,485 – Gross developer fee  
 - 0 – Minus deferred developer fee  
 \$702,485 – Net cash developer fee

On April 25, 2017, the Housing Authority approved the “Request for Approval of Updated Developer Fees” (HAR17-011). That report approved certain developer fee guidelines for multifamily loans and bonds issuances. That report at its Attachment 1 states: “Developer fee for 4% tax credits: in project costs 15% of eligible basis...” For this development the developers are proposing a \$702,485 total developer fee, which complies with HAR17-011. The net cash developer fee shall be \$702,485 provided, however, that in the event financing terms or construction costs change and result in a financing gap, the developer may defer additional developer fee. The fee proposed is consistent with the Request for Approval of Updated Developer Fees (HAR17-011) approved by the Housing Authority on April 25, 2017.

Development Cost Key Performance Indicators

Housing Commission staff has identified development cost performance indicators that are used to evaluate proposed developments and make a funding recommendation. The key performance indicators listed in Table 4 are commonly used by real estate industry professionals and affordable housing developers.

**Table 4 – Key Performance Indicators**

Development Cost Per Unit	\$22,407,818/ 108 units	\$207,434
Housing Commission Subsidy Per Unit	\$8,241,463 / 108 units	\$76,309
Acquisition Cost Per Unit	\$0 / 108 units	\$0
Gross Building Square Foot Hard Cost	\$5,559,527/ 85,265 square feet	\$65
Net Rentable Square Foot Hard Cost	\$5,559,527 / 82,300 square feet	\$68

Project Comparison Chart

Multiple factors and variables influence the cost of developing multifamily affordable housing, including but not limited to project location, site conditions, environmental factors, land use approval process, community involvement, construction type, design requirements/constraints, economies of



scale, City fees, developer experience and capacity, and the mission and goals of the organization developing the project. Similar construction-type developments (completed or approved) over recent years are listed in Table 5.

These developments are similar in terms of new construction, target population, and construction type and are provided as a comparison to the subject development.

**Table 5 – Comparable Development Projects**

Project Name	Year	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
<b>Proposed Subject – Las Serenas</b>	<b>2021</b>	<b>108</b>	<b>\$22,407,817 (w/o prevailing wage)</b>	<b>\$207,434</b>	<b>\$76,310</b>	<b>\$65</b>
Grant Heights II	2019	42	16,938,294 (no prevailing wage)	\$403,293	\$15,920	\$111
West Park	2018	47	\$15,593,274 (no prevailing wage)	\$331,772	\$76,453	\$457
New Palace	2017	80	\$21,804,439 (prevailing wage)	\$272,555	\$38,750	\$230
Zephyr	2017	85	\$27,225,500 (prevailing wage)	\$320,300	\$35,294	\$180

**AFFORDABLE HOUSING IMPACT**

Affordability

Las Serenas will be subject to a Housing Commission Declaration of Covenants and Restrictions, in addition to applicable tax credit agreements, which will restrict affordability of 107 units for 55 years.

The rent and occupancy restrictions required by the Housing Commission will apply. The more stringent of the funding sources’ affordability/rent restrictions will take precedence during the term of their applicability.

**Table 6 Affordability and Monthly Estimated Rent Table**

Unit Type	AMI	Number of Units	Gross Rents
1 BR	50% (currently \$48,500/year for a two-person household)	2	\$1,297
<b>Subtotal One Bedroom Units</b>		<b>2</b>	
2 BR	50% (currently \$54,550/year for a three-person household)	8	\$1,268
2 BR	60% (currently \$65,460/year for a three-person household)	71	\$1,541
<b>Subtotal Two Bedroom Units</b>	--	<b>79</b>	

3BR	50% (currently \$60,600/year for a four-person household)	3	\$1,455
3BR	60% (currently \$72,720/year for a four-person household)	23	\$1,698
<b>Subtotal Three Bedroom Units</b>		<b>26</b>	
2 Bedroom Manager	1	1	0
<b>Total Units</b>		<b>108</b>	

**FISCAL CONSIDERATIONS**

As the loan is a currently active Housing Commission residual receipt loan from 2005, the funding sources and uses were previously approved by the Housing Commission Board and Housing Authority. No new funding is being proposed for approval by these requested actions.

Approving this action will further grant the Interim President & CEO, or designee, the authority to substitute the above funding sources with other available funding sources so long as the total Housing Commission loan amount does not exceed the approved total loan amount, should the operational need arise or should such actions be to the benefit of the Housing Commission.

**Development Schedule**

The estimated development timeline is as follows:

<b><u>Milestones</u></b>	<b><u>Estimated Dates</u></b>
<ul style="list-style-type: none"> <li>• Housing Commission Board meeting</li> <li>• Close on CitiBank loan</li> <li>• Payment of accrued interest on Housing Commission loan</li> <li>• Permits issued and construction start</li> <li>• Completion of construction work</li> </ul>	<ul style="list-style-type: none"> <li>• May 5, 2022</li> <li>• September 2022</li> <li>• September 2022</li> <li>• September 2022</li> <li>• August 2023</li> </ul>

**HOUSING COMMISSION STRATEGIC PLAN**

This item relates to Strategic Priority Area No. 1 in the Housing Commission’s Strategic Plan for Fiscal Year (FY) 2022- 2024: Increasing and Preserving Housing Solutions.

**COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS**

This refinance does not require the developer to notify the local community planning group.

**KEY STAKEHOLDERS & PROJECTED IMPACTS**

Stakeholders include Community Housing Works as the developer, and service provider, the Housing Commission as a lender, and the Southeastern San Diego community. The project is anticipated to have a positive impact on the community, as it will contribute to the quality of the surrounding neighborhood and preserve 107 affordable rental housing units for San Diego families and individuals.

**STATEMENT FOR PUBLIC DISCLOSURE**

The developer's Disclosure Statement is at Attachment 6.

**ENVIRONMENTAL REVIEW**

California Environmental Quality Act

This activity is not a project as defined by the California Environmental Quality Act Section 21065 and State CEQA Guidelines Section 15378(b) (5), as it is an administrative activity of government that will not result in direct or indirect physical changes in the environment. The determination that this activity is not subject to CEQA, pursuant to Section 15060(c) (3), is not appealable and a Notice of Right to Appeal the Environmental Determination (NORA) is not required.

National Environmental Policy Act

The City of San Diego, as the Responsible Entity, on February 16, 2005, issued a Certification of Categorical Exclusion pursuant to the applicable provisions of the National Environmental Policy Act (NEPA) 24CFR part 58, Section 58.35(a)(3) and, in accordance with the Statutory Worksheet, the Responsible Entity has determined that the project is exempt per 24CFR 58.34(a)(12) and funds may be drawn down for an Exempt Project without the processing of a Request for Release of Funds (RROF). Additional processing under the National Environmental Policy Act (NEPA) is not required because there are no new federal funds included in these activities.

Respectfully submitted,

*Colin Miller*

Colin Miller  
Vice President, Multifamily Housing Finance  
Real Estate Division

Approved by,

*Jeff Davis*

Jeff Davis  
Interim President & Chief Executive Officer  
San Diego Housing Commission

- Attachments:
1. Development Summary
  2. Site Map
  3. Organization Chart
  4. Developers' Project Pro Forma
  6. Developer's Disclosure Statement

Docket materials are available in the "Governance & Legislative Affairs" section of San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org).

**Development Summary – Las Serenas Apartments****Table 1 – Development Details**

Address	4352 Delta Street , San Diego 92113
Council District	4
Community Plan Area	Southeastern San Diego Planning Group/Area
Developer	Community Housing Works (CHW)
Development Type	Rehabilitation
Construction Type	Type V-A and V-B (two and three stories)
Parking Type	180 parking spaces
Mass Transit	43 <sup>rd</sup> & Delta Street bus stop Route 955 0.1 mile west The 47 <sup>th</sup> Street Trolley Station is 2.1 miles north
Housing Type	Multifamily: Large Family
Lot Size	One parcel totaling 3.24 acres, 141,134 square feet
Units	108 (107 units restricted affordable units)
Density	33.3 dwelling units per acre (108 units ÷ 3.24 acres)
Unit Mix	107 affordable rental units: 2 one-bedroom units, 80 two-bedroom units, 25 three-bedroom units, and 1 restricted manager's unit
Gross Building Area	85,265 square feet
Net Rentable Area	82,300 square feet

**Table 2 - Development Team Summary**

<b>ROLE</b>	<b>FIRM/CONTACT</b>
Developer	Community Housing Works (CHW)
Owner/Borrower	Delta Village Housing Associates, L.P
Architect	John Stewart Company
General Contractor	Sun Country Builders
Property Management	ConAm Management Corporation
Construction and Permanent Lender	CitiBank
Tenant Services Providers	Community Housing Works

Table 3 –Estimated Sources and Uses of Financing

Financing Sources	Amounts	Financing Uses	Amounts	Per Unit
Citi Refinance	\$13,950,784	Housing Commission Bond repayment	\$4,900,000	\$45,370
Replacement Reserves	\$215,570	Construction Costs	\$5,054,115	\$46,797
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		Developer Fee	\$702,485	\$6,504
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		Housing Commission Loan Accrued Interest Payment	\$591,431	\$2,698
		Housing Commission loan	\$8,241,463	\$79,088
<b>Total Development Cost</b>	<b>\$22,407,817</b>	<b>Total Development Cost (TDC)</b>	<b>\$22,407,818</b>	<b>\$207,434</b>

Table 4 – Key Performance Indicators

Development Cost Per Unit	\$22,407,818/ 108 units	\$207,434
Housing Commission Subsidy Per Unit	\$8,241,463 / 108 units	\$76,309
Acquisition Cost Per Unit	\$0 / 108 units	\$0
Gross Building Square Foot Hard Cost	\$5,559,527/ 85,265 square feet	\$65
Net Rentable Square Foot Hard Cost	\$5,559,527 / 82,300 square feet	\$68

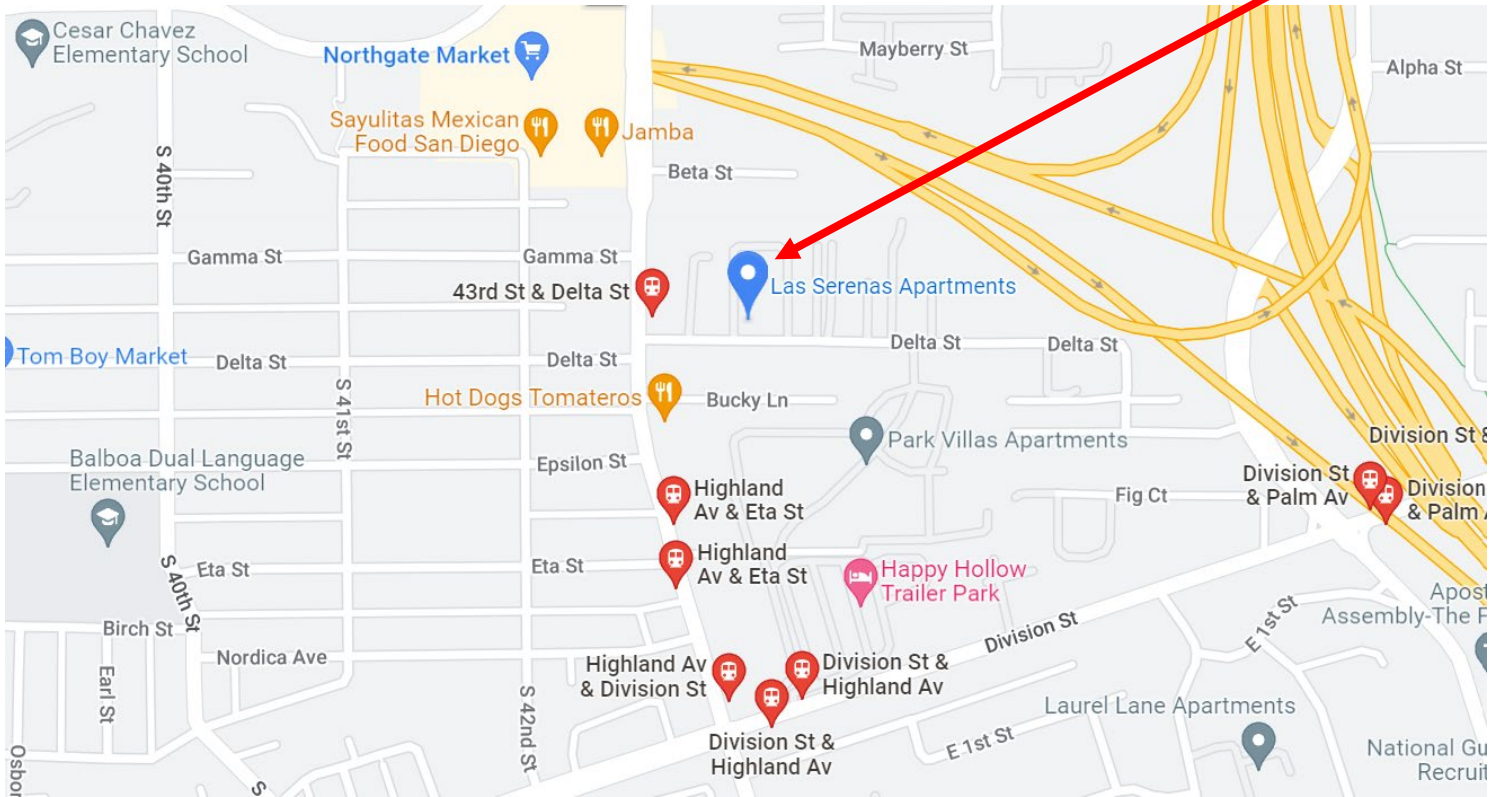
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Zephyr	2017	85	\$27,225,500 (prevailing wage)	\$320,300	\$35,294	\$180

Table 6 Affordability and Monthly Estimated Rent Table

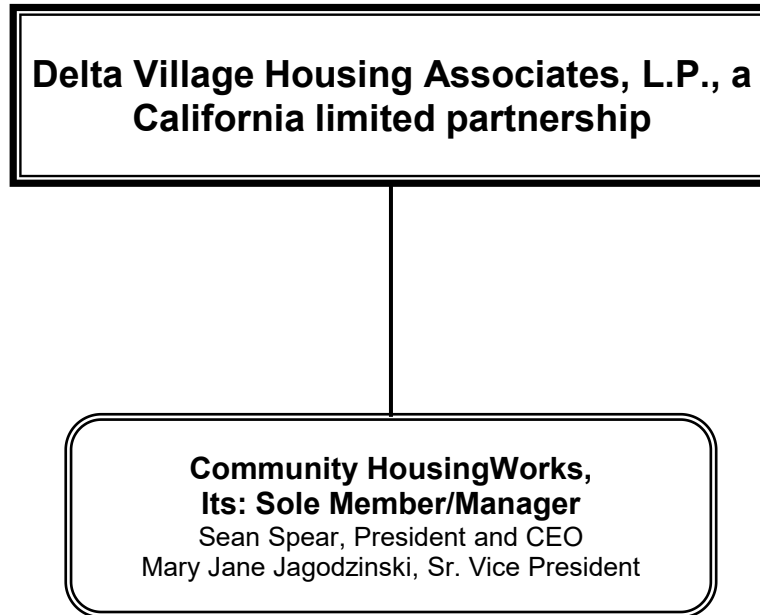
Unit Type	AMI	Number of Units	Gross Rents
1 BR	50% (currently \$48,500/year for a two-person household)	2	\$1,297
<b>Subtotal One Bedroom Units</b>		<b>2</b>	
2 BR	50% <u>currently \$54,550/year for a three-person household</u>	8	\$1,268
2 BR	60% <u>(currently \$65,460/year for a three-person household)</u>	71	\$1,541
<b>Subtotal Two Bedroom Units</b>	--	<b>79</b>	
3BR	50% (currently \$60,600/year for a four-person household)	3	\$1,455
3BR	60% <u>(currently \$72,720/year for a four-person household)</u>	23	\$1,698
<b>Subtotal Three Bedroom Units</b>		<b>26</b>	
2 Bedroom Manager	1	1	0
<b>Total Units</b>		<b>108</b>	

Site Map



Las Serenas Apartments  
Organization Chart

Attachment 3





## Attachment 4

### Las Serenas Rehab - Sources and Uses - 4.18.22

Sources		Summary
Citi refi proceeds	\$ 13,950,784	Projected \$13.95M refi through Citi - will be in first lien position
Replacement Reserves	\$ 215,570	
SDHC Loan	\$ 8,241,463	
<b>Total Sources</b>	<b>\$ 22,407,817</b>	
Uses		
Construction	\$ 5,054,115	A+B1 scope. Assumes B2 and C (contingency) scopes will be addressed as funds are available during cons
Hard Cost Contingency	\$ 505,412	10% of construction costs
Architect & Engineering	\$ 520,335	Architect, structural, civil, mechanical, electrical engineers
Permits/Misc	\$ 110,792	Estimated permit fees
Finance/Legal/Insurance	\$ 291,400	Based on projected finance costs and includes legal fees for SDHC
Relocation	\$ 558,761	7 days per unit + part time staff during project
Title	\$ 5,000	
Refi Fee to CHW	\$ 702,485	
CHW Loan Payment	\$ 300,000	
Payoff Bond	\$ 4,900,000	Bond held by SDHC
SDHC Bond Fees	\$ 411,054	
SDHC Loan Accrued Interest Payment	\$ 591,431	
SDHC Loan	\$ 8,241,463	
Replacement Reserves	\$ 215,570	
<b>Total Uses</b>	<b>\$ 22,407,817</b>	

**Community Housing Works  
Budget Las Serenas Rehab**

Predevelopment Phase	Original Budget
Escrow Deposits	0.00
Land Cost or Value	0.00
Demolition	0.00
Existing Bldg / Improvements Value	0.00
Title Escrow and Recording-Acq	0.00
Land Loan Interest Cost	0.00
Broker Commission	0.00
Other - Acquisition	0.00
Escrow Extension Fees	0.00
<b>TOTAL ACQUISITION</b>	<b>0.00</b>
Sitework	618,500.00
Off-Site Improvements (GC)	0.00
Parking	0.00
Renewables (Gross before rebate)	0.00
Environmental Remediation (GC)	0.00
Structures	3,701,341.00
Contractor Overhead & Profit	280,790.00
General Conditions	323,988.00
Retention	0.00
Contractor Performance Bonds	53,998.00
Contractor Liability Insurance	53,998.00
<b>Total GC Construction Work</b>	<b>5,032,615.00</b>
Construction Contingency	505,411.50
<b>Total Construction Contingency</b>	<b>505,411.50</b>
Off-Site Improvements (Non-GC)	0.00
Environmental Remediation (Non-GC)	0.00
Owner Repair Costs	5,000.00
Termite Remediation	0.00
Non GC Contract Other	10,000.00
Furnishings / Equipment / Personal Property	6,500.00
<b>Total Non-GC Construction Work</b>	<b>21,500.00</b>
Architect Design / Supervision	302,275.00
Landscape Architect (if not under Architect)	25,000.00
Architectural Design Consultant	47,000.00
Architect Expenses / Reimbursable	15,000.00
<b>Total Architectural fees</b>	<b>389,275.00</b>
Civil Engineer	18,000.00
Engineering - Drains	5,000.00
Engineering - Soils Engineer (DD)	0.00
Engineering - Soil Engineer - Field	0.00
Engineering - ALTA Survey	0.00
Engineering - Materials (Field)	0.00
Engineering - Staking	0.00
Engineering - Dry Utility Consultant	0.00
Engineering - Reimbursables	0.00
Engineering - Other	0.00
Engineering - Traffic	0.00
<b>Total Survey &amp; Engineering Costs</b>	<b>23,000.00</b>
Prevailing Wages Monitoring	0.00
Owner Rep Construction Manager	54,000.00
Bank Construction Monitoring	0.00
<b>Total Construction Management</b>	<b>54,000.00</b>
Energy Modeler	0.00
Design-Green Certification	0.00
Environmental Phase I	12,000.00
Environmental Phase II	0.00
Asbestos / Lead	5,000.00
Acoustical Study	0.00
Archaeology / Biology	0.00
Other Reports - Capital Needs Assessment	12,960.00
Specialty-Plumbing	0.00
Specialty-Seismic	0.00
HERS Rater	0.00
Entitlement Consultant	0.00
<b>Total Environmental &amp; Other Consultants</b>	<b>29,960.00</b>
Bridge Loan Finance Costs & Fees	0.00
Bridge Loan Interest	0.00
Predevelopment Loan Fee	0.00
Predevelopment Loan Interest	0.00
Predevelopment Loan - Other	0.00
<b>Total Predevelopment/Bridge Financing</b>	<b>0.00</b>
Construction Loan Interest	0.00
Construction Loan Fee	0.00
Construction Loan Other	0.00
Accrued Interest on Soft Debt	0.00
Real Estate Taxes	0.00
Title Escrow & Recording-Construction	0.00
<b>Total Construction Financing</b>	<b>0.00</b>
Rate Lock Fee - Refundable	0.00
Perm Loan - Fee	166,400.00
Rate Lock Fee	0.00
Low Floater Cap	0.00
Title Escrow & Recording - Perm Loan	0.00
Perm Loan - Other	0.00
Other Soft Lender Fees	0.00
<b>Total Permanent Financing Costs</b>	<b>166,400.00</b>
CDLAC Application Fee	0.00
CDLAC Filing Fee	0.00
Bond Issuer - Application Fee	0.00
Bond Issuer - Issuance Fee	0.00
TEFRA Fee to Agency	0.00
Lender - Expenses (non-legal)	0.00
CDLAC Performance Deposit-Refundable	0.00
CDIAC fees	0.00
Trustee Fees	0.00
<b>Total Bond Fees-Cost of Issuance</b>	<b>0.00</b>
Tax Credit Fees- Application Fee	0.00
Tax Credit Fees - Allocation Fee	0.00
Tax Credit Fees - Performance Deposit	0.00
Tax Credit Fees - Monitoring Fee	0.00
<b>Total Tax Credit Fees</b>	<b>0.00</b>
Financial Consultant	0.00
Tenant File Compliance Audit	0.00
Cost Cert / Stabilization	0.00

**Community Housing Works  
Budget Las Serenas Rehab**

Predevelopment Phase	Original Budget
Partnership taxes and fees	0.00
Syndication -Other	0.00
<b>Total Syndication Costs</b>	<b>0.00</b>
Owner Legal - Acquisition	0.00
Owner - Construction Loan Legal	0.00
Bank - Construction Loan Legal	0.00
Bank - Perm Loan Legal	25,000.00
Owner - Perm Loan Legal	0.00
Legal - P'ship Organization	0.00
Owner Legal-Construction (Contracts)	0.00
Legal-Investor (SDHC legal fees)	25,000.00
Bank Legal - Bridge	0.00
Owner Legal - Bridge	0.00
Owner Legal- General	0.00
Issuer - Counsel	0.00
Bond Counsel	0.00
Legal - Syndication	0.00
<b>Total Legal Fees</b>	<b>50,000.00</b>
Builder's Risk Insurance	75,000.00
Liability Insurance	0.00
Flood / Seismic / Environmental Insurance	0.00
1st Year Operations Insurance	0.00
<b>Total Insurance</b>	<b>75,000.00</b>
Reserve - Other	0.00
Resident Services Reserve	0.00
Cap Replacement Reserves	0.00
Cap Improvement Reserve - Other	0.00
Cap Operating Reserves	0.00
<b>TOTAL RESERVES</b>	<b>0.00</b>
Engineering & Public Improvement Bonds Premium	0.00
Building Permit & Processing Fees	110,791.90
Refundable Deposits - Gov't Agencies	0.00
Development Impact Fees	0.00
Gov't Cash Deposits - Partially Refundable	0.00
Utility Deposits - Refundable	0.00
Utility Deposits - Non-Refundable	0.00
<b>TOTAL PERMITS</b>	<b>110,791.90</b>
Appraisal	0.00
Accounting Audit (Non-Syndication)	0.00
Leasing Commissions	0.00
Marketing / Rent-Up	0.00
Transitional Costs	0.00
Market Study	0.00
<b>TOTAL MISCELLANEOUS</b>	<b>0.00</b>
Relocation - Permanent	0.00
Relocation Consultant	0.00
Relocation - Temporary	558,761.02
<b>TOTAL RELOCATION</b>	<b>558,761.02</b>
Soft Cost Contingency	0.00
<b>TOTAL SOFT COST CONTINGENCY</b>	<b>0.00</b>
Developer Fee	1,002,485.00
<b>TOTAL DEVELOPER FEE</b>	<b>1,002,485.00</b>
<b>TOTAL BUDGET</b>	<b>8,019,199.42</b>

**Las Serenas Unit Mix/Rents/AMI**

Unit Type	Unit Size (Sq. Ft.)	No. of Units	Maximum Percent of Area Median Income of Eligible Households	Monthly Utility Allowance	Max Allowable Rent (Net UA) - 2021 Manager Cert	Gross Monthly Rent (Max Allowable)	Gross Monthly Rent (Current)	Monthly Market Rent	Gross Monthly Rent Savings over Market Rent
1 br/1 ba	574	2	60%	\$ 67.00	\$ 1,297.00	\$ 2,594.00			
<b>Total</b>	<b>574</b>	<b>2</b>				<b>\$ 2,594.00</b>	<b>\$ 2,537.00</b>	<b>\$ 2,350.00</b>	<b>\$ (187.00)</b>
2 br/1 ba	950	4	50%	\$ 95.00	\$ 1,268.00	\$ 5,072.00			
2 br/1 ba	950	3	50%	\$ 88.00	\$ 1,275.00	\$ 3,825.00			
2 br/1 ba	950	1	50%	\$ 120.00	\$ 1,268.00	\$ 1,268.00			
2 br/1 ba	950	2	60%	\$ 120.00	\$ 1,541.00	\$ 3,082.00			
2 br/1 ba	950	41	60%	\$ 95.00	\$ 1,541.00	\$ 63,181.00			
2 br/1 ba	950	28	60%	\$ 88.00	\$ 1,548.00	\$ 43,344.00			
2 br/1 ba	950	1	Exempt (Mgr)	\$ 88.00	\$ 1,092.00				
<b>Total</b>	<b>6650</b>	<b>80</b>				<b>\$ 119,772.00</b>	<b>\$ 109,620.00</b>	<b>\$ 123,280.00</b>	<b>\$ 13,660.00</b>
3 br/2 ba	1064	2	50%	\$ 120.00	\$ 1,455.00	\$ 2,910.00			
3 br/2 ba	1064	1	50%	\$ 95.00	\$ 1,455.00	\$ 1,455.00			
3 br/2 ba	1064	2	60%	\$ 112.00	\$ 1,706.00	\$ 3,412.00			
3 br/2 ba	1064	13	60%	\$ 120.00	\$ 1,698.00	\$ 22,074.00			
3 br/2 ba	1064	8	60%	\$ 95.00	\$ 1,698.00	\$ 13,584.00			
<b>Total</b>	<b>5320</b>	<b>26</b>				<b>\$ 43,435.00</b>	<b>\$ 38,838.00</b>	<b>\$ 45,500.00</b>	<b>\$ 6,662.00</b>
<b>Total</b>	<b>12544</b>	<b>108</b>				<b>\$ 165,801.00</b>	<b>\$ 150,995.00</b>		<b>\$ 20,135.00</b>
						<b>\$ 1,989,612.00</b>	<b>\$ 1,811,940.00</b>		<b>\$ 241,620.00</b>

Direct Market Comps	
Studio Asking Rent	\$ 1,098.00
1 Bdrm	\$ 1,175.00
2 Bdrm	\$ 1,541.00
3+ Bdrm	\$ 1,750.00

**Las Serenas**  
**108 Units**  
**Operating Income/Expenses**

Income	ANNUAL TOTAL
Max Rent	\$1,989,612
L2L	\$ (177,672)
Base Scheduled Rent	\$1,811,940
Vacancy <span style="float: right;">5%</span>	\$ (90,597)
Bad Debt/Write off	\$ (18,097)
Other Income	\$ 18,106
<b>Effective Gross Income</b>	<b>\$1,721,352</b>

PROJECTED OPERATING EXPENSES	Notes	ANNUAL TOTAL	Percentage of Total	ANNUAL PER UNIT	PER MONTH	PER UNIT PER MONTH
<b>ADMINISTRATIVE EXPENSES</b>						
Advertising		2,073	0.26%	19.20	172.79	1.60
Accounting/Audit		6,723	0.86%	62.25	560.28	5.19
Software/Computer		9,327	1.19%	86.36	777.22	7.20
Licenses/ Fees		9,946	1.27%	92.09	828.85	7.67
Office Supplies/Equipment		5,253	0.67%	48.64	437.75	4.05
Office Other		4,448	0.57%	41.19	370.69	3.43
<b>TOTAL ADMINISTRATIVE EXPENSES</b>		<b>37,771</b>	<b>4.82%</b>	<b>349.73</b>	<b>3,148</b>	<b>29.14</b>
<b>MANAGEMENT FEE</b>	Per Unit/Month <b>\$ 47</b>	<b>60,633</b>	<b>7.73%</b>	<b>561.42</b>	<b>5,053</b>	<b>46.78</b>
<b>UTILITY EXPENSES</b> increase (Reduction)						
Electricity	**	22,325	2.85%	206.71	1,860	17.23
Water	***	64,790	8.26%	599.91	5,399	49.99
Gas		64,495	8.23%	597.18	5,375	49.76
Sewer		44,675	5.70%	413.66	3,723	34.47
Telephone & Comm		41,188	5.25%			
Utilities Misc.		196	0.03%			
<b>TOTAL UTILITY EXPENSES</b>		<b>237,670</b>	<b>30.32%</b>	<b>1,817.46</b>	<b>19,806</b>	<b>151.45</b>
<b>PAYROLL EXPENSES</b>						
On-Site Manager/Assistant/Leasing		47,544	6.06%	440.22	3,962	36.68
Assitstant Manager- PT		36,489	4.65%	337.86	3,041	28.16
Maintenance Personnel		86,230	11.00%	798.43	7,186	66.54
Payroll Taxes/Benefits/Other		64,309	8.20%	595.46	5,359	49.62
<b>TOTAL PAYROLL EXPENSES</b>		<b>234,573</b>	<b>29.92%</b>	<b>2,171.97</b>	<b>19,548</b>	<b>181.00</b>
<b>INSURANCE</b>		<b>51,364</b>	<b>6.55%</b>	<b>475.59</b>	4,280	39.63
<b>REPAIRS &amp; MAINTENANCE</b>						
Painting and Unit Turns		4,347	0.55%	40.25	362	3.35
Repairs		67,555	8.62%	625.51	5,630	52.13
Pest Control		7,511	0.96%	69.55	626	5.80
Landscaping		23,251	2.97%	215.29	1,938	17.94
Fire Protection		2,508	0.32%	23.23	209	1.94
Security		36,814	4.70%	340.87	3,068	28.41
Uniforms		768	0.10%	7.11	64	0.59
<b>TOTAL REPAIRS &amp; MAINTENANCE</b>		<b>142,755</b>	<b>18.21%</b>	<b>1,321.80</b>	<b>11,896</b>	<b>110.15</b>
<b>TOTAL RESIDENTIAL OPERATING EXPENSES</b>		<b>764,764</b>	<b>97.55%</b>	<b>7,081.15</b>	<b>63,730</b>	<b>590.10</b>
<b>RESIDENT SERVICES (Above the line)</b>		<b>4,529</b>	<b>0.58%</b>	41.93	377	3.49
<b>Other Expense Items</b>		<b>4,885</b>	<b>0.62%</b>	45.24	407	3.77
<b>REAL ESTATE TAXES &amp; ASSESSMENTS</b>		<b>9,769</b>	<b>1.25%</b>	90.46	814	7.54
<b>TOTAL ANNUAL OPERATING EXPENSES</b>		<b>783,948</b>	<b>100.00%</b>	<b>7,258.77</b>	<b>65,329</b>	<b>604.90</b>





**ATTACHMENT 5 – DISCLOSURE STATEMENT  
DEVELOPERS/CONSULTANTS/SELLERS/CONTRACTORS/  
ENTITY SEEKING GRANT/BORROWERS  
(Collectively referred to as "CONTRACTOR" herein)  
Statement for Public Disclosure**

- 1. Name of CONTRACTOR: Community HousingWorks
- 2. Address and ZIP Code: 3111 Camino Del Rio North Suite 800, San Diego, CA 92108
- 3. Telephone Number: (619) 450-8710
- 4. Name of Principal Contact for CONTRACTOR: Mary Jane Jagodzinski, Senior Vice President
- 5. Federal Identification Number or Social Security Number of CONTRACTOR: 33-317950
- 6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:

- A corporation (Attach Articles of Incorporation)
- A nonprofit or charitable institution or corporation. (Attach copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status)
- A partnership known as: \_\_\_\_\_  
(Name)

Check one:

- General Partnership (Attach Statement of General Partnership)
- Limited Partnership (Attach Certificate of Limited Partnership)
- A business association or a joint venture known as: \_\_\_\_\_  
(Attach joint venture or business association agreement)
- A Federal, State or local government or instrumentality thereof.
- Other (explain)

- 7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:  
1988
- 8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:
  - a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10 percent of any class of stock.

b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.

- c. If the CONTRACTOR is a partnership, each partner, whether a general or limited, and either the percent of interest or a description of the character and extent of interest.
- d. If the CONTRACTOR is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
- e. If the CONTRACTOR is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10 percent.(Attach extra sheet if necessary)

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name:	PLEASE SEE ATTACHED BOARD LIST
Address:	
Name:	
Address:	
Name:	
Address:	

9. Has the makeup as set forth in Item 8(a) through 8(e) changed within the last twelve (12) months? If yes, please explain in detail.  
13 boards members to 12.
10. Is it *anticipated* that the makeup as set forth in Item 8(a) through 8(e) will change within the next twelve (12) months? If yes, please explain in detail.  
A small number of board members may transition due to term limits and will be replaced.
11. Provide name, address, telephone number, and nature and extent of interest of each person or entity (not named in response to Item 8) who has a beneficial interest in any of the shareholders or investors named in response to Item 8, which gives such person or entity more than a computed 10 percent interest in the CONTRACTOR (for example, more than 20 percent of the stock in a corporation that holds 50 percent of the stock of the CONTRACTOR, or more than 50 percent of the stock in the corporation that holds 20 percent of the stock of the CONTRACTOR):

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name:	NOT APPLICABLE
Address:	
Name:	
Address:	
Name:	
Address:	



12. Names, addresses and telephone numbers (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 8 or Item 11 above:

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name:	PLEASE SEE ATTACHED BOARD LIST
Address:	
Name:	
Address:	
Name:	
Address:	

13. Is the CONTRACTOR a subsidiary of or affiliated with any other corporation or corporations, any other firm or any other business entity or entities of any nature? If yes, list each such corporation, firm or business entity by name and address, specify its relationship to the CONTRACTOR, and identify the officers and directors or trustees common to the CONTRACTOR and such other corporation, firm or business entity.

Name and Address	Relationship to CONTRACTOR
Name:	NO, NOT APPLICABLE
Address:	
Name:	
Address:	
Name:	
Address:	

14. Provide the financial condition of the CONTRACTOR as of the date of the statement and for a period of twenty-four (24) months prior to the date of its statement, as reflected in the **attached** financial statements, including, but not necessarily limited to, profit and loss statements and statements of financial position.

PLEASE REFER TO THE CHW CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS 2019 AND 2020

15. If funds for the development/project are to be obtained from sources other than the CONTRACTOR's own funds, provide a statement of the CONTRACTOR's plan for financing the development/project:

PLEASE REFER TO THE ATTACHED PROFORMA SOURCES AND USES

16. Provide sources and amount of cash available to CONTRACTOR to meet equity requirements of the proposed undertaking: COMMUNITY HOUSINGWORKS WILL PROVIDE A COMPLETE LIST OF THESE SOURCES AND THE AMOUNT OF CASH AVAILABLE TO MEET THE PROPOSED EQUITY REQUIREMENTS AT A LATER DATE

- a. In banks/savings and loans:

Name:

Address:

Amount: \$ By loans from affiliated or associated corporations or firms:

Name:

Address:

Amount: \$

b. By sale of readily salable assets/including marketable securities:

Description	Market Value (\$)	Mortgages or Liens (\$)

17. Names and addresses of bank references, and name of contact at each reference:

Name and Address	Contact Name
Name:	PLEASE SEE ATTACHED BANK REFERENCE LIST
Address:	
Name:	
Address:	
Name:	
Address:	

18. Has the CONTRACTOR or any of the CONTRACTOR's officers or principal members, shareholders or investors, or other interested parties been adjudged bankrupt, either voluntary or involuntary, within the past 10 years?

Yes

No

If yes, give date, place, and under what name.

N/A

19. Has the CONTRACTOR or anyone referred to above as "principals of the CONTRACTOR" been convicted of any felony within the past 10 years?

Yes

No

If yes, give for each case (1) date, (2) charge, (3) place, (4) court, and (5) action taken. Attach any explanation deemed necessary.

N/A

20. List undertakings (including, but not limited to, bid bonds, performance bonds, payment bonds and/or improvement bonds) comparable to size of the proposed project which have been completed by the CONTRACTOR, including identification and brief description of each project, date of completion, and amount of bond, whether any legal action has been taken on the bond:

Type of Bond	Project Description	Date of Completion	Amount of Bond	Action on Bond
	PLEASE SEE ATTACHED LIST OF UNDERTAKINGS			

21. If the CONTRACTOR, or a parent corporation, a subsidiary, an affiliate, or a principal of the CONTRACTOR is to participate in the development as a construction contractor or builder, provide the following information:

- a. Name and addresses of such contractor or builder: NOT APPLICABLE

Name and Address	Affiliation
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

- b. Has such contractor or builder within the last 10 years ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract?

Yes       No

If yes, please explain, in detail, each such instance:

- c. Total amount of construction or development work performed by such contractor or builder during the last three (3) years: \$\_\_\_\_\_

General description of such work:

List each project, including location, nature of work performed, name, address of the owner of the project, bonding companies involved, amount of contract, date of commencement of project, date of completion, state whether any change orders were sought, amount of change orders, was litigation commenced concerning the project, including a designation of where, when and the outcome of the litigation. (Attach extra sheet if necessary)

<b>Project Name</b>		
<b>Project Owner Contact Information</b>		
	Name	Address
<b>Project Location</b>		
<b>Project Details</b>		
<b>Bonding Company Involved</b>		
	Name	Amount of Contract
<b>Change Order Details</b>		
<b>Change Order Cost</b>		
<b>Litigation Details</b>		
	Location/Date	Outcome Details

d. Construction contracts or developments now being performed by such contractor or builder:

<b>Identification of Contract or Development</b>	<b>Location</b>	<b>Amount</b>	<b>Date to be Completed</b>

e. Outstanding construction-contract bids of such contractor or builder:

<b>Awarding Agency</b>	<b>Amount</b>	<b>Date Opened</b>

22. Provide a detailed and complete statement regarding equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor:

PLEASE REFER TO THE CHW DEVELOPER QUALIFICATIONS ATTACHED

23. Does any member of the governing body of SDHC, Housing Authority of the City of San Diego ("AUTHORITY") or City of San Diego ("CITY"), to which the accompanying proposal is being made or any officer or employee of SDHC, the AUTHORITY or the CITY who exercises any functions or responsibilities in connection with the carrying out of the project covered by the CONTRACTOR's proposal, have any direct or indirect personal financial interest in the CONTRACTOR or in the proposed contractor?

Yes                       No

If yes, explain:  
N/A

a. Statements and other evidence of the CONTRACTOR's qualifications and financial responsibility (other than the financial statement referred to in Item 8) are attached hereto and hereby made a part hereof as follows:  
N/A

b. Is the proposed CONTRACTOR, and/or are any of the proposed subcontractors, currently involved in any construction-related litigation?

Yes                       No

If yes, explain:  
N/A

26. State the name, address and telephone numbers of CONTRACTOR's insurance agent(s) and/or companies for the following coverage's. List the amount of coverage (limits) currently existing in each category:

a. General Liability, including Bodily Injury and Property Damage Insurance [Attach certificate of insurance showing the amount of coverage and coverage period(s)]

Check coverage(s) carried:

- Comprehensive Form
- Premises - Operations
- Explosion and Collapse Hazard
- Underground Hazard
- Products/Completed Operations Hazard
- Contractual Insurance
- Broad Form Property Damage
- Independent Contractors
- Personal Injury

- b. Automobile Public Liability/Property Damage [Attach certificate of insurance showing the amount of coverage and coverage period(s)] CERTIFICATE ATTACHED

Check coverage(s) carried:

- Comprehensive Form
- Owned
- Hired
- Non-Owned

- c. Workers Compensation [Attach certificate of insurance showing the amount of coverage and coverage period(s)] CERTIFICATE ATTACHED

- d. Professional Liability (Errors and Omissions) [Attach certificate of insurance showing the amount of coverage and coverage period(s)] NOT APPLICABLE

- e. Excess Liability [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]

CERTIFICATE ATTACHED

- f. Other (Specify) [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)] NOT APPLICABLE

27. CONTRACTOR warrants and certifies that it will not during the term of the PROJECT, GRANT, LOAN, CONTRACT, DEVELOPMENT and/or RENDITIONS OF SERVICES discriminate against any employee, person, or applicant for employment because of race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by SDHC setting forth the provisions of this nondiscrimination clause.
28. The CONTRACTOR warrants and certifies that it will not, without prior written consent of SDHC, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of SDHC, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.
29. CONTRACTOR warrants and certifies that no member, Commissioner, Councilperson, officer, or employee of SDHC, the AUTHORITY and/or the CITY, and no member of the governing body of the locality in which the PROJECT is situated, no member of the governing body in which SDHC was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, has, during his or her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.

30. List all citations, orders to cease and desist, stop work orders, complaints, judgments, fines, and penalties received by or imposed upon CONTRACTOR for safety violations from any and all government entities including but not limited to, the City of San Diego, County of San Diego, the State of California, the United States of America and any and all divisions and departments of said government entities for a period of five (5) years prior to the date of this statement. If none, please state:

Government Complaint	Entity Making	Date	Resolution
NONE			

31. Has the CONTRACTOR ever been disqualified, removed from or otherwise prevented from bidding on or completing a federal, state, or local government project because of a violation of law or a safety regulation?

Yes                       No

If yes, please explain, in detail,  
N/A

32. Please list all licenses obtained by the CONTRACTOR through the State of California and/or the United States of America, which are required and/or will be utilized by the CONTRACTOR and/or are convenient to the performance of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT, or RENDITION OF SERVICES. State the name of the governmental agency granting the license, type of license, date of grant, and the status of the license, together with a statement as to whether the license has ever been revoked:

Government Agency	License Description	License Number	Date Issued (Original)	Status (Current)	Revocation (Yes/No)
CITY OF SAN DIEGO	BUSINESS LICENSE	B2004013671	1/1/2022	CURRENT	NO
	LICENSE ATTACHED				

33. Describe in detail any and all other facts, factors or conditions that may adversely affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, SALES of Real Property to, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with SDHC.  
NONE

34. Describe in detail, any and all other facts, factors or conditions that may favorably affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with SDHC.

COMMUNITY HOUSINGWORKS HAS A PROUD HISTORY OF SUCCESSFUL CONTRACT ADMINISTRATION THAT WILL ASSURE ITS SUCCESSFUL COMPLETION OF THIS PROJECT. WE HAVE DEVELOPED AND CURRENTLY OWN AND OPERATE 6 AFFORDABLE HOUSING PROJECTS IN THE CITY OF SAN DIEGO AND HAVE MET OUR LOAN OBLIGATIONS WITH EACH.

35. List all CONTRACTS with, DEVELOPMENTS for or with, LOANS with, PROJECTS with, GRANTS from, and SALES of Real Property to SDHC, AUTHORITY and/or the CITY within the last five (5) years:

Date	Entity Involved (i.e. City SDHC, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount
	SEE ATTACHED LIST		

36. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, been the subject of a complaint filed with the Contractor's State License Board (CSLB)?

Yes                       No

If yes, explain:  
N/A

37. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, had a revocation or suspension of a CONTRACTOR's License?

Yes                       No

If yes, explain:  
N/A

38. List three local references that would be familiar with your previous construction projects:

1. Name: PLEASE SEE ATTACHED LIST  
Address:  
Phone:  
Project Name and Description:
2. Name:  
Address:  
Phone:  
Project Name and Description:
3. Name:



Address:

Phone:

Project Name and Description:

39. Give a brief statement regarding equipment, experience, financial capacity and other resources available to the CONTRACTOR for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment and the general experience of the CONTRACTOR.  
NOT APPLICABLE

40. Give the name and experience of the proposed Construction Superintendent.

<b>Name</b>	<b>Experience</b>
TBD	



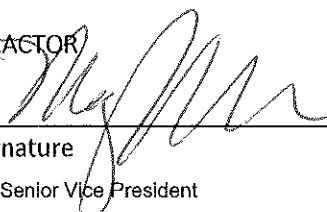
**CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR**

By providing the "Personal Information", (if any) as defined in Section 1798.3(a) of the Civil Code of the State of California (to the extent that it is applicable, if at all), requested herein and by seeking a loan from, a grant from, a contract with, the sale of real estate to, the right to develop from, and/or any and all other entitlements from the SAN DIEGO HOUSING COMMISSION ("SDHC"), the HOUSING AUTHORITY OF THE CITY OF SAN DIEGO ("AUTHORITY") and/or the CITY OF SAN DIEGO ("CITY"), the CONTRACTOR consents to the disclosure of any and all "Personal Information" and of any and all other information contained in this Public Disclosure Statement. CONTRACTOR specifically, knowingly and intentionally waives any and all privileges and rights that may exist under State and/or Federal Law relating to the public disclosure of the information contained herein. With respect to "Personal Information", if any, contained herein, the CONTRACTOR, by executing this disclosure statement and providing the information requested, consents to its disclosure pursuant to the provisions of the Information Practices Act of 1977, Civil Code Section 1798.24(b). CONTRACTOR is aware that a disclosure of information contained herein will be made at a public meeting or meetings of the SDHC, the AUTHORITY, and/or the CITY at such times as the meetings may be scheduled. CONTRACTOR hereby consents to the disclosure of said "Personal Information", if any, more than thirty (30) days from the date of this statement at the duly scheduled meeting(s) of the SDHC, the AUTHORITY and/or the CITY. CONTRACTOR acknowledges that public disclosure of the information contained herein may be made pursuant to the provisions of Civil Code Section 1798.24(d).

CONTRACTOR represents and warrants to the SDHC, the AUTHORITY and the CITY that by providing the information requested herein and waiving any and all privileges available under the Evidence Code of the State of California, State and Federal Law, (to the extent of this disclosure that the information being submitted herein), the information constitutes a "Public Record" subject to disclosure to members of the public in accordance with the provisions of California Government Section 6250 et seq.

CONTRACTOR specifically waives, by the production of the information disclosed herein, any and all rights that CONTRACTOR may have with respect to the information under the provisions of Government Code Section 6254 including its applicable subparagraphs, to the extent of the disclosure herein, as well as all rights of privacy, if any, under the State and Federal Law.

Executed this 25 day of APRIL, 20 22, at San Diego, California.

CONTRACTOR  
By:   
Signature  
Senior Vice President  
Title



CERTIFICATION

The CONTRACTOR, Community HousingWorks, hereby certifies that this CONTRACTOR's Statement for Public Disclosure and the attached information/evidence of the CONTRACTOR's qualifications and financial responsibility, including financial statements, are true and correct to the best of CONTRACTOR's knowledge and belief.

By: [Signature]
Mary Jane Jagodzinski
Senior Vice President

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: April 25, 2022

Dated: \_\_\_\_\_

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false, fictitious or fraudulent statement or entry, in any matter within the jurisdiction or any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

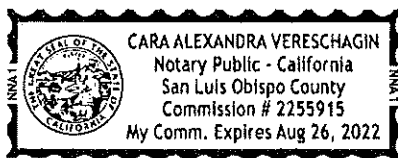
JURAT

State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 25th day of April, 2022

by Mary Jane Jagodzinski personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



SEAL

[Signature]
Signature of Notary

**SAN DIEGO HOUSING COMMISSION DEVELOPER DISCLOSURE STATEMENT**

**COMMUNITY HOUSINGWORKS  
LIST OF ATTACHMENTS**

<u>QUESTION #</u>	<u>ATTACHMENT</u>
6	Articles of Incorporation and Nonprofit Status
8 & 12	Board Roster of Community HousingWorks (CHW)
14	CHW 2019 and 2020 Consolidated Financial Statements
15	Pro Forma Sources and Uses
17	Bank References
20	List of Previous Undertakings
22	CHW Developer Qualifications
26	Insurance Certificates
32	Business License
35	List of Contracts
38	Local References

**COMMUNITY HOUSINGWORKS  
ARTICLES OF INCORPORATION AND  
NONPROFIT STATUS**

## **6. Articles of Incorporation and Nonprofit Status**



P.O. Box 2508  
Cincinnati OH 45201

In reply refer to: 0248145604  
Mar. 30, 2015 LTR 4168C 0  
33-0317950 000000 00  
00025408  
BODC: TE

COMMUNITY HOUSING WORKS  
2815 CAMINO DEL RIO SOUTH STE 350  
SAN DIEGO CA 92108

60198

Employer Identification Number: 33-0317950  
Person to Contact: MR. CORDELL  
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Mar. 19, 2015, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in November, 1992.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website [www.irs.gov/eo](http://www.irs.gov/eo) for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

0248145604  
Mar. 30, 2015 LTR 4168C 0  
33-0317950 000000 00  
00025409

COMMUNITY HOUSING WORKS  
2815 CAMINO DEL RIO SOUTH STE 350  
SAN DIEGO CA 92108

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,



Doris Kenwright, Operation Mgr.  
Accounts Management Operations 1

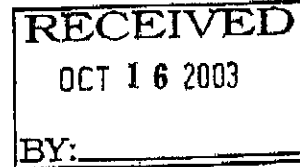




STATE OF CALIFORNIA  
FRANCHISE TAX BOARD  
PO BOX 1286  
RANCHO CORDOVA CA 95741-1286

In reply refer to  
755:6 :GRW

October 10, 2003



COMMUNITY HOUSING WORKS  
PRES \JOHN MAWHINNEY  
1820 S ESCONDIDO BLVD STE 101  
ESCONDIDO CA 92025-6535

Purpose : CHARITABLE  
Code Section : 2370ld  
Form of Organization : Corporation  
Accounting Period Ending: December 31  
Organization Number : 1617323

This letter confirms your previous exemption from state franchise and income tax under Section 2370ld, Revenue and Taxation Code. In confirming your exempt status, we have made no examination of your current activities. If the organization has changed its operational character, or purpose since exemption was originally granted, that change must be reported immediately to this office.

You may be required to file Form 199 (Exempt Organization Annual Information Return) on or before the 15th day of the 5th month (4 1/2 months) after the close of your accounting period. See annual instructions with forms for requirements.

You are not required to file state franchise or income tax returns unless you have income subject to the unrelated business income tax under Section 23731 of the Code. In this event, you are required to file Form 109 (Exempt Organization Business Income Tax Return) by the 15th day of the 5th month (4 1/2 months) after the close of your annual accounting period.

Contributions made to you are deductible by donors as provided by

October 10, 2003  
COMMUNITY HOUSING WORKS  
ENTITY ID : 1617323  
Page 2

Sections 17214 through 17216.2 and 24357 through 24359 of the Cod  
unless your purpose is testing for Public Safety.

G WALKER  
EXEMPT ORGANIZATIONS  
BUSINESS ENTITIES SECTION  
TELEPHONE (916) 845-6053

RTF:

1617323

ARTICLES OF INCORPORATION

OF

NORTH COUNTY HOUSING FOUNDATION

FILED  
In the office of the Secretary of State  
of the State of California

JUN 20 1988

*March Fong Eu*  
MARCH FONG EU, Secretary of State

1. Name. The name of this corporation is: North County Housing Foundation.
2. Character. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for charitable purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code.
3. Purpose. The purposes of the Corporation are: to enrich the lives and meet the special needs of the elderly, the handicapped, and others with special housing needs; to relieve the burdens of government by providing human services and housing on a non-profit basis to older adults, handicapped persons, low and moderate income families, and displaced from urban renewal areas, or as the result of governmental action or major disaster.
4. Limitations. This corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from income tax under section 501 (c) (3) of the Internal Revenue Code or (b) by a corporation, contributions to which are deductible under Section 170(a) (2) of the Internal Revenue Code. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation. This corporation shall not participate or intervene in any political campaign (including the publication or distribution of statements) on behalf of any candidate for public office.
5. Dedication of Assets. The assets of the corporation are irrevocably dedicated to charitable purposes. No part of the net assets or income of the corporation shall inure to the benefit of any individual person. Upon dissolution or

liquidation, the assets remaining after payment, or provisions for payment of debts shall be distributed in the manner provided by law to a fund or corporation which is organized and operated exclusively for charitable purposes and which has established its status pursuant to Section 501 (c) (3) of the Internal Revenue Code.

6. Directors. The initial Board of Directors consists of nine directors, whose names and addresses are:

C. Richard Shanor  
1636 Desert Glen  
Escondido, California 92026

Margaret Bradley  
2182 Montiel Road  
San Marcos, California 92069

Bernard Englander  
13122 Via Toro  
Poway, California 92064

William Hanson  
802 Omar Drive  
Escondido, California 92025

Jean Hollis  
525 West El Norte Parkway #140  
Escondido, California 92026

Suzanne S. Pohlman  
452 Devonshire Glen  
Escondido, California 92027

Father Doug Regin  
525 West Vista Way  
Vista, California 92083

Ruth Senior  
16407 Caminito Vecinos  
San Diego, California 92128

Arland M. Wiberg  
536 August Drive  
San Marcos, California 92069

7. Agent. The name and address of the corporation's initial agent for service of process is: C. Richard Shanor, 1636 Desert Glen, Escondido, California.

Executed at Escondido, California.

DATED:	<u>6/13/88</u>	<u>C. Richard Shanor</u> C. RICHARD SHANOR
DATED:	<u>6/14/88</u>	<u>Margaret R. Bradley</u> MARGARET BRADLEY
DATED:	<u>6/13/88</u>	<u>Bernard Englander</u> BERNARD ENGLANDER
DATED:	<u>6/13/88</u>	<u>William P. Hanson</u> WILLIAM HANSON
DATED:	<u>6/14/88</u>	<u>Jean G. Hollis</u> JEAN HOLLIS
DATED:	<u>6/13/88</u>	<u>Suzanne Stewart Pohlman</u> SUZANNE STEWART POHLMAN
DATED:	<u>06/14/88</u>	<u>Father Douglas Regin</u> FATHER DOUG REGIN
DATED:	<u>6/13/88</u>	<u>Ruth Senior</u> RUTH SENIOR
DATED:	<u>6/14/88</u>	<u>Arland M. Wiberg</u> ARLAND M. WIBERG

INDIVIDUAL ACKNOWLEDGEMENT

We hereby declare that we are the persons who executed the foregoing Articles of Incorporation, which execution is our act and deed.

DATED: 6/13/88 C. Richard Shanor  
C. RICHARD SHANOR

DATED: 6/14/88 Margaret R. Bradley  
MARGARET BRADLEY

DATED: 6/13/88 Bernard Englander  
BERNARD ENGLANDER

DATED: 6/14/88 Jean G. Hollis  
JEAN G. HOLLIS

DATED: 6/13/88 William P. Hanson  
WILLIAM P. HANSON

DATED: 6/13/88 Suzanne Stewart Pohlman  
SUZANNE STEWART POHLMAN

DATED: 06/13/88 Father Douglas Regan  
FATHER DOUG REGIN

DATED: 6/13/88 Ruth Senior  
RUTH SENIOR

DATED: 6/14/88 Arland M. Wiberg  
ARLAND M. WIBERG

---

AMENDED AND RESTATED

BYLAWS

OF

COMMUNITY HOUSINGWORKS

March 30, 2017

BYLAWS  
COMMUNITY HOUSINGWORKS  
A California Nonprofit Public Benefit Corporation

ARTICLE I

OFFICES

Section 1.1 Principal Office.

The Corporation's principal office is fixed and located at:  
2815 Camino del Rio South  
Suite 350  
San Diego, California 92108

The Board of Directors (herein called the "Board") is granted full power and authority to change said principal office from one location to another. Any such change shall be noted on the Bylaws opposite this Section, or this Section may be amended to state the new location.

Section 1.2 Other Offices.

Branch or subordinate offices may be established at any time by the Board at any place or places.



## ARTICLE II

### MEMBERSHIP

#### Section 2.1 Members.

The Corporation shall have no members. Any action which would otherwise require approval by a majority of all members or approval by the members shall require only approval of the Board. All rights which would otherwise vest in the members shall vest in the directors.

#### Section 2.2 Associates.

Nothing in this Article II shall be construed as limiting the right of the Corporation to refer to persons associated with it as "members" even though such persons are not members, and no such reference shall constitute anyone a member, within the meaning of Section 5056 of the California Nonprofit Corporation Law. The Corporation may confer by amendment of its Articles of Incorporation or of these Bylaws some or all of the rights of a member, as set forth in the California Nonprofit Corporation Law, upon any person or persons who do not have the right to vote for the election of directors or on a disposition of substantially all of the assets of the Corporation or on a merger or on a dissolution or on changes to the Corporation's Articles of Incorporation or Bylaws, but no such person shall be a member within the meaning of said Section 5056.

## ARTICLE III

### BOARD OF DIRECTORS

#### Section 3.1 Powers.

Subject to the limitations imposed by the Articles of Incorporation, these Bylaws, and by California law, the Board shall exercise, or provide for the exercise under its control, the powers of the Corporation.

Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated in these Bylaws:

- (a) To select and remove, at the pleasure of the Board, the Chief Executive Officer of the Corporation, prescribe powers and duties for the Chief Executive Officer and employees as may not be inconsistent with law, the Articles of Incorporation or these Bylaws, fix their compensation and require from them security for faithful service.
- (b) To govern and control the affairs and activities of the Corporation and to make such rules and regulations not inconsistent with law, the mission of the Corporation, and the Articles of Incorporation or these Bylaws, as they may deem best.
- (c) To adopt, make and use a corporate seal and to alter the form of such seal from time to time as they may deem best.
- (d) To borrow money and incur indebtedness for the purposes of the Corporation, and to cause to be executed and delivered, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities.
- (e) To delegate the management of the activities of the Corporation to any person or persons, a management company or committees however composed, provided that the activities and affairs of the Corporation shall be governed and all corporate powers shall be exercised under the ultimate direction of the Board.

#### Section 3.2 Number.

The number of directors shall be at least 11 and not more than 21, as determined by the Board.

Section 3.3 Selection and Tenure.

Directors shall be elected by the Board. The directors of the Corporation shall at all times be divided equally into three (3) classes known as classes "A," "B" and "C." If an equal division is not possible because the total number of directors is not equally divisible by three (3), then the Board shall have the discretion to allocate the directors among the three (3) classes as evenly as reasonably possible. Once a director has been assigned to a particular class, that classification cannot be changed, and any successor elected to replace a particular director shall also be in the same class of directors as the director that is replaced.

Regardless of any other provision of these Bylaws, the term of a particular director shall be for three (3) years, except that a director's term of office shall in any event terminate upon the director's death, resignation or removal, whichever is earlier. A director may be re-elected for up to three (3) terms. No person shall serve more than nine (9) consecutive years. After serving a total of nine (9) years, a director may be eligible for reconsideration as a director after two (2) years have passed since the conclusion of such director's service. Irrespective of the prior section, for those board members with service of nine (9) years or longer as of January 31, 2015, they shall retain the ability to serve in good standing through August 31, 2017.

Section 3.4 Nomination of Directors.

Recommendations for director nominees may be submitted to the Governance Committee at any time. The Governance Committee shall present at the annual meeting of directors its slate of director-nominees and, as to any vacancies, at a board meeting following the vacancy, any nominee to fill the balance of the unexpired term.

Section 3.5 Board Composition.

The Board must maintain at least one-third (1/3) of its governing Board's membership for residents of low-income neighborhoods, other low-income residents, or elected representatives of low-income neighborhood organizations, as defined by the federal Department of Housing and Urban Development. If Board membership changes such that members who have low-incomes, are elected representatives of a low-income neighborhood organization, or are residents of low-income neighborhoods comprise less than one-third (1/3) of the Board, the Corporation's staff and Board members shall immediately act to recruit new members who have low-incomes, are elected representatives of a low-income neighborhood organization, or are residents of low-income neighborhoods.

No more than one-third (1/3) of the directors serving on the board may be “interested persons.” For purposes of this section, “interested persons” means either (1) any person currently being compensated by the corporation for services rendered to it within the previous twelve months whether as a full time or part time employee, independent contractor, or otherwise, excluding any reasonable reimbursement for expenses paid to a director; or (2) any relative of a person being compensated by the corporation including a brother, sister, ancestor, descendent, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law, domestic partner or any such person who may be considered a relative.

**Section 3.6 Annual Meeting.**

There shall be an annual organizational meeting by the Board no later than March 31 each year at such time and place as may be determined by the Board. Such meeting shall be for the election of directors and officers, review of conflict of interest disclosures and transaction of such business as may come before the meeting.

**Section 3.7 Regular Meeting.**

Regular meetings of the Board shall be held as scheduled by the Board. All meetings shall be noticed at least seven (7) days in advance. Notice of changes in the meeting schedule shall be given as for special meetings.

**Section 3.8 Special Meetings.**

Special meetings of the Board for any purpose may be called at any time by the chair or by any two directors. Written notice of the time and place of special meetings shall be made by electronically transmittal or telephone three (3) days prior to the meeting.

**Section 3.9 Meetings by Electronic Means.**

Members of the board of directors or any committee thereof may participate in a meeting of the board or committee by means of teleconference, videoconference or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

### Section 3.10 Actions of Meetings.

The transactions of any meeting of the Board however called and noticed, shall be as valid as though taken at a meeting held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the directors not present signs either a written waiver of notice, or a consent to the holding of the meeting, or an approval of the minutes of the meeting, or if, at a subsequent, duly called and noticed meeting, the Board reaffirms the action of the meeting. All the waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

### Section 3.11 Action Without Meeting.

Any action that is required or permitted to be taken by the Board may be taken without a meeting if all members of the Board, individually or collectively, consent in writing to such action. The consent of any director who has a material financial interest in a transaction to which the Corporation is a party and who is an "interested director" as defined in Section 5233 of the California Corporations Code shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as a unanimous vote of the Board and shall be filed with the minutes of the proceedings of the Board.

### Section 3.12 Conflict of Interest.

Any duality of interest or potential conflict of interest on the part of any director shall be disclosed annually, and when relevant to an item or piece of business before the board, to the other directors and made a matter of record through procedures to be established by the Board. In the event the potential conflict does not concern an exchange of money or services, a majority vote of the directors shall determine if a conflict of interest exists.

Any director having such duality or potential conflict of interest shall not vote or use his influence on the matter in question and shall not be counted in determining a quorum to conduct a vote on that issue. The minutes of the meeting shall reflect such disclosure, the abstention from voting and the quorum determination. All candidates for election to the Board and all new directors shall be advised of this policy.

The foregoing shall not be construed to prevent a director from briefly stating his position in the matter, nor from answering pertinent questions from the other directors.

### Section 3.13 Vacancies.

A vacancy or vacancies in the Board shall be deemed to exist in case of the death, resignation or removal of any director, or if the authorized number of directors is increased. The Board may declare vacant the office of a director who has been made subject to a conservatorship or similar protective proceeding, or convicted of a felony, or found by a final order or judgment of any court to have breached any duty arising under Article 3 of the California Nonprofit Public Benefit Corporation Law.

Any director may be removed with or without cause upon the affirmative vote of two-thirds (2/3) of the directors by the Board of Directors whenever in its judgment the best interests of the corporation will be served. Removal shall be without prejudice.

Subject to the provisions of Section 5226 of the California Corporations Code, any director may resign effective upon giving written notice to the Board Chair. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. The Board may elect a successor to take office when the resignation becomes effective. Except on notice of the Attorney General, no director may resign if the Corporation would be left without a duly elected director or directors.

Vacancies in the Board shall be filled in the same manner as the director(s) whose office is vacant was selected, provided that vacancies to be filled by election by directors may be filled by a majority of the remaining directors, although less than a quorum, or by a sole remaining director. Each director so selected shall hold office until the expiration of the term of the replaced director and until a successor has been selected and qualified.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of the director's term of office.

#### Section 3.14 Quorum.

A quorum at any meeting of the Board consists of a majority of the directors then in office. Every act or decision done or made by a quorum of the directors present shall be regarded as the act of the Board, unless a greater number be required by law or by the Articles of Incorporation, except as provided in the next sentence. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors.

#### Section 3.15 Non-Active Board Members.

Board members will be considered inactive and subject to dismissal after being absent from one-third (1/3) of scheduled board meetings for the calendar year, or one-third (1/3) of the scheduled meetings for their chosen committee for the calendar year.

#### Section 3.16 Adjournment.

A majority of the directors present, whether or not a quorum is present, may adjourn any directors' meeting to another time and place.

#### Section 3.17 Notice of Certain Agenda Items.

The notice of any meeting at which directors are to be elected shall include the names of all those who are nominees at the time the notice is given. The following action by the Corporation's directors is invalid unless the notice, written waiver of notice, consent or approval states the general nature of the proposal(s):

- (a) Removing a director;
- (b) Filling vacancies of the Board of Directors;

- (c) Approving a contract or transaction in which a director has a material, financial interest;
- (d) An election to wind up and dissolve the Corporation;
- (e) Any merger, consolidation, restructuring, or other reorganization of the Corporation;
- (f) Any amendment of the Articles of Incorporation or Bylaws;
- (g) Any action with respect to which other provisions of these Bylaws require a descriptive notice.

**Section 3.18 Manner of Giving Notice.**

Unless otherwise required by statute or these Bylaws, notice of any meeting of the Board shall be delivered by electronic means or by first-class mail addressed to each director at the address for the director reflected in the Corporation's records. Such notice shall be given not less than fifteen (15) days nor more than forty (40) days prior to the date fixed for the meeting to which the notice relates. If no address appears in the Corporation's records and no other address has been given, notice shall be deemed to have been given if either (a) notice is sent to the director in question by first-class mail, electronically transmittal or other communication to the Corporation's principal business office, or (b) notice of the meeting is published at least once in a newspaper of general circulation in San Diego County, United States of America. Notice shall be deemed to have been given at the time when delivered personally, deposited in the mail or sent by electronic transmittal or other means of communication. An affidavit of the mailing or other means of giving any notice of any meeting of the directors of the Corporation may be executed by the Secretary or Assistant Secretary, and if so executed, shall be filed and maintained in the minute book of the Corporation.

**Section 3.19 Rights of Inspection.**

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Corporation of which such person is a director.

**Section 3.20 Committees.**

The Board may appoint one or more committees to serve at the pleasure of the Board. Committee members shall be appointed by the Chair. Committee members may or may not be members of the Board. Any such committee must be created by resolution adopted by a majority of the authorized number of directors provided a quorum is present. The Chair may appoint, in the same manner, the committee Chair of any committee and alternate members of any committee who may replace any absent member at any meeting of the committee. Committee Chairs shall generally be members of the Board, except where a non-member Chair may be appointed by the Board. Any such committee may be further designated an Executive Committee or by such other name as the Board shall specify. Any such committee, to the extent provided in the Board resolution, shall have all the authority of the Board, except that no committee, regardless of board resolution, may:

- (a) Take any final action for which the California Nonprofit Public Benefit Corporation Law also requires approval of the members or approval of a majority of all members (such limitation of committee action shall apply whether or not the Corporation has members);
- (b) Fill vacancies on the Board or in any committee;
- (c) Fix compensation of the directors for serving on the Board or on any committee;
- (d) Amend or repeal bylaws or adopt new bylaws;
- (e) Amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;
- (f) Create any other committees of the Board or appoint the members of committees of the Board;
- (g) Expend corporate funds to support a nominee for director after there are more people nominated for director than can be elected; or
- (h) Approve any contract or transaction to which the Corporation is a party and in which one or more of its directors has a material financial interest, except as special approval is provided for in Section 5233(d)(3) of the California Corporations Code.

The Board shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or such committee shall otherwise provide, the regular and special meetings and other actions of any such committee shall be governed by the provisions of this Article III applicable to meetings and actions of the Board. Minutes shall be kept of each meeting of each committee.

The Board shall have the authority to establish other committees, such as an Honorary Advisory Board, which shall not have the authority of the Board of Directors in the management of the corporation. Each such committee may adopt rules for its own governance not inconsistent with the rules set forth by the Board of Directors in the resolution designating the committee.

### Section 3.21 Confidentiality: Executive Sessions.

It is the intent of the Corporation to conduct its business in open sessions whenever possible. The Board may hold executive sessions or may hold an executive session during a regular meeting to consider the appointment, employment, or dismissal of an employee, unless such employee requests a public hearing; negotiations for sale, purchase or financing of property; consideration of legal actions by or against the Corporation; or such other matters in which an executive session is necessary to serve the best interests of the Corporation and its mission, as determined by a majority vote of the directors at a properly noticed meeting. The Board may also exclude from any such public or private meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the executive session of the Board.



Section 3.22 Fees and Compensation.

Directors, Officers and members of committees shall receive no compensation for their services as Directors, Officers or committee members, but may be reimbursed for reasonable expenses incurred in the performance of their services, as determined by the Board.

## ARTICLE IV

### OFFICERS

#### Section 4.1 Officers Generally.

Board-member Officers of the Corporation are a Chair, Vice Chair, Secretary, and Treasurer. The non-Board member Officers shall include the President/CEO and Chief Financial Officer. The Board-member officers and the immediate past chair shall constitute the Executive Committee with any delegated powers as further defined in a duly adopted board resolution within the limits specified in Section 3.20.

The Chair shall be chosen from among the members of the Board. A person may fill more than one office, except that no person may hold the offices of Chair and Secretary simultaneously.

The Board shall select the President to serve as the Chief Executive Officer of the Corporation. The President shall not be a member of the Board and shall not be entitled to vote as a director.

#### Section 4.2 Selection and Tenure.

Officers who are members of the Board are selected by the Board and serve during the Board's pleasure for terms of two years and until their successors are elected. This election shall take place at the annual meeting of the corporation. The President is selected by the Board and serves for a term determined by the Board and any applicable employment contracts. The Chair may appoint secretaries pro tem for specific tasks as the need may arise. The Board, or any Officer authorized by the Board, may remove a person from office at any time. A vacancy in any office shall be filled by the Board.

#### Section 4.3 Removal and Resignation.

Without prejudice to any rights of an Officer under any contract of employment, any Officer may be removed with or without cause by an affirmative vote of two-thirds (2/3) of the total Board.

Any Officer may resign at any time by giving written notice to the Corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract to which the Officer is a party.

#### Section 4.4 Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular election or appointment to such office, provided, however, that such vacancies shall be filled as they occur and not on an annual basis.

Section 4.5 Chair.

The Chair shall preside at all meetings of the Board. The Chair shall see that all orders and resolutions of the Board are carried into effect, subject, however, to the right of the Board to delegate any specific powers, except such as may be by statute exclusively conferred on the Chair, to any other officer or officers of the corporation.

Section 4.6 The President.

The President shall be the Chief Executive Officer of the Corporation. The President shall have general and active management of the business of the corporation, and shall have the general power and duties of hiring, supervision and management usually vested in the office of the President of the Corporation including the ability to approve the expenditure of monies appropriated by the Board of Directors in accordance with the budget approved by the Board of Directors, and is empowered to execute any deed, mortgage, bond, contract or other instrument which the Board has authorized to be executed. At each Executive Committee and Board meeting, the President shall report on the activities of the corporation.

Section 4.7 Vice Chairs.

If the Chair is absent or disabled, the Vice Chairs, if any, or another Officer of the Board shall perform all duties of the Chair. When so acting, a Vice Chair shall have all the powers of and be subject to all the restrictions upon the Chair. The Vice Chairs shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

Section 4.8 Secretary.

The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may order, a book of minutes of all meetings, proceedings, and actions of the Board and its committees. The minutes shall include the time and place that the meeting was held, whether the meeting was annual, regular, or special, and, if special, how authorized, the notice thereof given, the names of those present at Board and committee meetings, and the proceedings. The Secretary shall keep, or cause to be kept, at the principal office in the State of California, the original or a copy of the Corporation's Articles of Incorporation and Bylaws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the Board and any committees thereof required by these Bylaws or by law to be given. The Secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

Section 4.9 Treasurer.

The Treasurer is the Officer of the Corporation with the primary responsibility for oversight of the Corporation's finances. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the Corporation's properties and business transactions. The Treasurer shall give or cause to be given to the members and directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board. The books of account shall at all times be open to inspection by any director.

## ARTICLE V

### GENERAL PROVISIONS

#### Section 5.1 Deposit of Funds.

Except for petty cash funds authorized by the Board or executive committee, or officers designated by the Board, all Corporation funds and securities shall be deposited or held in the Corporation's name in such banks or other depositories as may be designated by the Board.

#### Section 5.2 Expenditures.

Except as authorized by the Board, Corporation funds shall be paid only on checks of the Corporation which are signed by such persons as may be designated by the Board.

#### Section 5.3 Audit.

The Board shall provide for an audit of the financial transactions of the Corporation at least annually by a competent disinterested accountant or audit committee selected by the Board.

#### Section 5.4 Fiscal Year.

The Corporation's fiscal year is from January 1 to December 31.

#### Section 5.5 Inspection of Records.

All corporate records (including financial records, but excluding individual medical records or other personnel records where individual privacy outweighs any benefit of disclosure) are open to inspection by a director (and a director's agents) at any time.

#### Section 5.6 Bylaw Amendments.

These Bylaws may be amended or repealed and new bylaws adopted by an affirmative vote of two-thirds (2/3) of the directors. At least 10 days notice shall be given of any meeting at which a vote to amend the Bylaws will be taken. The Secretary of the Corporation shall see that a true and correct copy of all amendments of the Bylaws, duly certified by the Secretary, is attached to the official Bylaws of the Corporation and is maintained with the official records of the Corporation at the principal office of the Corporation.

## ARTICLE VI

### INDEMNIFICATION

#### Section 6.1 Definitions.

For the purposes of this Article VI, "agent" means any person who is or was a director, officer, employee or other agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes, without limitation, attorneys' fees and any expenses of establishing a right to indemnification under Section 6.4 or 6.5(b) of this Article VI.

#### Section 6.2 Indemnification in Actions by Third Parties.

The Corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding, (other than an action by or in the right of the Corporation to procure a judgment in its favor, an action brought under Section 5233 of the California Corporations Code, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of the Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

#### Section 6.3 Indemnification in Actions by or in the Right of the Corporation.

The Corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the Corporation, or brought under Section 5233 of the California Corporations Code, or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under Section 6.3 in the following circumstances:

- (a) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person's duty to the Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;
- (b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval, or
- (c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

**Section 6.4 Indemnification Against Expenses.**

To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in Section 6.2 or 6.3 of this Article VI or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

**Section 6.5 Required Determinations.**

Except as provided in Section 6.4 of this Article VI any indemnification under this Article VI shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 6.2 or 6.3 of this Article VI, by:

- (a) A majority vote of a quorum consisting of directors who are not parties to such proceeding; or
- (b) The court in which such proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Corporation.

**Section 6.6 Advance of Expenses.**

Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article VI.

Section 6.7 Other Indemnifications.

No provision made by the Corporation to indemnify its or its subsidiary's directors or officers for the defense of any proceeding, whether contained in the Articles of Incorporation, Bylaws, a resolution of members or directors, an agreement or otherwise, shall be valid unless consistent with this Article VI. Nothing contained in this Article VI shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

Section 6.8 Forms of Indemnification not Permitted.

No indemnification or advance shall be made under this Article VI, except as provided in Section 6.4 or 6.5(b), in any circumstances where it appears:

- (a) That it would be inconsistent with a provision of the Articles of Incorporation, these Bylaws, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
- (b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 6.9 Insurance.

The Corporation shall have power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Article VI, provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5233 of the California Corporations Code.

Section 6.10 Non-applicability to Fiduciaries of Employee Benefit Plans.

This Article VI does not apply to any proceeding against any trustee, investment manager or other fiduciary of any employee benefit plan in such person's capacity as such, even though such person may also be an agent of the Corporation as defined in Section 6.1 of this Article VI. The Corporation shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California Corporations Code.



OFFICER'S CERTIFICATE

I Roberto Garcia, the duly elected and acting Secretary of Community Housing Works certify that these amended and restated Bylaws were duly adopted by the Board on March, 30, 2017, and remain in effect on this date.

\_\_\_\_\_  
Signature – Roberto Garcia

04/11/17  
Date



# LUCE FORWARD

ATTORNEYS AT LAW • FOUNDED 1873

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EMAIL ADDRESS DDOUCETTE@LUCE.COM

September 5, 2002

24214/00001

Re: Name Change

Ladies and Gentlemen:

On July 1, 2002, Community Housing of North County, a California nonprofit public benefit corporation (the "Corporation"), changed its name to **Community HousingWorks** by filing Amended and Restated Articles of Incorporation with the California Secretary of State. No further action was required by the Corporation to change its name. The Corporation's state and federal employer identification numbers remain unchanged, and we assure that all contracts and documents previously entered into by Community Housing of North County are binding and enforceable on Community HousingWorks.

Very truly yours,



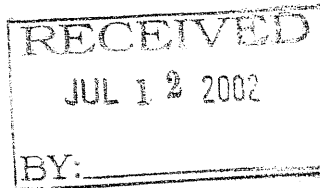
Dennis J. Doucette  
of  
LUCE, FORWARD, HAMILTON & SCRIPPS LLP

DJD/dzc

# LUCE FORWARD

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July 9, 2002

24214-00001

Ms. Susan M. Reynolds  
Community Housing of North County  
1820 S. Escondido Blvd, #101  
Escondido, CA 92025

Re: Amended and Restated Articles of Incorporation for Community Housing of North County

Dear Ms. Reynolds:

Enclosed for your records is a certified copy of the Amended and Restated Articles of Incorporation for Community Housing of North County changing the name of the corporation to Community HousingWorks. The Amended and Restated Articles were filed on July 1, 2002 by the California Secretary of State.

If you have any questions regarding this matter, please feel free to call me.

Very truly yours,

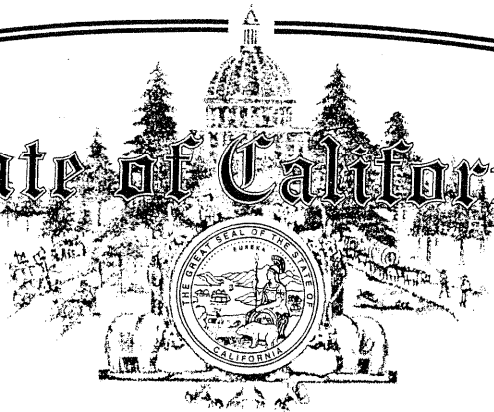
A handwritten signature in cursive script that reads "Nancy Crane". The signature is written in black ink and extends across the width of the page.

Nancy Crane  
for  
LUCE, FORWARD, HAMILTON & SCRIPPS LLP

NC/  
Enclosure

cc: Dennis J. Doucette, Esq.

# State of California



## SECRETARY OF STATE

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript of   2   page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

*IN WITNESS WHEREOF*, I execute this certificate and affix the Great Seal of the State of California this day of

JUL - 5 2002



*Bill Jones*

Secretary of State

# State of California



## SECRETARY OF STATE CERTIFICATE OF STATUS DOMESTIC CORPORATION

I, BILL JONES, Secretary of State of the State of California, hereby certify:

That on the **20th day of June, 1988, COMMUNITY HOUSING WORKS** became incorporated under the laws of the State of California by filing its Articles of Incorporation in this office; and

That no record exists in this office of a certificate of dissolution of said corporation nor of a court order declaring dissolution thereof, nor of a merger or consolidation which terminated its existence; and

That said corporation's corporate powers, rights and privileges are not suspended on the records of this office; and

That according to the records of this office, the said corporation is authorized to exercise all its corporate powers, rights and privileges and is in good legal standing in the State of California; and

That no information is available in this office on the financial condition, business activity or practices of this corporation.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of August 21, 2002.



*Bill Jones*  
BILL JONES  
Secretary of State

ts

AMENDED AND RESTATED  
ARTICLES OF INCORPORATION OF  
COMMUNITY HOUSING OF NORTH COUNTY

JUL - 1 2002

BILL JONES, Secretary of State

Jack Mawhinney and Michael Sprague certify that:

1. They are the President and Secretary, respectively, of COMMUNITY HOUSING OF NORTH COUNTY, a California Corporation.
2. The Articles of Incorporation of this corporation are amended and restated to read in full as follows:

## ARTICLE I

Name. The name of this corporation is: Community HousingWorks.

## ARTICLE II

Character. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for public and charitable purposes, (within the meaning of Section 501(c)(3) of the Internal Revenue Code.)

## ARTICLE III

Purpose. The purposes of the corporation are: (i) to lessen the burdens of government by developing affordable housing for low-income persons and low and moderate income families; (ii) to provide human services and housing on a non-profit basis to relieve the distress of the elderly, the physically handicapped and people with special needs; (iii) to combat community deterioration and preserve neighborhood stability by promoting community development, which improves housing and economic conditions as is appropriate; (iv) to assist in the facilitation of low to moderate income persons and families to secure affordable mortgage financing to support efforts in improving select neighborhoods and communities; (v) to provide below-market rate flexible capital and other services in order to increase and preserve homeownership opportunities among underserved low to moderate income households; (vi) to provide new housing opportunities that will assist in eliminating discrimination and prejudice; and (vii) to revitalize and stimulate reinvestment in selected neighborhoods through programs involving a partnership of neighborhood residents, the business community, representatives of local governmental agencies, local financial institutions, and other interested persons.

ARTICLE IV

Limitations. This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Notwithstanding any other provision of these articles, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from income tax under section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under Section 170(a)(2) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Law). No substantial part of the activities of this corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation. This corporation shall not participate or intervene in any political campaign (including the publication or distribution of statements) on behalf of any candidate for public office.

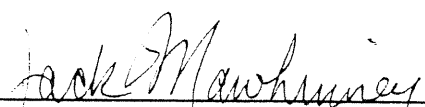
ARTICLE V

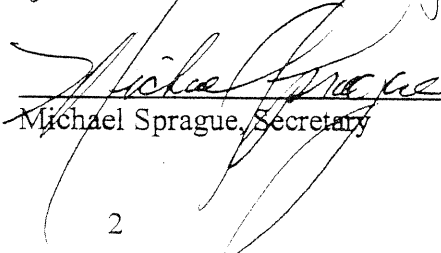
Dedication of Assets. The property of the corporation is irrevocably dedicated to charitable purposes. No part of the net assets or income of the corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon dissolution or liquidation, the assets remaining after payment, or provisions for payment, of all debts and liabilities of this corporation shall be distributed in the manner provided by law to a fund or corporation which is organized and operated exclusively for charitable purposes and which has established its status pursuant to Section 501(c)(3) of the Internal Revenue Code.

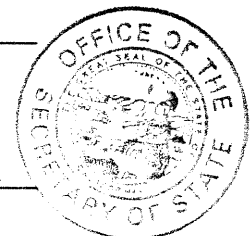
3. The foregoing amended and restated Articles of Incorporation have been duly approved by the board of directors.
4. The corporation has no members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Date: 6/28, 2002

  
\_\_\_\_\_  
Jack Mawhinney, President

  
\_\_\_\_\_  
Michael Sprague, Secretary



**COMMUNITY HOUSINGWORKS  
BOARD ROSTER**



## 2022 Board of Directors

*All listed Directors are eligible to vote on board actions*

<p><b>Don Ambrose</b>  <i>Board Chair</i>  <i>Chair, Executive Committee</i>  President  Del Mar Healthcare, Inc.  121 Spinnaker Ct  Del Mar, CA 92014  (858) 792-6618 - Home  <a href="mailto:don@delmarhc.org">don@delmarhc.org</a>  04/2020</p>	<p><b>Roberto Garcia</b>  <i>Vice-Chair</i>  Planning Commissioner  City of National City  2330 I Avenue  National City, CA 91950  (619) 586-8357 - Cell  <a href="mailto:roberto.garcia.ozua@gmail.com">roberto.garcia.ozua@gmail.com</a>  09/2016</p>	<p><b>Christie Ault</b>  <i>Secretary</i>  <i>Chair, Governance Committee</i>  Community Development Coordinator  Pacific Premier Bank  3050 Rue D'Orleans #426  San Diego, CA 92110  (858) 729-7701 - Office  <a href="mailto:cault@ppbi.com">cault@ppbi.com</a>  03/2019</p>
<p><b>Robert Gottlieb</b>  <i>Treasurer</i>  <i>Chair, Finance Committee</i>  Chief Financial Officer  H.G. Fenton Company  1558 Gershwin Street  Cardiff, CA 92007  (619) 400-0148 - Office  <a href="mailto:robert@hgfenton.com">robert@hgfenton.com</a>  10/2013</p>	<p><b>Silvia Calzada</b>  Community Health Worker  Environmental Health Coalition  2727 Hoover Avenue #209  National City, CA 91950  (619) 274-7315 - Cell  <a href="mailto:silviamcalzada@gmail.com">silviamcalzada@gmail.com</a>  06/2020</p>	<p>Antonio Barbosa  <i>Chair, Audit Committee</i>  VP, Community Development  Wells Fargo  2307 Palomina Court  Chula Vista, CA 91915  (619) 921-9065 (c)  <a href="mailto:Antonio.barbosa@wellsfargo.com">Antonio.barbosa@wellsfargo.com</a>  05/2017</p>
<p>Brandon Black  Retired  6655 Rancho Santa Fe Farms Dr  Rancho Santa Fe, CA 92067  (619) 857-6562  <a href="mailto:bblack0828@gmail.com">bblack0828@gmail.com</a>  01/2022</p>	<p>Robbie Calderon-Hass  <i>Chair, Fund Development Committee</i>  Broker/Owner  The Hass Team Realty  4725 Frazee Road #1504  Oceanside, CA 92057  (760) 754-9990 - Office  <a href="mailto:robbie@thehassteam.com">robbie@thehassteam.com</a>  09/2019</p>	<p>Ted A. Holman  <i>Chair, Strategy, Innovation, and Policy Committee</i>  Director of Tax Credit Investments  First Republic Bank  119 16<sup>th</sup> Avenue  San Francisco, CA 94118  (415) 364-4425 - Office  <a href="mailto:tholman@firstrepublic.com">tholman@firstrepublic.com</a>  08/2017</p>
<p>Ken Krug  Partner  FisherBroyles, LLP  (213) 455-4757 - Office  <a href="mailto:ken.krug@fisherbroyles.com">ken.krug@fisherbroyles.com</a>  01/2022</p>	<p>Angela Nugent  Real Estate Broker  Keller Williams Orange County  Coastal Realty  P.O. Box 2588 El Camino Real F108  Carlsbad, CA 92008  (760) 434-6776 - Office  <a href="mailto:teamnugent@gmail.com">teamnugent@gmail.com</a>  08/2017</p>	<p>Noni Ramos  Chief Executive Officer  Housing Trust Silicon Valley  75 E. Santa Clara Street, Suite 1350  San Jose, CA 95113  (408) 703-3837 x 246 - Assistant  <a href="mailto:noni@housingtrustsv.org">noni@housingtrustsv.org</a>  01/2022</p>

**Executive Committee in Bold**

Updated: 2/09/2022



**CHW 2019 and 2020 Consolidated  
Financial Statements**

**COMMUNITY HOUSINGWORKS  
CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

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Leaf & Cole, LLP  
Certified Public Accountants  
A Partnership of Professional Corporations

## Independent Auditor's Report

To the Board of Directors  
Community HousingWorks

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Community HousingWorks, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Community HousingWorks as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Other Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 51 to 69 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2021, on our consideration of Community HousingWorks' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Community HousingWorks' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community HousingWorks' internal control over financial reporting and compliance.

Leaf & Cole LLP

San Diego, California  
May 24, 2021

**COMMUNITY HOUSINGWORKS**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2020 AND 2019**

	<b>ASSETS</b>	
	<u>2020</u>	<u>2019</u>
<b><u>Current Assets:</u></b> (Notes 2, 4, 5 and 6)		
Cash and cash equivalents	\$ 28,260,721	\$ 20,871,284
Investments	9,637,536	8,801,430
Security deposits	653,784	600,822
Grants and contracts receivable	60,771	68,443
Contributions receivable, net	-	750
Accounts receivable - related parties	16,865,273	6,576,381
Accounts receivable - other, net	193,645	170,397
Prepaid expenses	142,656	245,167
Property held for sale	-	1,732,489
Total Current Assets	<u>55,814,386</u>	<u>39,067,163</u>
<b><u>Noncurrent Assets:</u></b> (Notes 2, 4 and 7 thru 11)		
Restricted reserves	8,009,509	6,512,664
Loans receivable, net	315,772	468,040
Notes receivable - related parties, net	65,976,195	65,854,968
Interest receivable	2,375,308	1,801,064
Property and equipment, net	73,963,162	78,002,197
Investments in limited partnerships	14,520,897	11,647,039
Deposits	274,574	253,287
Other assets, net	41,621	44,073
Total Noncurrent Assets	<u>165,477,038</u>	<u>164,583,332</u>
<b>TOTAL ASSETS</b>	<u>\$ 221,291,424</u>	<u>\$ 203,650,495</u>

The accompanying notes are an integral part of the consolidated financial statements.

**COMMUNITY HOUSINGWORKS**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**DECEMBER 31, 2020 AND 2019**

**LIABILITIES AND NET ASSETS**

	<u>2020</u>	<u>2019</u>
<b><u>Current Liabilities:</u></b> (Notes 2, 12 and 13)		
Accounts payable and accrued expenses	\$ 1,677,633	\$ 2,449,957
Security deposits	653,778	579,572
Deferred revenue	148,805	135,701
Line-of-credit payable	-	2,000,000
Current portion of noncurrent liabilities	1,873,307	1,886,050
Total Current Liabilities	<u>4,353,523</u>	<u>7,051,280</u>
<b><u>Noncurrent Liabilities:</u></b> (Notes 2, 13 and 14)		
Deferred revenue	155,302	200,255
Deferred lease liability	281,170	254,064
Notes payable - amortized debt , net	33,399,632	32,844,075
Notes payable - residual receipts debt, net	31,909,119	38,288,602
Interest payable - residual receipts debt	15,153,644	10,944,675
Less: Current portion	<u>(1,873,307)</u>	<u>(1,886,050)</u>
Total Noncurrent Liabilities	<u>79,025,560</u>	<u>80,645,621</u>
Total Liabilities	<u>83,379,083</u>	<u>87,696,901</u>
<b><u>Obligation Under Interest Rate Swap</u></b> (Notes 2 and 15)	<u>989,513</u>	<u>948,438</u>
<b><u>Commitments and Contingencies</u></b> (Notes 12 and 17)		
<b><u>Net Assets:</u></b> (Notes 2 and 16)		
Without donor restrictions	136,016,048	113,584,379
With donor restrictions:		
Time and purpose restrictions	906,780	647,937
Perpetual in nature	-	772,840
Total Net Assets	<u>136,922,828</u>	<u>115,005,156</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 221,291,424</u>	<u>\$ 203,650,495</u>

The accompanying notes are an integral part of the consolidated financial statements.

**COMMUNITY HOUSINGWORKS**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support:</b>						
Contributions	\$ 736,009	\$ 366,740	\$ 1,102,749	\$ 479,535	\$ 459,015	\$ 938,550
Developer fees	18,096,560	-	18,096,560	6,380,154	-	6,380,154
Grants and contracts	1,628,956	261,579	1,890,535	890,921	150,000	1,040,921
Loan interest and investment income	2,908,044	1,203	2,909,247	2,123,716	761	2,124,477
Management fees	813,923	-	813,923	967,400	-	967,400
Other income	1,024,693	-	1,024,693	512,864	-	512,864
Program income	837,618	-	837,618	1,080,790	-	1,080,790
Rental income	10,850,630	-	10,850,630	12,750,466	-	12,750,466
Net assets released from restrictions	1,143,519	(1,143,519)	-	840,176	(840,176)	-
Total Revenue and Support	<u>38,039,952</u>	<u>(513,997)</u>	<u>37,525,955</u>	<u>26,026,022</u>	<u>(230,400)</u>	<u>25,795,622</u>
<b>Expenses:</b>						
<b>Program Services:</b>						
Asset management	1,389,408	-	1,389,408	1,250,894	-	1,250,894
Community programs	3,494,526	-	3,494,526	2,971,903	-	2,971,903
Real estate development	3,910,951	-	3,910,951	3,375,973	-	3,375,973
Rental real estate	11,701,149	-	11,701,149	15,670,852	-	15,670,852
Supportive housing programs	374,096	-	374,096	349,419	-	349,419
Total Program Services	<u>20,870,130</u>	<u>-</u>	<u>20,870,130</u>	<u>23,619,041</u>	<u>-</u>	<u>23,619,041</u>
<b>Supporting Services:</b>						
Management and general	1,436,003	-	1,436,003	1,254,892	-	1,254,892
Fundraising	632,868	-	632,868	559,149	-	559,149
Total Supporting Services	<u>2,068,871</u>	<u>-</u>	<u>2,068,871</u>	<u>1,814,041</u>	<u>-</u>	<u>1,814,041</u>
Total Expenses	<u>22,939,001</u>	<u>-</u>	<u>22,939,001</u>	<u>25,433,082</u>	<u>-</u>	<u>25,433,082</u>
Change in Net Assets Before Other Revenue and (Expense)	<u>15,100,951</u>	<u>(513,997)</u>	<u>14,586,954</u>	<u>592,940</u>	<u>(230,400)</u>	<u>362,540</u>

The accompanying notes are an integral part of the consolidated financial statements.

**COMMUNITY HOUSINGWORKS  
CONSOLIDATED STATEMENTS OF ACTIVITIES (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Other Revenue and (Expense):</b>						
Gain on sale of property and equipment	\$ 4,511,036	\$ -	\$ 4,511,036	\$ 44,044,532	\$ -	\$ 44,044,532
Loan forgiveness and recovery	278,480	-	278,480	127,769	-	127,769
Obligation under interest rate swap change	242,168	-	242,168	89,700	-	89,700
Partnership income (loss)	(357,734)	-	(357,734)	61,628	-	61,628
Total Other Revenue and (Expense)	<u>4,673,950</u>	<u>-</u>	<u>4,673,950</u>	<u>44,323,629</u>	<u>-</u>	<u>44,323,629</u>
Change in Net Assets	19,774,901	(513,997)	19,260,904	44,916,569	(230,400)	44,686,169
Net Assets at Beginning of Year	113,584,379	1,420,777	115,005,156	65,164,913	1,651,177	66,816,090
Acquisition of Partnership Interest	2,826,153	-	2,826,153	3,502,897	-	3,502,897
Contributions/(Distributions), net	(169,385)	-	(169,385)	-	-	-
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 136,016,048</u>	<u>\$ 906,780</u>	<u>\$ 136,922,828</u>	<u>\$ 113,584,379</u>	<u>\$ 1,420,777</u>	<u>\$ 115,005,156</u>

The accompanying notes are an integral part of the consolidated financial statements.



**COMMUNITY HOUSINGWORKS  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Services				Supporting Services			Total Expenses	
	Asset Management	Community Programs	Real Estate Development	Rental Real Estate	Supportive Housing Programs	Management and General	Fundraising		Eliminations
<b>Personnel Expenses:</b>									
Salaries and wages	\$ 981,867	\$ 2,034,172	\$ 2,717,830	\$ -	\$ 28,981	\$ 748,837	\$ 279,115	\$ -	\$ 6,790,802
Payroll taxes	63,942	135,954	171,661	-	2,247	58,120	34,119	-	466,043
Health insurance and other benefits	107,108	314,187	290,772	-	5,108	109,688	59,389	-	886,252
Temporary/contract personnel	2,670	3,923	2,616	-	245	6,332	1,562	-	17,348
Total Personnel Expenses	<u>1,155,587</u>	<u>2,488,236</u>	<u>3,182,879</u>	<u>-</u>	<u>36,581</u>	<u>922,977</u>	<u>374,185</u>	<u>-</u>	<u>8,160,445</u>
<b>Occupancy:</b>									
Office rent	92,705	138,911	220,298	-	21,811	84,764	59,443	-	617,932
Telephone/Internet	8,980	16,336	22,400	-	2,119	8,319	5,788	-	63,942
Total Occupancy	<u>101,685</u>	<u>155,247</u>	<u>242,698</u>	<u>-</u>	<u>23,930</u>	<u>93,083</u>	<u>65,231</u>	<u>-</u>	<u>681,874</u>
<b>Insurance</b>	<u>2,994</u>	<u>10,996</u>	<u>7,974</u>	<u>-</u>	<u>1,073</u>	<u>(2,170)</u>	<u>1,388</u>	<u>-</u>	<u>22,255</u>
<b>Supplies and Other Administrative Costs</b>	<u>44,691</u>	<u>139,884</u>	<u>231,249</u>	<u>-</u>	<u>9,122</u>	<u>153,519</u>	<u>60,901</u>	<u>-</u>	<u>639,366</u>
<b>Travel</b>	<u>1,664</u>	<u>19,383</u>	<u>3,889</u>	<u>-</u>	<u>103</u>	<u>2,653</u>	<u>863</u>	<u>-</u>	<u>28,555</u>
<b>Professional Fees:</b>									
Other professional services	20,433	180,194	49,117	-	17,640	66,620	57,999	-	392,003
Equipment/computer services	8,790	32,607	18,110	-	1,706	33,547	12,187	-	106,947
Accounting (Audit)	2,583	7,293	10,112	-	456	16,270	2,903	-	39,617
Total Professional Fees	<u>31,806</u>	<u>220,094</u>	<u>77,339</u>	<u>-</u>	<u>19,802</u>	<u>116,437</u>	<u>73,089</u>	<u>-</u>	<u>538,567</u>
<b>Program/Project Expenses:</b>									
Program/Project related expenses	1,645	372,758	3,096	-	113,332	7,587	22,193	-	520,611
Property operation cost	18,194	-	-	12,738,282	132,882	-	-	(4,751,722)	8,137,636
Total Program/Project Expenses	<u>19,839</u>	<u>372,758</u>	<u>3,096</u>	<u>12,738,282</u>	<u>246,214</u>	<u>7,587</u>	<u>22,193</u>	<u>(4,751,722)</u>	<u>8,658,247</u>
<b>Other Expenses:</b>									
Interest	15,576	43,980	29,320	-	16,303	70,984	17,507	-	193,670
Depreciation and amortization	7,613	21,494	14,331	3,714,589	19,565	34,692	8,556	-	3,820,840
Contributions to others	7,953	22,454	14,970	-	1,403	36,241	8,955	-	91,976
Property loss	-	-	103,206	-	-	-	-	-	103,206
Total Other Expenses	<u>31,142</u>	<u>87,928</u>	<u>161,827</u>	<u>3,714,589</u>	<u>37,271</u>	<u>141,917</u>	<u>35,018</u>	<u>-</u>	<u>4,209,692</u>
<b>Less: Eliminations:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,751,722)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,751,722</u>	<u>-</u>
<b>TOTAL EXPENSES</b>	<u>\$ 1,389,408</u>	<u>\$ 3,494,526</u>	<u>\$ 3,910,951</u>	<u>\$ 11,701,149</u>	<u>\$ 374,096</u>	<u>\$ 1,436,003</u>	<u>\$ 632,868</u>	<u>\$ -</u>	<u>\$ 22,939,001</u>

The accompanying notes are an integral part of the consolidated financial statements.

**COMMUNITY HOUSINGWORKS  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Program Services					Supporting Services			Total Expenses
	Asset Management	Community Programs	Real Estate Development	Rental Real Estate	Special Needs Housing Programs	Management and General	Fundraising	Eliminations	
<b>Personnel Expenses:</b>									
Salaries and wages	\$ 760,462	\$ 1,667,141	\$ 2,278,488	\$ -	\$ 27,800	\$ 666,620	\$ 290,460	\$ -	\$ 5,690,971
Payroll taxes	61,927	127,867	166,974	-	2,351	45,781	25,295	-	430,195
Health insurance and other benefits	96,085	243,748	233,057	-	4,531	84,205	37,219	-	698,845
Temporary/contract personnel	22,758	30,333	41,487	-	3,941	77,959	29,132	-	205,610
Total Personnel Expenses	<u>941,232</u>	<u>2,069,089</u>	<u>2,720,006</u>	<u>-</u>	<u>38,623</u>	<u>874,565</u>	<u>382,106</u>	<u>-</u>	<u>7,025,621</u>
<b>Occupancy:</b>									
Office rent	92,149	133,912	268,204	-	21,917	86,396	29,538	-	632,116
Telephone/Internet	8,890	14,133	26,560	-	2,119	8,870	5,376	-	65,948
Total Occupancy	<u>101,039</u>	<u>148,045</u>	<u>294,764</u>	<u>-</u>	<u>24,036</u>	<u>95,266</u>	<u>34,914</u>	<u>-</u>	<u>698,064</u>
<b>Insurance</b>	<u>(10,756)</u>	<u>(4,980)</u>	<u>(14,898)</u>	<u>-</u>	<u>(878)</u>	<u>(49,616)</u>	<u>(10,672)</u>	<u>-</u>	<u>(91,800)</u>
<b>Supplies and Other Administrative Costs</b>	<u>70,732</u>	<u>177,819</u>	<u>216,327</u>	<u>-</u>	<u>12,210</u>	<u>131,674</u>	<u>61,245</u>	<u>-</u>	<u>670,007</u>
<b>Travel</b>	<u>18,872</u>	<u>69,717</u>	<u>20,085</u>	<u>-</u>	<u>555</u>	<u>6,852</u>	<u>4,298</u>	<u>-</u>	<u>120,379</u>
<b>Professional Fees:</b>									
Other professional services	92,758	172,852	47,625	-	40,227	77,212	37,102	-	467,776
Accounting (Audit)	3,975	11,560	11,592	-	1,485	6,338	2,359	-	37,309
Total Professional Fees	<u>96,733</u>	<u>184,412</u>	<u>59,217</u>	<u>-</u>	<u>41,712</u>	<u>83,550</u>	<u>39,461</u>	<u>-</u>	<u>505,085</u>
<b>Program/Project Expenses:</b>									
Program/Project related expenses	2,016	285,884	3,675	-	91,489	5,236	20,944	-	409,244
Property operation cost	-	-	-	15,591,385	112,170	-	-	(3,857,212)	11,846,343
Total Program/Project Expenses	<u>2,016</u>	<u>285,884</u>	<u>3,675</u>	<u>15,591,385</u>	<u>203,659</u>	<u>5,236</u>	<u>20,944</u>	<u>(3,857,212)</u>	<u>12,255,587</u>
<b>Other Expenses:</b>									
Interest	17,053	22,730	31,087	-	12,084	59,059	14,765	-	156,778
Depreciation and amortization	10,087	13,445	18,388	3,936,679	16,738	34,934	8,733	-	4,039,004
Contributions to others	3,886	5,742	8,477	-	680	13,372	3,355	-	35,512
Property loss	-	-	18,845	-	-	-	-	-	18,845
Total Other Expenses	<u>31,026</u>	<u>41,917</u>	<u>76,797</u>	<u>3,936,679</u>	<u>29,502</u>	<u>107,365</u>	<u>26,853</u>	<u>-</u>	<u>4,250,139</u>
<b>Less: Eliminations:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,857,212)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,857,212</u>	<u>-</u>
<b>TOTAL EXPENSES</b>	<u>\$ 1,250,894</u>	<u>\$ 2,971,903</u>	<u>\$ 3,375,973</u>	<u>\$ 15,670,852</u>	<u>\$ 349,419</u>	<u>\$ 1,254,892</u>	<u>\$ 559,149</u>	<u>\$ -</u>	<u>\$ 25,433,082</u>

The accompanying notes are an integral part of the consolidated financial statements.

**COMMUNITY HOUSINGWORKS**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b><u>Cash Flows From Operating Activities:</u></b>		
Change in net assets	\$ 19,260,904	\$ 44,686,169
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation	3,819,287	4,037,451
Amortization of other assets	1,553	1,553
Amortization of debt issuance costs	30,814	219,845
Gain on sale of property and equipment	(4,511,036)	(44,044,532)
Net realized and unrealized gains from investments	(410,316)	(217,398)
Loan forgiveness	(24,500)	(24,500)
Partnership loss (gain)	357,734	(61,628)
Change in obligation under interest rate swap	(242,168)	(89,700)
Perpetual restricted net assets released	772,840	331,217
<b>(Increase) Decrease in:</b>		
Grants and contracts receivable	7,672	(15,465)
Contributions receivable, net	750	87,540
Accounts receivable, net	(10,279,990)	(186,421)
Prepaid expenses	121,898	290,662
Interest receivable	(574,244)	(39,784)
Other assets	(10,000)	-
<b>Increase (Decrease) in:</b>		
Accounts payable and accrued expenses	2,794,178	1,363,658
Security deposits	(3,329)	(127,692)
Deferred revenue	(40,227)	(63,108)
Deferred lease liability	27,106	254,064
Interest payable	331,813	(1,633,615)
Net Cash Provided by Operating Activities	<u>11,430,739</u>	<u>4,768,316</u>
<b><u>Cash Flows From Investing Activities:</u></b>		
Property held for sale	(100,773)	(135,592)
Proceeds from sale of property held for sale	2,085,000	-
Investment (purchases) sales, net	(525,641)	(8,603,608)
Loans receivable, net	152,268	121,670
Notes receivable - related parties, net	(121,227)	1,581,211
Proceeds from sale of property and equipment	8,589,756	57,976,079
Property and equipment purchases	(3,076,121)	(22,208,450)
Partnership contributions and transfer costs, net	(1,876,785)	1,134,970
Payment for deposits	(99,833)	(55,918)
Payment for other assets	-	(10,899)
Net Cash Provided by Investing Activities	<u>5,026,644</u>	<u>29,799,463</u>

(Continued)

The accompanying notes are an integral part of the consolidated financial statements.

**COMMUNITY HOUSINGWORKS**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b><u>Cash Flows From Financing Activities:</u></b>		
Line-of-credit (payments) advances	\$ (2,000,000)	\$ 2,000,000
Payment for debt issuance costs	-	(3,700)
Proceeds from notes payable	3,938,962	19,750,453
Payments on notes payable	(8,784,112)	(45,127,047)
Payments on bonds payable	-	(7,203,587)
Perpetual restricted net assets released	(772,840)	(331,217)
Net Cash Used in Financing Activities	<u>(7,617,990)</u>	<u>(30,915,098)</u>
Net Increase in Cash and Cash Equivalents and Restricted Cash	8,839,393	3,652,681
Cash and Cash Equivalents and Restricted Cash at Beginning of Year	<u>27,669,819</u>	<u>24,017,138</u>
<b>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR</b>	<u>\$ 36,509,212</u>	<u>\$ 27,669,819</u>
<b><u>Supplemental Disclosures of Cash Flow Information:</u></b>		
Cash paid for interest, net of capitalized interest (Note 2)	<u>\$ 1,131,409</u>	<u>\$ 6,070,580</u>
<b><u>Supplemental Disclosure of Noncash Investing and Financing Activities:</u></b>		
Acquisition of Fallbrook View Housing Associates, L.P.	<u>\$ (2,749,051)</u>	<u>\$ -</u>
Acquisition of Delta Village Housing Associates, L.P.	<u>\$ 285,669</u>	<u>\$ -</u>
Notes receivable - related parties advanced as proceeds from sale of property and equipment	<u>\$ -</u>	<u>\$ 28,256,476</u>
Acquisition of Dove Family Housing Associates, L.P.	<u>\$ -</u>	<u>\$ (3,502,897)</u>

The accompanying notes are an integral part of the consolidated financial statements.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 1 - Organization:**

The consolidated financial statements include the following entities which are collectively referred to as the “Organization”. The entities are summarized in the supplementary schedules of real estate entities on pages 51 - 54 for the years ended December 31, 2020 and 2019, respectively, which includes the partnership name, property name and ownership details.

**Community HousingWorks**

Community HousingWorks (“CHW” or the “Organization”) is a Nonprofit California Corporation incorporated on June 20, 1988. CHW believes that opportunity begins with a stable home. The Organization provides and builds life-changing affordable apartment communities with resident-centered services for working families, seniors and people with disabilities, to forge stronger futures. CHW has over 30 years of success developing new and renovating existing multi-family, affordable rental apartments in urban, suburban and rural communities, in San Diego and across California. With 3,670 rental apartments in 42 communities statewide, the Organization proudly served more than 9,800 residents in 2020.

The Organization delivers onsite programs to give residents the knowledge, tools, and hope to achieve their goals and dreams. CHW's unique approach is to provide families, seniors and individuals in need with stable homes in healthy communities, then layer in powerful programs and links to just the right resources. As a result, people in CHW homes are able to gain financial stability and mobility, improve their health and wellness, and see that the next generation of children succeeds in the classroom and beyond.

The Organization is an Exemplary-ranked member of the national NeighborWorks Network®, an award-winning affiliate of Unidos USA, and member of the prestigious Housing Partnership Network.

CHW typically acquires land for apartment development or multifamily housing complexes already in operation with the intent of financing them with Low-Income Housing Tax Credits (LIHTC), in several stages, each of which can have a material impact on the organization’s consolidated financial position. The first stage typically is a development period during which CHW, or a wholly controlled affiliate, owns 100% of the property and therefore fully consolidates the property. After a development period of time, which may be as much as two years, the property is sold into a limited partnership (or LLC) and CHW retains a very small general partner interest (0.01% to 1%), while the limited investor partner owns almost all of the interest in order to capitalize on the related tax benefits. During this second stage, the general partner interest is accounted for on the equity method due to its significance influence over the operations of the property. The tax credit partnership entity has its own segregated audited financial statements and tax returns. The compliance and related tax benefit period for these entities lasts for 15 years. After that 15 years, the limited partner typically exits and the project enters a third stage once again under full CHW control. If the property needs substantial investment beyond the amount available through new debt and reserves, CHW has the option to seek tax credits, form a new tax credit partnership and re-syndicate to meet those needs, starting the change in control process all over again.

**Partnership and Limited Liability Companies**

CHW owns a general partner interest in limited partnerships and is the sole member of limited liability companies with ownership interests in limited partnerships ranging from .005% to 100% which are summarized in the supplementary schedule of real estate entities.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 1 - Organization: (Continued)**

**Esperanza Housing and Community Development Corporation**

Esperanza Housing and Community Development Corporation (“Esperanza”), a California Nonprofit Corporation, has partnership interests as summarized in the supplementary schedule of real estate entities on pages 51 - 54.

**Escondido Family Housing Corporation**

Escondido Family Housing Corporation, a California Nonprofit Corporation (“Escondido”), has partnership interests as summarized in the supplementary schedule of real estate entities on pages 51 - 54 which represent 100% of the assets of Escondido.

**Maplewood/Ashwood**

Maplewood/Ashwood, a California Nonprofit Corporation has no assets at December 31, 2020 or 2019.

**Community Housing Solutions**

Community Housing Solutions, a California Nonprofit Corporation (“Pine View”) owns the Pine View Apartments, an apartment complex of 101 units located in Fallbrook, California. Pine View has been consolidated into these financial statements. On July 1, 2019, Pine View sold the apartment complex. Effective December 31, 2019 Pine View has been dissolved.

The following is a brief description of the Organization’s programs:

**Rental Communities**

**Real Estate Development**

The Organization builds and owns affordable, attractive and sustainable rental communities across California that people can be proud to call home. Over 9,800 people living on a limited income find home stability in the Organization’s award-winning apartment communities CHW has been recognized nationally, statewide and within the San Diego region for excellence in development, from the national Gold Nugget Award to the Urban Land Institute Award of Excellence for the Americas. As of 2020, CHW operated 3,670 rental apartments in 42 communities, designed and managed to improve their neighborhoods and help residents build brighter futures. Extensive resident service programs further support resident success.

In 19 of our communities residents can take advantage of a Community Center with after-school programs. In 2020, these services were offered remotely. All residents can also access our comprehensive asset-building programs, including Financial Fitness classes and financial coaching.

**COMMUNITY HOUSINGWORKS  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**Note 1 - Organization: (Continued)**

**Rental Communities (Continued)**

**Asset Management**

The Organization provides ongoing administrative support, management oversight, risk management review, and/or oversight of financial and repair plans for the communities developed by the Organization for very low-income and low-income residents in need. CHW's asset management staff maintains high standards in a diverse portfolio. CHW's permanent affordable housing portfolio operates at 97% occupancy and has consistently met all reserve and partnership management fee targets. Due to the Organization's outstanding track record, banks and investors consider CHW among the highest-rated developers.

**Supportive Housing**

The Organization provides stable homes for individuals and families in need, including formerly homeless families, seniors with disabilities, individuals with HIV/AIDS, youth transitioning out of foster care, and victims of domestic violence. CHW has 108 supportive housing apartments in 13 communities, and 29 Community Centers.

<b>Complex</b>	<b>Location</b>	<b>Supportive Units</b>	<b>Supported Residents</b>
Alabama Manor	San Diego	23	Supportive homes to individuals over 55 who are physically disabled or living with HIV/AIDS
Avocado Court	Escondido	8	Permanent supportive homes for homeless, disabled veterans
Hillside, Village, Solara, Parkview Terrace, Oak Knoll Villas	Poway	8	Up to 6 transitional supportive homes for victims of domestic violence; 2 permanent homes for developmentally disabled adults in 4 Poway communities
Kalos	San Diego	6	Permanent supportive homes for teenage mothers under the Maternity Shelter Program
Las Casitas Maple	Escondido	14	Permanent supportive homes for homeless families recovering and reuniting from substance abuse
Marisol	Oceanside	21	Permanent supportive housing units for disabled individuals living with HIV/AIDS; 10 HOPWA
North Santa Fe	Vista	10	Supportive units for Transition Aged Youth (foster care)
Old Grove	Oceanside	4	HOPWA (HIV/AIDS)
Manzanita	Escondido	6	Supportive homes for homeless, disabled veterans
North Park Seniors	San Diego	8	Permanent Supportive Homes for Seniors 55+

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 1 - Organization: (Continued)**

**Resident Services Programs**

Community HousingWorks has long held the core belief that with a safe, stable home, powerful tools and community support, our residents can forge strong futures. This belief and our commitment to resident success—creating safe, stable, affordable apartment communities and support for hopeful action by our residents—are at the heart of our mission and who we are as an organization. Our very first apartment community in 1989 offered transitional housing services to homeless women and children. Since 1997, when our residents first requested support for their kids' homework, CHW has routinely included community centers and on-site services programs in almost all of our apartment communities (subject to funding). Community HousingWorks is among the few large housing nonprofits in the country that supplement project service fees with both individual donor and grant contributions, in order to assure impactful programs.

As part of our resident-driven approach, we perform resident opportunity and needs assessments and complete a community scan to make sure that we design programs that are relevant and appropriate to the residents served. CHW delivers services through both onsite staff and through partners and volunteers, creating more sustainability and more ability to vary services based on resident needs and available resources. CHW invests in measuring the impact of our core services, in order to continually improve those results.

CHW offers programming in three areas of highest impact for our mission: Financial Well-being, Next Generation Success, and Health and Wellness.

**1. Financial Well-being**

Community HousingWorks' innovative financial well-being programs meet people where they are at in three program areas.

- **Financial Stability** (*address a current financial crisis*). Through our Rental Home Stability Program (RHSP), our accredited financial coaches help households at risk of eviction to regain stability. In 2020, RHSP is on hold due to the COVID-19 eviction moratorium.
- **Financial Security** (*meet day-to-day financial obligations*). Community HousingWorks' Family Asset Building class uses a virtual group-coaching model to help residents more effectively manage their money and make positive financial choices to meet self-identified goals. In 2020, there was a total of 18 workshops and 120 participants. Through our Credit Strengthening Initiative program, there was a total of 37% of households who registered on the new property management platform (APTEXX) to pay their rent and 21% of households are now paying rent online. A total of 15% of these residents also opted-in to have their rental payments reported to the credit bureaus to strengthen their credit scores.
- **Financial Mobility** (*plan for the future*). We help low-income households reach their personal goals to build not just income, but wealth: increased savings, buying a house, purchasing a vehicle, starting a business, paying for education, or a retirement plan. Residents use individual coaching to set and attain an asset-building goal. In 2020, 17 residents joined a Financial Health Club.



**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 1 - Organization: (Continued)**

**Resident Services Programs (Continued)**

**2. Next Generation Success**

For over 30 years, CHW has offered educational supports to youth to break the cycle of poverty.

- **Study Stars Extended Learning Program.** Community HousingWorks' own Study Stars program focuses on achieving grade level reading for K-5<sup>th</sup> grade students, well-documented as the most important gateway to educational and life success. Study Stars uses a nationally evaluated on-line literacy program, i-Ready, that provides individualized success measures, and has shown significant gains in academic achievement for English learners, female, African American and Latino students. For the 2019-2020 school year, there were a total of 228 active study star students participating in the Study Stars Extended Learning Program.
- **Achievers Club.** The Achievers Club provides youth with an on-site leadership development and mentorship program, including workshops on post-secondary career pathways, community organizing and financial literacy, as well as opportunities to give back to their community through service activities.
- **VALOR Scholarships.** VALOR scholarships are offered to CHW youth and adult residents to support post-secondary education and career pathways, ranging from two and four-year college degrees to vocational training certificates. In 2020, 33 CHW residents from 18 communities won scholarships totaling \$33,000.

**3. Health and Wellness**

CHW connects residents with community partners' programs, in order to strengthen the independence of senior and disabled residents, promote healthy lifestyles, and support self-empowered residents to manage their own health.

- **Senior Programs.** CHW offers onsite services and activities, to support senior health and independence, encourage an active lifestyle and mutual support, and reduce deadly isolation. Services are provided by CHW staff or by community partners.
- **Supportive Housing Programs.** Since 1989, CHW has been providing supportive and permanent supportive housing for homeless and disabled residents, with services provided by local service partners.
  - **Collaborating.** CHW was an early member of the County Regional Continuum of Care, has received HUD SHP funding for over 20 years, and actively uses the Coordinated Entry System.
  - **Integrating.** Some CHW communities are 100% supportive housing. More often, we have included homeless residents as part of larger affordable communities, starting with our innovative integration of homeless families into Cedar Apartments (Vista) in 1994.
  - **Serving a Range of Needs.** As of the end of 2020, CHW provided over 137 supportive and permanent supportive housing apartments across the county. CHW apartments serve homeless men and women with HIV/AIDS, homeless veterans, homeless and disabled seniors, TAY foster youth, CWS-at-risk young mothers and children, adults with developmental disabilities, and homeless CWS-client parents reuniting with their children after substance abuse treatment. CHW partners with various county agencies to support the specific needs of our residents.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 2 - Significant Accounting Policies:**

**Consolidated Financial Statements**

The consolidated financial statements include Community HousingWorks, Partnership and Limited Liability Companies, Esperanza Housing and Community Development Corporation, Escondido Family Housing Corporation, Maplewood/Ashwood and Community Housing Solutions which are collectively referred to as the “Organization”. All material intercompany transactions have been eliminated in consolidation.

**Accounting Method**

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and, accordingly, reflect all significant receivables, payables, and other liabilities.

**Financial Statement Presentation**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes thereon are classified and reported as follows:

- Net Assets without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- Net Assets with Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**COMMUNITY HOUSINGWORKS  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**Note 2 - Significant Accounting Policies: (Continued)**

**Fair Value Measurements**

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

- Level 1 inputs are quoted prices in active markets for identical investments that the investment manager has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the investment.

The Organization's consolidated statements of financial position includes the following financial instruments that are required to be measured at fair value on a recurring basis:

- Mutual and exchange traded funds and equities which are considered Level 1 assets and are reported at fair market value based on quoted market prices in active markets for identical assets at the measurement date.
- Debt securities are considered Level 2 assets and are reported at fair market value based on quoted market prices in active markets for similar assets at the measurement date.

**Cash and Cash Equivalents and Restricted Cash**

For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Certificates of deposits that may be redeemed without a significant penalty are considered cash and cash equivalents regardless of the maturity. The following is a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated statements of financial position that sum to the total in the statements of cash flows at December 31:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 28,260,721	\$ 20,871,284
Security deposits	653,784	600,822
Restricted reserves	<u>7,594,707</u>	<u>6,197,713</u>
Total Cash and Cash Equivalents and Restricted Cash	<u>\$ 36,509,212</u>	<u>\$ 27,669,819</u>

Certificates of deposit totaling \$101,754 and \$101,626 at December 31, 2020 and 2019, respectively, included in cash and cash equivalents earn interest at .01% and .15%, mature November 29, 2021 and November 29, 2020.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 2 - Significant Accounting Policies: (Continued)**

**Allowance for Doubtful Accounts**

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding receivables. Management believes that all grants and contracts receivable were fully collectible; therefore, no allowance for doubtful grants and contracts receivable was recorded at December 31, 2020 and 2019. The allowance for doubtful accounts receivable-other totaled \$5,248 and \$6,525 at December 31, 2020 and 2019, respectively. The allowance for doubtful contributions receivable totaled \$-0- and \$250 at December 31, 2020 and 2019, respectively.

**Loans Receivable**

Loans receivable are carried at unpaid principal balances, less an allowance for loan losses. The Organization has implemented policies and practices for assessing impairment of its loans receivable and the recognition of income on impaired loans. Loans receivable are recorded at the lower of cost or estimated net realizable value. Allowance for loan losses are analyzed by the Organization and include any loan where full recovery of principal and interest is considered in doubt based on the current evaluation of the loan and its security. The Organization may include an additional provision for losses based on any loan where it feels that a provision may become necessary in the future for any reason. The Organization has recorded an allowance for collection losses totaling \$35,000 and \$52,000 at December 31, 2020 and 2019, respectively. Collection (recoveries) and losses are recorded as other revenue and expense in the consolidated statement of activities. Collection losses totaled \$-0- and \$6,673 for the years ended December 31, 2020 and 2019, respectively. The Organization is not funding any new loans to homeowners.

Loans are placed on nonaccrual when management believes, after considering economic conditions, business conditions, and collection efforts, that the loans are impaired or collection of interest is doubtful. Uncollected interest previously accrued is charged off or an allowance is established by a charge to interest income. Interest income on nonaccrual loans is recognized only to the extent cash payments are received.

Impaired loans are those loans for which write-downs or specific provisions have been taken. The Organization recognizes interest income on its impaired loans based on the actual cash flow of payments received from borrowers. There were no impaired loans at December 31, 2020 and 2019.

**Capitalization and Depreciation**

The Organization capitalizes all expenditures in excess of \$5,000 for property and equipment at cost, while donations of property and equipment are recorded at their estimated fair values. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Absent donor stipulations regarding how those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment is depreciated using the straight-line and accelerated methods over the estimated useful asset lives as follows:

Buildings and improvements	10 - 40 years
Equipment	5 - 15 years
Furniture and fixtures	5 - 7 years
Vehicles and trailer	5 - 7 years

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 2 - Significant Accounting Policies: (Continued)**

**Capitalization and Depreciation (Continued)**

Depreciation totaled \$3,819,287 and \$4,037,451 for the years ended December 31, 2020 and 2019, respectively.

Interest totaling \$332,181 and \$261,660 for the years ended December 31, 2020 and 2019, respectively, was capitalized and is included in construction in progress.

Property acquired and held for sale is not classified as property and equipment. The Organization had property that was available for sale totaling \$-0- and \$1,732,489 at December 31, 2020 and 2019, respectively.

Maintenance and repairs are charged to operations as incurred.

**Impairment of Long-Lived Assets**

The Organization reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flows expected to be generated by the rental property including the low-income housing tax credits and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of real estate exceeds the fair value of such property.

The Organization's test for impairment at December 31, 2020 and 2019 was based on the most current information available to it, if the Organization's plans regarding its real estate assets and related debt obligations change, it could result in impairment charges in the future. Based on the Organization's plans with respect to the rental property and related debt financings, management believes that the carrying amounts are recoverable and therefore, under applicable accounting and reporting standards, no impairment losses have been recorded for the years ended December 31, 2020 and 2019. Accordingly, the Organization will continue to monitor circumstances and events in future periods to determine whether any impairment is warranted.

**Investments in Limited Partnerships**

CHW owns a general partner interest in limited partnerships and is the sole member of limited liability companies that own a general partner interest in limited partnerships. These ownership interests range from .005% to .01% are accounted for on the equity method as summarized in the supplementary schedule of real estate entities.

**Other Assets and Amortization**

Acquisition costs totaling \$71,000 and \$71,899 net of accumulated amortization totaling \$29,379 and \$27,826 at December 31, 2020 and 2019, respectively, are amortized using the straight-line method over the term of the related costs ranging from 48 to 480 months. Amortization expense totaled \$1,553 for each of the years ended December 31, 2020 and 2019, respectively.

**Compensated Absences**

Accumulated unpaid vacation totaling \$430,850 and \$316,785 at December 31, 2020 and 2019, respectively, is accrued when incurred and included in accounts payable and accrued expenses.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 2 - Significant Accounting Policies: (Continued)**

**Security Deposits**

Security deposits are restricted to the extent of the security deposit liability totaling \$653,778 and \$579,572 at December 31, 2020 and 2019, respectively.

**Debt Issuance Costs**

Debt issuance costs are incurred in order to obtain permanent financing. Debt issuance costs are amortized on a straight-line basis over the term of the related loan, which approximates the interest method. Unamortized deferred financing costs are presented as a direct reduction from the carrying value of the related obligation to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense (which is included in property operation cost in the statements of functional expenses) and totaled \$30,814 and \$219,845 for the years ended December 31, 2020 and 2019, respectively.

**Derivative Instrument**

The accounting and reporting standards related to Derivative Instruments and Hedging Activities requires that every derivative instrument be recorded on the balance sheet as either an asset or liability as measured at its fair value. The Organization's Interest Rate Swap Contract ("IRSC") related to the La Costa Paloma bonds discussed in Note 15 is considered a derivative instrument and is measured at fair value. The gains and losses are recognized as an expense in the period of the change. The Organization enters into interest rate swaps to manage risks on the changes in market interest rates. The IRSC is considered a Level 2 asset or liability. For the valuation of the interest rate swap at December 31, 2020, the Organization used significant other observable inputs as of the valuation date (Level 2), including prices of instruments with similar maturities and characteristics, interest rate yield curves and measures of interest rate volatility. The value was determined and adjusted to reflect nonperformance risk of both the counterparty and the Organization. The change in the fair value of the IRSC liability is as follows for the year ended December 31:

	<u>2020</u>	<u>2019</u>
Balance at Beginning of Year	\$ 948,438	\$ -
Balance Acquired Through Partnership Acquisition	-	1,038,138
Change in Fair Value of Obligation Under Interest Rate Swap	41,075	(89,700)
Balance at End of Year	<u>\$ 989,513</u>	<u>\$ 948,438</u>

**Revenue and Expense Recognition**

Contributions are recognized when the donor makes a promise to give in writing to the Organization that is in substance, unconditional. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions are recorded as without donor restriction or with donor restriction, depending on the existence or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When the stipulated time restriction ends or the purpose restriction is accomplished, donor-restricted net assets are reclassified to net assets without donor restrictions. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

**COMMUNITY HOUSINGWORKS**  
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**Note 2 - Significant Accounting Policies: (Continued)**

**Revenue and Expense Recognition (Continued)**

The Organization provides development services in connection with agreements for the development and construction of affordable low-income housing projects. The Organization earns fees based on fixed-fee development services agreements. The development related activities are considered a bundle of services that relate to a single performance obligation. Developer fee revenue is recognized using an output methodology that corresponds to the earnings benchmarks described in the development services agreement. The revenue earned according to the benchmarks described in the development services agreement approximates the actual progress and services provided based on the percentage of completion. The following table summarizes the contract asset for developer fees earned at December 31:

	<u>2020</u>	<u>2019</u>
Accounts receivable – related parties	\$ 11,924,297	\$ 4,293,977
Notes receivable – related parties	<u>3,737,518</u>	<u>3,093,853</u>
Total Contract Asset	<u>\$ 15,661,815</u>	<u>\$ 7,387,830</u>

Grants and contracts revenue are recognized in the period in which the related work is performed in accordance with the terms of the grant or contract. Grants receivable are recorded when revenue earned under a grant or contract exceeds the cash received. Deferred revenue is recorded when cash received under a grant or contract exceeds the revenue earned.

Management fees and program income are received in connection with management and services provided in accordance with agreements with affordable low-income housing projects. The Organization recognizes revenue as the services are performed in accordance with the agreements. Deferred management fees totaled \$202,255 and \$247,208 at December 31, 2020 and 2019, respectively.

Rental income is recognized for apartment rentals, other rentals, and laundry contracts as it accrues. Advance receipts of rental income and laundry contracts are deferred or classified as liabilities until earned. Deferred rental income totaled \$101,852 and \$88,748 at December 31, 2020 and 2019, respectively.

Sales of property and equipment are recognized on the date the sale occurs. These sales are described in Note 1 on page 11, in the normal course of business. Upon sale or disposition of land, buildings and equipment, the asset account is relieved of the cost and the accumulated depreciation is charged with depreciation taken prior to the sale and any resultant gain or loss is credited or charged to earnings net of any costs of the sale.

Sales of property acquired and held for sale are recognized on the date the sale occurs. Upon sale, the asset account is relieved of the cost and any resultant gain or loss is credited or charged to earnings net of any cost of sale.

Rent expense is recognized on a straight-line basis over the term of the operating lease. The deferred lease liability represents discounted rent received in excess of the rent expense recognized. The deferred lease liability totaled \$281,170 and \$254,064 at December 31, 2020 and 2019, respectively.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 2 - Significant Accounting Policies: (Continued)**

**Donated Services and Equipment**

The Organization utilizes the services of many volunteers throughout the year. This contribution of services by the volunteers is not recognized in the consolidated financial statements unless the services received (a) create or enhance nonfinancial assets or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The donated services for the years ended December 31, 2020 and 2019, did not meet the requirements above, therefore no amounts were recognized in the consolidated financial statements.

**Functional Allocation of Expenses**

The consolidated statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. A portion of management and general costs that benefit multiple functional areas (indirect costs) have been allocated across Programs and Fundraising based on estimates made by management.

**Income Taxes**

The Organization, Esperanza, Escondido, Pine View and Maplewood/Ashwood (the “Entities”) are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The Entities believe that they have appropriate support for any tax positions taken and, as such, do not have any uncertain tax positions that are material to the financial statements. The Entities are not private foundations.

No provision or benefit for income taxes for the Limited Liability Companies and Limited Partnerships have been included in these consolidated financial statements since taxable income (loss) passes through to, and is reportable by, the Member/Partners individually.

The Entities’ Returns of Organization Exempt from Income Tax for the years ended December 31, 2020, 2019, 2018 and 2017 are subject to examination by the Internal Revenue Service and State taxing authorities, generally three to four years after the returns were filed.

**Concentrations**

The Organization maintains its cash in bank deposit accounts which at times exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Organization’s operations are concentrated in the multifamily real estate market. In addition, the Organization operates in a heavily regulated environment. The operations of the Organization are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies. Such administrative directives, rules, and regulations are subject to change by an act of congress or an administrative change. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.



**COMMUNITY HOUSINGWORKS**  
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**DECEMBER 31, 2020 AND 2019**

**Note 2 - Significant Accounting Policies: (Continued)**

**Accounting Pronouncements Adopted**

In March 2020, the FASB issued ASU 2020-03, *Codification Improvements to Financial Instruments*. This standard provides entities other than public business entities with relief from the requirement to disclose the fair values of financial instruments measured at amortized cost basis, clarifies that all entities are required to provide the fair value option disclosures and provides an exception that permits fair value measurement on a portfolio basis under certain circumstances. The adoption had no effect on the 2020 financial statements.

**Reclassification**

The Organization has reclassified certain prior year information to conform with the current year presentation.

**Subsequent Events**

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 24, 2021, the date the consolidated financial statements were available to be issued and concluded that there were no events or transactions that needed to be disclosed, except as disclosed in Note 19.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 3 - Liquidity and Availability:**

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. The Organization receives contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing programs as well as the conduct of services undertaken to support those activities to be general expenditures.

Financial assets available for general expenditure within one year are comprised of the following at December 31:

	<u>2020</u>	<u>2019</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 28,260,721	\$ 20,871,284
Investments	9,637,536	8,801,430
Grants and contracts receivable	60,771	68,443
Contributions receivable, net	-	750
Accounts receivable – related parties	16,865,273	6,576,381
Accounts receivable – other, net	193,645	170,397
Total financial assets	<u>55,017,946</u>	<u>36,488,685</u>
Less assets unavailable for general expenditures:		
Cash and investments held for board-designated purposes	<u>(10,326,447)</u>	<u>(12,686,293)</u>
Total financial assets not available to be used within one year	<u>(10,326,447)</u>	<u>(12,686,293)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 44,691,499</u>	<u>\$ 23,802,392</u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization has a line-of-credit agreement with available borrowings totaling \$5,500,000 as described in Note 12. In addition, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

The Organization’s governing board has designated a portion of its resources without donor restrictions for an operating reserve and a Housing Futures Fund as described in Note 16. The amounts not expected to be used for operations within one year are identified as cash held for board-designated purposes in the table above. These funds are held in highly liquid cash and cash equivalents but remain available and may be spent at the discretion of the Board of Directors.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 4 – Investments and Fair Value Measurements:**

The following table summarizes assets measured at fair value by classification within the fair value hierarchy at December 31:

	2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2020
<b>Investments:</b>				
Fixed income funds	\$ 3,078,719	\$ -	\$ -	\$ 3,078,719
Equity funds	1,460,477	-	-	1,460,477
Equities	578,942	-	-	578,942
U.S. Treasury bills	-	3,574,045	-	3,574,045
Corporate bonds	-	945,353	-	945,353
Total Investments	<u>5,118,138</u>	<u>4,519,398</u>	<u>-</u>	<u>9,637,536</u>
<b>Restricted Reserves: (Note 7)</b>				
Equity funds	191,819	-	-	191,819
Corporate bonds	-	222,983	-	222,983
Total Restricted Reserves	<u>191,819</u>	<u>222,983</u>	<u>-</u>	<u>414,802</u>
	<u>\$ 5,309,957</u>	<u>\$ 4,742,381</u>	<u>\$ -</u>	<u>\$ 10,052,338</u>
	2019			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2019
<b>Investments:</b>				
Fixed income funds	\$ 1,867,816	\$ -	\$ -	\$ 1,867,816
Equity funds	823,230	-	-	823,230
Equities	347,074	-	-	347,074
U.S. Treasury bills	-	4,737,948	-	4,737,948
Corporate bonds	-	1,025,362	-	1,025,362
Total Investments	<u>3,038,120</u>	<u>5,763,310</u>	<u>-</u>	<u>8,801,430</u>
<b>Restricted Reserves: (Note 7)</b>				
Fixed income funds	125,834	-	-	125,834
Equity funds	49,043	-	-	49,043
Corporate bonds	-	140,074	-	140,074
Total Restricted Reserves	<u>174,877</u>	<u>140,074</u>	<u>-</u>	<u>314,951</u>
	<u>\$ 3,212,997</u>	<u>\$ 5,903,384</u>	<u>\$ -</u>	<u>\$ 9,116,381</u>

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 4 – Investments and Fair Value Measurements: (Continued)**

The following schedule summarizes loan interest and investment income for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Interest income from lending	\$ 2,326,262	\$ 1,613,541
Interest and dividend income from investments and reserves	212,009	323,425
Net realized and unrealized gains from investments	410,316	217,398
Investment fees	<u>(39,340)</u>	<u>(29,887)</u>
Total Loan Interest and Investment Income	<u>\$ 2,909,247</u>	<u>\$ 2,124,477</u>

**Note 5 - Contributions Receivable:**

Contributions receivable consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Current:		
Due in less than one year	\$ -	\$ 1,000
Less: Allowance for uncollectible receivables	<u>-</u>	<u>(250)</u>
Total Contributions Receivable, Net	<u>\$ -</u>	<u>\$ 750</u>

The contributions receivable have been discounted to their present value using a discount rate of 1.50% at December 31, 2019.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 6 - Accounts Receivable - Related Parties:**

CHW has provided development services with respect to various projects in which CHW has a general partner interest. In addition, CHW provides management, oversight and other services to these projects and projects with which CHW is affiliated. CHW has the following receivables from these projects for funds that have been advanced in relation to development or for contracted services provided as follows at December 31:

	<u>2020</u>	<u>2019</u>
15 <sup>th</sup> Avenue Housing Cooperative	\$ 7,616	\$ 5,928
Alabama Manor Housing Associates, L.P.	107,852	93,776
Arden Way Housing Associates, L.P.	217,239	-
Cedar Nettleton Housing Associates, L.P.	16,093	14,895
Community Road Housing Associates, L.P.	191,958	170,739
Cypress Cove Housing Associates, L.P.	180,503	133,765
Delta Village Housing Associates, L.P.	-	196,025
East Mountain Housing Associates, L.P.	69,534	79,127
El Norte Housing Associates, L.P.	43,074	52,426
Fallbrook View Housing Associates, L.P.	-	277,153
Florida Street Housing Associates, L.P.	58,807	68,885
Foothill Oak Housing Associates, L.P.	74,593	71,644
Fruit Avenue Housing Associates, L.P.	136,816	131,494
Keeler Court Housing Associates, L.P.	4,486,593	1,954,339
Kimball Tower Housing Associates, L.P.	200,800	25,220
Lindo Housing Associates, L.P.	63,549	60,921
Mission Cove Seniors Housing Associates, L.P.	158,220	380,433
Monument Boulevard Housing Associates, LP	52,819	213,255
Morgan Tower Housing Associates, L.P.	4,947,356	25,173
Mountain View Housing Associates, L.P.	63,183	92,490
North Santa Fe Housing Associates, L.P.	18,549	17,335
Oak Knoll Housing Associates, L.P.	39,884	38,760
Paradise Creek Housing Partners, L.P.	23,021	13,261
Paradise Creek II Housing Partners, L.P.	25,043	69,378
Poway Villas Housing Associates, L.P.	800	-
Poway Villas Community Housing Association	18,000	15,215
South Santa Fe Housing Associates, L.P.	290,223	-
Texas Street Senior Housing, L.P.	232,776	303,406
Tripp Avenue Housing Associates, L.P.	2,341,710	1,911,868
Turnagain Arms Community Housing Association	260	10
Turnagain Renaissance Housing Associates, L.P.	800	49,646
Ulric Street Housing Associates, L.P.	1,824,685	-
Windsor Gardens Housing Associates, L.P.	860,354	-
Woodcroft Street Housing Associates, L.P.	112,563	109,814
Total Accounts Receivable - Related Parties	<u>\$ 16,865,273</u>	<u>\$ 6,576,381</u>

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 7 - Restricted Reserves:**

Restricted reserves are maintained in accordance with partnership, loan and other regulatory agreements. The restricted reserves consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Bandar Salaam Apartments	\$ 446,716	\$ 393,269
Daybreak/Sunrise Place	295,929	283,655
Delta Village	200,183	-
Esperanza Garden Apartments	432,903	420,782
Eucalyptus View	149,133	139,421
Fallbrook View	825,193	-
Haley Ranch Estates	1,923,365	1,770,426
Hillside Village	651,863	648,952
La Costa Paloma	1,020,090	960,281
Marisol Apartments	271,631	257,243
Old Grove Apartments	342,977	289,942
Orange Place Apartments	490,939	453,771
Parkside Terrace Apartments	958,587	894,922
Total Restricted Reserves	<u>\$ 8,009,509</u>	<u>\$ 6,512,664</u>

Restricted reserves are classified as follows in the statements of cash flows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 7,594,707	\$ 6,197,713
Investments	414,802	314,951
Total Restricted Reserves	<u>\$ 8,009,509</u>	<u>\$ 6,512,664</u>

**COMMUNITY HOUSINGWORKS**  
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**Note 8 - Loans Receivable:**

Loans were funded through various types of loan programs. CHW is no longer funding loans to borrowers. All loans are serviced by a third party under a servicing agreement. Loans receivable consist of the following at December 31:

	<u>Interest Rates</u>	<u>Loan Terms</u>	<u>2020</u>	<u>2019</u>
CDGB Revolving Loan Fund	3.00%-6.00%	20 years	\$ 40,000	\$ 40,000
Neighborhood Reinvestment Corporation	3.00%-6.50%	10 years	72,643	229,041
HSF/WM	5.00%-6.50%	30 years	1,104	3,770
Neighborhood Housing Services of America - Community Development Financial Institutions	5.95%-6.50%	10 to 30 years	15,471	17,991
First Mortgage	6.25%	30 years	<u>221,554</u>	<u>229,238</u>
Total Loans Receivable			350,772	520,040
Less: Allowance for Collection Losses			<u>(35,000)</u>	<u>(52,000)</u>
Loans Receivable, Net			<u>\$ 315,772</u>	<u>\$ 468,040</u>

Accrued interest on loans receivable totaled \$16,146 and \$25,377 at December 31, 2020 and 2019, respectively.

**Note 9 - Notes Receivable - Related Parties:**

Notes receivable - related parties consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
The Organization loaned \$270,000 from a Neighborhood Reinvestment Corporation capital contribution to Alabama Manor Housing Associates, L.P. The note receivable from Alabama Manor Housing Associates, L.P. is noninterest-bearing. Principal is due at maturity on December 31, 2064.	\$ 270,000	\$ 270,000
The note receivable from Cedar Nettleton Housing Associates, L.P. in the original amount of \$2,731,129 bears interest at 3.8% compounded annually. Principal and interest are payable from residual receipts determined on an annual basis. Principal and accrued interest are due December 31, 2073. Accrued interest totaled \$186,734 and \$254,239 at December 31, 2020 and 2019, respectively.	2,731,129	2,731,129

(Continued)

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 9 - Notes Receivable - Related Parties: (Continued)**

	<u>2020</u>	<u>2019</u>
The note receivable from Cedar Nettleton Housing Associates, L.P. in the original amount of \$513,201 bears interest at 3.8% compounded annually. Principal and interest are payable from residual receipts determined on an annual basis. Principal and accrued interest are due December 31, 2073. Accrued interest totaled \$83,743 and \$61,832 at December 31, 2020 and 2019, respectively.	\$ 513,201	\$ 513,201
The note receivable from Cedar Nettleton Housing Associates, L.P. in the original amount of \$858,689 is noninterest-bearing. Principal is payable from residual receipts determined on an annual basis. Principal is due no later than December 31, 2073.	623,587	623,587
The deferred developer fee from Cypress Cove Housing Associates, L.P. bears interest at 4% compounded annually. Accrued interest totaled \$19,095 and \$25,464 at December 31, 2020 and 2019, respectively.	250,571	521,853
The Organization loaned \$300,000 from a Neighborhood Reinvestment Corporation capital contribution to Delta Village Housing Associates, L.P. The note receivable from Delta Village Housing Associates, L.P. is noninterest-bearing. Payments of principal shall be paid from surplus cash calculated annually. Any unpaid principal is due November 1, 2035.	-	300,000
The note receivable from East Mountain Housing Associates, L.P. in the original amount of \$1,885,000 bears interest at 2.57%. No payments shall be due until the maturity date provided that following the repayment of the \$760,000 loan above, annual payments shall be made equal to 25% of residual receipts until the senior note is paid in full and then, 100% of residual receipts. Principal and accrued interest are due February 1, 2072. Accrued interest totaled \$114,398 and \$109,146 at December 31, 2020 and 2019, respectively.	1,326,789	1,326,789
The note receivable from El Norte Housing Associates, L.P. in the original amount of \$462,889 bears interest at 3%. Beginning in 2014, payments from residual receipts (100%) generated in the preceding year are due by April 30, with any remaining principal and accrued interest due December 31, 2068. Accrued interest totaled \$32,518 and \$49,309 at December 31, 2020 and 2019, respectively.	462,889	462,889
The note receivable from Foothill Oak Housing Associates, L.P. in the original amount of \$25,000 bears interest at 4.32%. Principal and accrued interest are due December 31, 2067. Accrued interest totaled \$2,908 and \$2,538 at December 31, 2020 and 2019, respectively.	6,000	6,000

(Continued)



**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 9 - Notes Receivable - Related Parties: (Continued)**

	<u>2020</u>	<u>2019</u>
The deferred developer fee from Fruit Avenue Housing Associates, LP bears interest at 1.53% annually. Accrued interest totaled \$57,351 and \$116,397 at December 31, 2020 and 2019, respectively.	\$ 3,545,414	\$ 3,803,819
The note receivable from Fruit Avenue Housing Associates, LP in the original amount of \$8,251,620 bears interest at 2.26% compounded annually. Principal and interest are payable from residual receipts determined on an annual basis. Principal and accrued interest are due December 31, 2073. Accrued interest totaled \$780,544 and \$580,394 at December 31, 2020 and 2019, respectively.	8,251,620	8,251,620
The note receivable from Keeler Court Housing Associates, L.P. in the original amount of \$700,000 is noninterest-bearing. Principal is payable from residual receipts determined on an annual basis. Principal is due no later than December 1, 2074.	1,435,030	700,000
The note receivable from Lindo Housing Associates, L.P. in the original amount of \$2,246,408 bears interest at 2.57%. Principal and interest are payable from residual receipts determined on an annual basis. Principal and accrued interest are due December 31, 2072. Accrued interest totaled \$102,474 and \$71,316 at December 31, 2020 and 2019, respectively.	2,133,540	2,133,540
The note receivable from Mission Cove Seniors Housing Associates, L.P. in the original amount of \$50,000 bears interest at 5%. Principal and interest are payable from residual receipts determined on an annual basis beginning in 2018. Principal and accrued interest are due 55 years from the close of the permanent loan, but not later than December 31, 2073. Accrued interest totaled \$-0- and \$2,141 at December 31, 2020 and 2019, respectively.	-	22,167
The deferred developer fee from Monument Boulevard Housing L.P. in the original amount of \$3,093,853 is noninterest-bearing.	1,904,569	3,093,856
The note receivable from Monument Boulevard Housing, L.P. in the original amount of \$9,917,907 bears interest at 2.58% compounded annually. Principal and interest are payable from residual receipts determined on an annual basis. Principal and accrued interest are due no later than July 1, 2062. Accrued interest totaled \$15,256 and \$99,456 at December 31, 2020 and 2019, respectively.	8,515,249	8,619,590

(Continued)

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 9 - Notes Receivable - Related Parties: (Continued)**

	<u>2020</u>	<u>2019</u>
The note receivable from North Santa Fe Housing Associates, L.P. in the original amount of \$370,120 bears interest at 4%. Beginning in the calendar year following receipt of a certificate of occupancy for the Project, payments from residual receipts generated in the preceding year are due by May 1, with any remaining principal and accrued interest due December 31, 2075. Accrued interest totaled \$26,064 and \$54,792 at December 31, 2020 and 2019, respectively.	\$ 370,120	\$ 370,120
The Organization loaned \$210,000 to Oak Knoll Housing Associates, L.P. The note receivable from Oak Knoll Housing Associates, L.P. is noninterest-bearing. Payments of principal shall be paid from surplus cash calculated annually. Any unpaid principal is due May 1, 2064.	195,469	210,000
The note receivable from Texas Street Senior Housing Associates, L.P. in the original amount of \$2,727,985 bears interest at 2.24% compounded annually. Principal and interest are payable annually from residual receipts determined on an annual basis beginning no later than June 1, 2019 for the calendar year ended December 31, 2018. Principal and accrued interest are due no later than December 31, 2073. Accrued interest totaled \$53,070 and \$8,788 at December 31, 2020 and 2019, respectively.	2,011,028	2,011,028
The note receivable from Texas Street Senior Housing Associates, L.P. in the original amount of \$750,000 bears interest at 2.24% compounded annually. Principal and accrued interest are due July 1, 2073. Accrued interest totaled \$77,438 and \$59,309 at December 31, 2020 and 2019, respectively.	750,000	750,000
The note receivable from Tripp Avenue Housing Associates L.P. in the original amount of \$28,256,476 bears interest at 2.09% per annum. Principal and interest are payable from residual receipts determined on an annual basis. Principal and accrued interest are due December 1, 2064. Accrued interest totaled \$621,083 and \$30,741 at December 31, 2020 and 2019, respectively.	28,256,476	28,256,476
The note receivable from Turnagain Renaissance Housing Associates, L.P. in the original amount of \$200,000 bears interest at 4.32% per annum. Payments of principal and interest are due at maturity on December 31, 2064. Accrued interest totaled \$104,864 and \$96,200 at December 31, 2020 and 2019, respectively.	200,000	200,000

(Continued)

**COMMUNITY HOUSINGWORKS**  
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**Note 9 - Notes Receivable - Related Parties: (Continued)**

	<u>2020</u>	<u>2019</u>
The deferred developer fee from Windsor Gardens Housing Associates, L.P. in the original amount of \$1,832,949 is noninterest-bearing.	\$ 1,832,949	\$ -
The note receivable from Woodcroft Street Housing Associates, L.P. in the original amount of \$1,500,000 bears interest at 4.00%. Interest is payable annually beginning May 1, 2014. Principal and accrued interest are due March 1, 2054. Secured by a deed of trust. Accrued interest totaled \$26,035 and \$66,800 at December 31, 2020 and 2019, respectively.	390,565	677,307
Total Notes Receivable - Related Parties	<u>\$ 65,976,195</u>	<u>\$ 65,854,968</u>

There are no required payments due in the next five years. Accrued interest totaled \$2,359,162 and \$1,775,687 at December 31, 2020 and 2019, respectively.

**Note 10 - Property and Equipment:**

Property and equipment consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Land	\$ 21,284,075	\$ 18,522,905
Buildings and improvements	107,163,442	95,971,204
Equipment	38,148	38,148
Furniture and fixtures	5,881,896	4,796,806
Vehicles and trailer	3,483	3,483
Construction in progress	2,937,049	4,468,649
Subtotal	<u>137,308,093</u>	<u>123,801,195</u>
Less: Accumulated depreciation	<u>(63,344,931)</u>	<u>(45,798,998)</u>
Property and Equipment, Net	<u>\$ 73,963,162</u>	<u>\$ 78,002,197</u>

**COMMUNITY HOUSINGWORKS**  
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**Note 11 - Investments in Limited Partnerships:**

The Organization owns partner interests in limited partnerships accounted for on the equity method. The following are the balances in the Organization's partnership capital accounts at December 31:

	<u>2020</u>	<u>2019</u>
Alabama Manor Housing Associates, L.P. (.01%)	\$ (347)	\$ (336)
Arden Way Housing Associates, L.P. (.01%)	1,284,915	-
Cedar Nettleton Housing Associates, L.P. (.01%)	30,190	30,211
Community Road Housing Associates, L.P. (.01%)	(533)	(496)
Cypress Cove Housing Associates, L.P. (.01%)	131,442	131,602
Delta Village Housing Associates, L.P. (.01%)	-	(224,009)
East Mountain Housing Associates, L.P. (.01%)	26,332	26,363
El Norte Housing Associates, L.P. (.01%)	249,764	249,801
Fallbrook View Housing Associates, L.P. (.01%)	-	9,280
Florida Street Housing Associates, L.P. (.01%)	944,030	944,139
Foothill Oak Housing Associates, L.P. (.01%)	(201)	(155)
Fruit Avenue Housing Associates, L.P. (.01%)	74,709	74,874
Keeler Court Housing Associates, L.P. (.01%)	100	100
Kimball Tower Housing Associates, L.P. (.005%)	3,438,373	64
Lindo Housing Associates, L.P. (.01%)	473,951	473,984
Mission Cove Seniors Housing Associates, L.P. (.01%)	(24,206)	41,491
Monument Boulevard Housing Associates, L.P. (.01%)	776,787	776,830
Morgan Tower Housing Associates, L.P. (.005%)	(133)	69
Mountain View Housing Associates, L.P. (.01%)	576,995	577,040
North Santa Fe Housing Associates, L.P. (.01%)	(429)	(334)
Oak Knoll Housing Associates, L.P. (.01%)	300,189	362,585
Paradise Creek Housing Partners, L.P. (.005%)	(281)	(377)
Paradise Creek II Housing Partners, L.P. (.005%)	4,549,878	4,549,908
Preservation Investment – Parkside Terrace LLC (25%)	-	2,073,947
Poway Villas Housing Associates, L.P. (.01%)	(3,492)	(3,402)
Solutions Family Center, L.P. (1%)	(13,206)	(10,463)
South Santa Fe Housing Associates (.01%)	100	-
Texas Street Senior Housing, L.P. (.01%)	1,556,462	1,556,559
Tripp Avenue Housing Associates, L.P. (.01%)	125,898	262,167
Turnagain Renaissance Housing Associates, L.P. (.01%)	2,083	2,132
Ulric Street Housing Associates, L.P. (0.0090%)	100	-
Windsor Gardens Housing Associates, L.P. (0.0001%)	278,000	-
Woodcroft Street Housing Associates, L.P. (.01%)	(256,573)	(256,535)
	<u>\$ 14,520,897</u>	<u>\$ 11,647,039</u>

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 11 - Investments in Limited Partnerships: (Continued)**

CHW provided development, management and other services to these partnerships for which it earned the following amounts for the years ended December 31:

	2020		
	<u>Management Fees</u>	<u>Other Services</u>	<u>Developer Fees</u>
Alabama Manor Housing Associates, L.P.	\$ 22,415	\$ 61,432	\$ -
Arden Way Housing Associates, L.P.	-	-	1,080,000
Cedar Nettleton Housing Associates, L.P.	13,659	39,783	-
Community Road Housing Associates, L.P.	39,098	22,250	-
Cypress Cove Housing Associates, L.P.	28,138	109,272	-
East Mountain Housing Associates, L.P.	34,779	33,765	-
El Norte Housing Associates, L.P.	23,774	30,000	-
Florida Street Housing Associates, L.P.	36,403	50,158	-
Foothill Oak Housing Associates, L.P.	73,793	-	-
Fruit Housing Associates, L.P.	5,354	-	-
Keeler Court Housing Associates, L.P.	-	-	1,377,734
Kimball Tower Housing Associates, L.P.	25,750	-	4,488,470
Lindo Housing Associates, L.P.	28,984	50,648	-
Mission Cove Seniors Housing Associates, L.P.	96,897	52,531	-
Monument Boulevard Housing Associates, L.P.	26,523	-	-
Morgan Tower Housing Associates, L.P.	25,750	-	5,166,560
Mountain View Housing Associates, L.P.	29,582	34,095	-
North Santa Fe Housing Associates, L.P.	16,971	44,540	-
Oak Knoll Housing Associates, L.P.	30,222	15,111	-
Paradise Creek Housing Partners, L.P.	40,193	67,711	-
Paradise Creek II Housing Partners, L.P.	58,537	65,454	-
Poway Villas Housing Associates, L.P.	22,467	-	-
South Santa Fe Housing Associates	-	-	850,000
Texas Street Senior Housing, L.P.	15,914	56,241	-
Tripp Avenue Housing Associates, L.P.	25,000	-	-
Turnagain Renaissance Housing Associates, L.P.	22,486	-	-
Ulric Street Housing Associates, L.P.	-	-	1,900,847
Windsor Gardens Housing Associates, L.P.	17,500	46,667	3,232,949
Woodcroft Street Housing Associates, L.P.	53,734	57,960	-
	<u>\$ 813,923</u>	<u>\$ 837,618</u>	<u>\$ 18,096,560</u>

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 11 - Investments in Limited Partnerships: (Continued)**

	2019		
	<u>Management Fees</u>	<u>Resident Services</u>	<u>Developer Fees</u>
Alabama Manor Housing Associates, L.P.	\$ 22,326	\$ 59,664	\$ -
Cedar Nettleton Housing Associates, L.P.	13,261	38,625	-
Community Road Housing Associates, L.P.	37,776	22,250	-
Cypress Cove Housing Associates, L.P.	27,318	106,090	-
Delta Village Housing Associates, L.P.	125,094	50,000	-
East Mountain Housing Associates, L.P.	33,766	23,734	-
El Norte Housing Associates, L.P.	23,194	30,000	-
Fallbrook View Housing Associates, L.P.	35,399	63,972	-
Florida Street Housing Associates, L.P.	47,301	48,696	-
Foothill Oak Housing Associates, L.P.	71,644	-	-
Fruit Housing Associates, L.P.	5,198	-	-
Keeler Court Housing Associates, L.P.	-	-	1,836,979
Kimball Tower Housing Associates, L.P.	25,000	-	700,000
Lindo Housing Associates, L.P.	28,139	49,173	-
Mission Cove Seniors Housing Associates, L.P.	89,396	51,250	-
Monument Boulevard Housing Associates, L.P.	25,750	-	-
Morgan Tower Housing Associates, L.P.	25,000	-	560,000
Mountain View Housing Associates, L.P.	63,315	17,213	-
North Santa Fe Housing Associates, L.P.	16,557	43,032	-
Oak Knoll Housing Associates, L.P.	29,200	14,600	-
Paradise Creek Housing Partners, L.P.	32,295	60,000	-
Paradise Creek II Housing Partners, L.P.	32,111	61,800	-
Poway Villas Housing Associates, L.P.	22,467	-	-
Texas Street Senior Housing, L.P.	15,450	54,338	-
Turnagain Renaissance Housing Associates, L.P.	-	-	-
Tripp Avenue Housing Associates, L.P.	22,486	-	3,283,175
Woodcroft Street Housing Associates, L.P.	52,169	18,487	-
	<u>\$ 921,612</u>	<u>\$ 812,924</u>	<u>\$ 6,380,154</u>

In addition, the Organization earned interest on advances and notes receivable to related entities totaling \$2,416,823 and \$1,592,924 for the years ended December 31, 2020 and 2019, respectively.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 12 – Lines-of-Credit**

The unsecured revolving line of credit note, which was originated on March 28, 2019, is held by Pacific Premier Bank in the original amount of \$2,000,000 and bears interest at the WSJ prime rate per annum (3.25% and 4.75% at December 31, 2020 and 2019, respectively). Interest is payable monthly. The line-of-credit note expires April 1, 2022. The outstanding balance on the line-of-credit totaled \$-0- and \$2,000,000 at December 31, 2020 and 2019, respectively.

The unsecured revolving line of credit note which was originated on October 27, 2014, is held by Western Alliance Bank in the original amount of \$2,000,000 and bears interest at the index rate plus 1% per annum. Interest is payable monthly. The line-of-credit note expired September 15, 2019 and was renewed on February 4, 2020 with an expiration date of September 15, 2021. There was no outstanding balance on the line-of-credit at December 31, 2020 and 2019.

The secured revolving line of credit note, which was originated on May 29, 2014, is held by JPMorgan Chase Bank, N.A. in the original amount of \$1,500,000 and bears interest at the index rate plus 3.00% per annum. Interest is payable monthly. The line-of-credit note expires March 19, 2022. There was no outstanding balance on the line-of-credit at December 31, 2020 and 2019.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 13 - Notes Payable – Amortized Debt**

Notes payable – amortized debt consists of the following at December 31:

<u>Community HousingWorks</u>	<u>2020</u>	<u>2019</u>
The note payable, which was originated on July 7, 2008, is held by Northern Trust Company in the original amount of \$1,000,000. The note bears interest at 2% per annum. Principal and accrued interest are due July 30, 2023. Unsecured.	\$ 1,000,000	\$ 1,000,000
The note payable, which was originated on March 1, 2020, is held by Union Bank, N.A. in the original amount of \$3,000,000, and bears interest at .80% per annum. Interest is payable quarterly. Principal and accrued interest are due March 1, 2025. Unsecured.	3,000,000	-
The note payable, which was originated on August 13, 2013, is held by Union Bank, N.A. in the original amount of \$750,000, and bears interest at 2.50% per annum. Interest is payable quarterly. Principal and accrued interest are due September 1, 2021.	750,000	750,000
The note payable, which was originated March 25, 2015, is held by Union Bank, N.A. in the original amount of \$650,000, and bears interest at 2% per annum. Interest is payable quarterly. Principal and accrued interest are due April 1, 2022. Unsecured.	650,000	650,000
The note payable, which was originated on January 31, 2011 is held by Sunwest Bank in the original amount of \$250,000, and bears interest at 3.0% per annum. Interest is payable quarterly. Principal and accrued interest are due August 31, 2021. Unsecured.	250,000	250,000
The note payable, which was originated on March 17, 2016, is held by Poway Villas Community Housing Association in the original amount of \$2,500,000, and bears interest at 3.00% per annum. Interest is payable quarterly. Principal and accrued interest are due April 1, 2026. Unsecured.	2,500,000	2,500,000
The note payable, which was originated on March 5, 2019, is held by the Wells Fargo Bank, N.A. in the original amount of \$500,000, and bears interest at 2% per annum. Interest is payable quarterly and principal payments of \$62,500 are due quarterly beginning March 2023 through the maturity date of March 5, 2025. Unsecured.	500,000	500,000
Total Community HousingWorks	8,650,000	5,650,000

(Continued)



**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 13 - Notes Payable – Amortized Debt: (Continued)**

<b><u>Esperanza Housing and Community Development Corporation</u></b>	<u>2020</u>	<u>2019</u>
<p>The note payable, which was originated in December 2003, is held by JPMorgan Chase Bank in the original amount of \$1,500,000, and bears interest at 7.74% per annum. Principal and interest are payable in monthly installments of \$10,736 commencing January 1, 2004. Principal and accrued interest are due December 1, 2033. Secured by a deed of trust on Hillside Village.</p>	\$ 1,053,960	\$ 1,099,290
<p>The note payable, which was originated on December 7, 2016, is held by the Community Housing Capital, Inc. in the original amount of \$7,470,000. Interest-only payments and interest at 5.50% per annum are due monthly for the first thirty-six (36) months. Beginning with the thirty-seventh (37<sup>th</sup>) month of the term of the note, the interest rate will be modified for the remaining twenty-four (24) months of the term of the note, to an amount equal to the prime rate of interest as published in the Wall Street Journal on the date that is closest to the end of the thirty-six (36) month anniversary of the term of the note plus 2.00% per annum, provided, however, that the interest rate for the remaining twenty-four (24) month term of the note shall not be less than the base rate or more than 6.25% per annum. Principal and accrued interest are due no later than December 7, 2021. Secured by a deed of trust on Ulric Apartments.</p>	-	7,470,000
<p>The mortgage note, which was originated on May 7, 2004, is held by CalHFA in the original amount of \$980,000, and bears interest at 5.25% per annum. Principal and interest are payable in the amount of \$5,412 each month through May 2034. Secured by a deed of trust on Old Grove Apartments.</p>	627,100	658,224

(Continued)

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 13 - Notes Payable – Amortized Debt: (Continued)**

**Esperanza Housing and Community Development Corporation**  
**(Continued)**

2020

2019

The mortgage note, which was originated on December 1, 2003, is held by the City of Oceanside in the original amount of \$718,000, and bears interest at 3% per annum. Principal and interest are payable in the amount of \$3,982 each month through December 1, 2023. Secured by a deed of trust on Old Grove Apartments.

\$ 133,287      \$ 176,369

The first mortgage note, which was originated on March 3, 1994, is held by CitiCorp in the original amount of \$210,000. The notes bears interest at 4.93%. Monthly installments of principal and interest are based on a 30-year amortization of the original note balance and are payable by the Partnership in the amount of \$1,292 each month through April 1, 2024. Secured by a deed of trust on Daybreak Grove / Sunrise Place Apartments.

43,944      55,782

The first mortgage note is held by Pacific Life in the original amount of \$614,000. The note bears interest at 9.27% per annum. Monthly installments of principal and interest are based on a 30-year amortization of the original note balance and are payable by the Partnership in the amount of \$5,060 each month through October 1, 2027. Secured by a deed of trust on Orange Place Apartments.

291,712      326,188

The first mortgage note, which was originated on November 5, 1998, is held by Pacific Life in the original amount of \$1,945,820. The note bears interest at 8.24% per annum. Monthly installments of principal and interest are based on a 30-year amortization of the original note balance and are payable by the partnership in the amount of \$14,605 each month through December 1, 2028. Secured by a deed of trust on Parkview Terrace.

1,024,240      1,111,169

The first mortgage note is held by Bank of America in the original amount of \$953,000. The note bears interest at 8.76% per annum. Monthly installments of principal and interest are based on a 30-year amortization of the original note balance and are payable by the partnership in the amount of \$7,504 each month through October 1, 2031. Secured by a deed of trust on Bandar Salaam Apartments.

628,631      662,007

(Continued)

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 13 - Notes Payable – Amortized Debt: (Continued)**

<b><u>Esperanza Housing and Community Development Corporation</u></b>	<u>2020</u>	<u>2019</u>
<b><u>(Continued)</u></b>		
<p>The bonds payable, which were originated on June 1, 2003, are held by the City of Carlsbad in the original amount of \$20,000,000, and bear interest at a variable rate determined weekly. Accrued interest is payable monthly. The principal of each bond is payable upon the presentation and surrender of such bond, when due through June 1, 2046. Secured by all of the revenues of La Costa Paloma and a letter of credit (Note 18). An IRSC agreement, effective July 1, 2005, effectively fixed the interest rate on the bonds payable at 4.309% until the termination date of July 1, 2022 (Note 15).</p>	\$ 12,215,000	\$ 12,415,000
<p>The note payable, which was originated on December 16, 2019, is held by Neighborworks Capital in the original amount of \$3,645,000, and bears interest at 5.75% per annum. Interest only payments are payable monthly. Principal and accrued interest are due no later than December 1, 2023. Secured by a deed of trust on Las Haciendas.</p>	3,645,000	3,645,000
<p>The note payable, which was originated on December 16, 2019, is held by Neighborworks Capital in the original amount of \$1,200,000 (\$-0- and \$5,453 advanced at December 31, 2020 and 2019, respectively), and bears interest at 5.50% per annum. Interest only payments are payable monthly. Principal and accrued interest are due no later than December 1, 2023. Secured by a deed of trust on Las Haciendas.</p>	5,453	5,453
<p>The mortgage note which was originated on October 24, 2002 is held by the California Department of Housing and Community Development Joe Serena Junior Farmworker Housing Grant Program in the original amount of \$1,400,000 and bears interest at 3% per annum. Principal and accrued interest are due October 24, 2042. Secured by a deed of trust on Fallbrook View Apartments.</p>	573,010	-

(Continued)

**COMMUNITY HOUSINGWORKS  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**Note 13 - Notes Payable – Amortized Debt: (Continued)**

**Esperanza Housing and Community Development Corporation  
(Continued)**

2020

2019

The bonds payable which were originated on June 1, 2005 are held by the Housing Authority of the City of San Diego in the original amount of \$9,000,000, and bear interest at a variable rate determined weekly (.093% at December 31, 2020). Accrued interest is payable monthly. The principal of each bond is payable upon the presentation and surrender of such bond, when due through June 1, 2035. Secured by all of the revenues of the Partnership and a letter of credit. On January 1, 2007, entered agreement that effectively fixed the interest rate on the bonds at 4.14% until January 1, 2022. Secured by a deed of trust on Delta Village Apartments.

Total Esperanza Housing and Community Development Corporation

\$ 5,100,000      \$ -

25,341,337      27,624,482

Less: Unamortized debt issuance costs

(591,705)      (430,407)

Total Esperanza Housing and Community Development Corporation, Net

24,749,632      27,194,075

Total Notes Payable – Amortized Debt, Net

\$ 33,399,632      \$ 32,844,075

Debt issuance costs total \$1,145,075 and \$776,631, less accumulated amortization of \$553,370 and \$346,224 at December 31, 2020 and 2019, respectively.

The future principal payments on the notes payable – amortized debt are as follows:

Years Ended  
December 31

2021	\$ 1,873,307
2022	1,445,037
2023	5,598,459
2024	785,265
2025	4,305,231
Thereafter	19,984,038
Less: Unamortized debt issuance costs	<u>(591,705)</u>
Total	<u>\$ 33,399,632</u>

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 14 - Notes Payable - Residual Receipts Debt:**

The Organization obtains financing through notes that are repayable from a percentage of the annual residual receipts generated by the related property. Payments are applied first to any unpaid accrued interest, and then to principal. Interest accrued on these notes based on the stated rate in the note agreement with interest rates ranging from 0% to 5.5%. These notes are each secured by a deed of trust on the property indicated below.

Debt issuance costs total \$10,767 and \$14,767, less accumulated amortization of \$7,770 and \$7,500 at December 31, 2020 and 2019, respectively.

The notes payable and accrued interest consist of the following at December 31:

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 14 - Notes Payable – Residual Receipts Debt: (Continued)**

	Property	Rate	Maturity Date	2020		2019	
				Interest	Principal	Interest	Principal
<b>Community HousingWorks:</b>							
City of Escondido	Las Casitas Maple	0%	December 31, 2029	\$ -	\$ 170,000	\$ -	\$ 170,000
City of Escondido	Las Casitas Maple	3%	February 1, 2039	119,427	182,355	113,957	182,355
City of Escondido	Las Casitas Maple	3%	September 27, 2073	3,590	139,000	-	-
City of Escondido	Las Casitas Washington	3%	March 2, 2039	79,910	122,000	76,250	122,000
MUFG Union Bank (AHP)	Keeler Court	0%	December 1, 2074	-	700,000	-	700,000
SD Dept. of Housing and Community Development	Las Casitas Washington	0%	October 29, 2022	-	49,000	-	73,500
Western Alliance Bank (AHP)	North Park Seniors	0%	January, 2033	-	750,000	-	750,000
<b>Esperanza Housing and Community Development Corporation:</b>							
San Diego Housing Commission	Bandar Salaam	3%	July 2055	1,187,864	2,100,000	1,170,221	2,100,000
First Republic Bank (AHP)	Bandar Salaam	0%	July 2032	-	482,000	-	482,000
CA Dept. of Housing and Community Development	Daybreak Grove/Sunrise	3%	February 1, 2054	596,138	846,000	577,008	846,000
City of Escondido	Daybreak Grove/Sunrise	3%	December 4, 2021	391,666	502,407	380,202	502,407
San Diego Housing Commission	Delta Village	3%	June 1, 2036	2,579,682	6,100,000	-	-
City of Escondido	Eucalyptus View	3%	October 2055	45,156	125,000	50,033	125,000
City of Escondido	Eucalyptus View	3%	October 2055	268,544	480,945	256,411	480,945
California Housing Finance Agency	Eucalyptus View	0%	November 1, 2056	-	63,092	-	63,092
CA Dept. of Housing and Community Development	Fallbrook View	3%	October 24, 2042	757,668	1,400,000	-	-
SD Dept. of Housing and Community Development	Fallbrook View	3%	October 24, 2057	687,231	1,263,000	-	-
Poway Housing Authority	Hillside Village	3%	June 2058	1,657,584	3,930,370	1,548,491	3,930,370
JPMorgan Chase Bank (AHP)	Hillside Village	0%	December 1, 2021	-	280,000	-	280,000
Real Estate Collateral Management Company	La Costa Paloma	0%	April 1, 2060	-	279,068	-	640,021
County of San Diego	Marisol Apartments	3%	January 15, 2052	176,572	249,746	169,895	249,746
City of Oceanside	Marisol Apartments	0%	February 20, 2052	-	310,797	-	310,797
City of Oceanside	Marisol Apartments	0%	August 19, 2036	-	70,000	-	70,000
County of San Diego	Marisol Apartments	3%	February 20, 2052	262,529	400,000	253,182	400,000
SD Dept. of Housing and Community Development	Old Grove Apartments	3%	September 1, 2058	114,000	200,000	108,000	200,000
City of Oceanside	Old Grove Apartments	3%	August 2058	610,897	1,385,000	598,675	1,385,000
Bank of America (AHP)	Old Grove Apartments	0%	December 1, 2019	-	534,654	-	534,654
California Housing Finance Agency	Old Grove Apartments	0%	May 2059	-	96,160	-	96,160
CA Dept. of Housing and Community Development	Old Grove Apartments	3%	May 2059	835,882	2,490,000	886,378	2,490,000
City of Escondido	Orange Place	3%	July 20, 2050	243,941	400,000	260,877	400,000
City of Escondido	Orange Place	3%	February 11, 2051	461,879	763,516	494,204	763,516
City of Escondido	Orange Place	0%	December 31, 2049	-	250,000	-	250,000
Bank of America (AHP)	Parkview Terrace	0%	October 1, 2054	-	90,000	-	90,000
SDCF Charitable Real Estate Fund	Parkview Terrace	5.5%	March 15, 2039	3,521,111	3,708,006	3,378,246	3,708,006
City of Escondido	Windsor Gardens	2.21%	May 2075	-	-	83,072	14,000,000
City of Escondido	Windsor Gardens	3.0%	May 2075	-	-	7,200	900,000
<b>Escondido Family Housing Corporation:</b>							
CA Dept. of Housing and Community Development	Esperanza Gardens	3%	May, 2035	552,373	1,000,000	532,373	1,000,000
Total Notes Payable - Residual Receipts Debt				15,153,644	31,912,116	10,944,675	38,295,569
Less: Unamortized debt issuance costs				-	(2,997)	-	(6,967)
Total Notes Payable - Residual Receipts Debt, Net				\$ 15,153,644	\$ 31,909,119	\$ 10,944,675	\$ 38,288,602

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 15 - Interest Rate Swap Contract:**

The bonds payable for La Costa Paloma to the City of Carlsbad bear interest at a variable rate determined weekly. To minimize the effect of changes in the prime rate, an interest rate swap contract (swap) was entered into under which interest is paid at a fixed rate of 4.309% beginning on the effective date of the swap through the termination date of July 1, 2022.

The swap was issued at market terms so that it had no fair value at its inception. The carrying amount of the swap has been adjusted to its fair value at the end of the year. The obligation is classified as noncurrent since management does not intend to settle it during the year ended December 31, 2020. The obligation under interest rate swap totaled \$989,513 and \$948,438 at December 31, 2020 and 2019, respectively. The change in obligation under interest rate swap totaled \$242,168 and \$89,700 for the years ended December 31, 2020 and 2019.

**Note 16 - Net Assets:**

**Board-Designated Net Assets**

The Organization's governing board has designated a portion of its resources without donor restrictions for the following purposes:

**Housing Futures Fund**

The Housing Futures Fund (HFF) was established to provide financial resources for the development of affordable housing units when appropriate investment opportunities are identified. The HFF has a total commitment of \$30,980,999 of which CHW has committed \$16,830,999 of unrestricted resources and \$14,150,000 available through various financing instruments. The HFF has outstanding investments of \$9,528,171 and \$13,217,852 at December 31, 2020 and 2019, respectively. The HFF has \$21,452,828 and \$11,888,148 available at December 31, 2020 and 2019, respectively, including \$5,500,000 and \$3,500,000 available through debt financing for the years ended December 31, 2020 and 2019, respectively.

**Long-Term Operating Reserve**

The long-term operating reserve has been established to ensure the stability of the mission, programs, employment and ongoing operations of CHW. The long-term operating reserve has been established with a range of four to six months of operating expenses, and totaled \$6,298,276 and \$4,298,145 at December 31, 2020 and 2019, respectively.

**COMMUNITY HOUSINGWORKS**  
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**Note 16 - Net Assets: (Continued)**

**Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of contributions received or receivable by the Organization with donor restrictions for which the funds were not spent for their intended use at December 31, 2020 and 2019. Net assets with donor restrictions are summarized as follows at December 31:

	<u>2020</u>	<u>2019</u>
<b>Subject to Expenditure for Specified Purpose:</b>		
Financial Well-being	\$ 212,500	\$ 156,792
Rental Assistance	154,735	14,583
CDBG Revolving Loan Fund	120,015	118,812
After School Program	100,000	130,000
Portfolio Strengthening	96,020	150,000
Resident services	93,510	-
COVID Support	50,000	-
Loan loss reserve (NRC)	35,000	52,000
North Park Seniors	25,000	25,000
Operating costs - Parks at Fig Garden Apts	20,000	-
Total Subject to Expenditure for Specified Purpose	<u>906,780</u>	<u>647,187</u>
<b>Subject to the Passage of Time:</b>		
Contributions receivable, net	<u>-</u>	<u>750</u>
<b>Perpetual in Nature:</b>		
The Neighborhood Reinvestment Corporation Revolving Loan and Capital Projects (NRC)	-	772,840
<b>Total Net Assets with Donor Restrictions</b>	<u>\$ 906,780</u>	<u>\$ 1,420,777</u>

Net assets of a perpetual nature consist of grants received from The Neighborhood Reinvestment Corporation Revolving Loan and Capital Projects (NRC) doing business as NeighborWorks America. These funds are restricted until released by NRC. The funds were originally used to fund loans to borrowers and are currently used to provide funds for capital projects. The interest earned on the loans is not restricted.

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors are as follows for the years ended December 31:

	<u>2020</u>	<u>2019</u>
<b>Purpose Restrictions Accomplished:</b>		
The Neighborhood Reinvestment Corporation Revolving Loan and Capital Projects (NRC)	\$ 772,841	\$ 331,217
Financial Well-being	234,292	450,709
Portfolio Strengthening	53,980	-
After School Program	30,000	-
Rental Assistance	27,916	18,750
Loan loss reserve (NRC)	17,000	13,500
Resident services	6,490	-
<b>Time Restrictions Fulfilled</b>	<u>1,000</u>	<u>26,000</u>
	<u>\$ 1,143,519</u>	<u>\$ 840,176</u>



**COMMUNITY HOUSINGWORKS  
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**Note 17 - Commitments and Contingencies:**

**Operating Leases**

The Organization leases office space under lease agreements expiring on various dates through December 31, 2025. Future minimum rental payments are as follows:

<u>Years Ended December 31</u>	
2021	\$ 598,886
2022	626,763
2023	654,818
2024	684,700
2025	<u>747,871</u>
Total	<u>\$ 3,313,038</u>

Rent, common area and maintenance expense net of the sublease rental income totaled \$600,122 and \$628,280 for the years ended December 31, 2020 and 2019, respectively.

**Lease Agreement**

On September 26, 2000, Haley Ranch Estates Housing Associates, L.P (“Haley Ranch”) entered into a lease and regulatory agreement with the Poway Redevelopment Agency (“Agency”) to operate and maintain the Haley Ranch Estates rental housing project for an initial term ending on September 1, 2003. Haley Ranch has agreed to pay the Agency the sum of one dollar annually, plus an amount equal to 50% of the residual receipts, as defined in the lease agreement during the initial lease period. The subsequent term of the lease commenced on September 2, 2003, and will end on September 25, 2042. Haley Ranch has four ten-year renewal options under this lease with the Agency, ending September 25, 2082.

**Retirement Plan**

CHW has established a 401(k) safe-harbor profit-sharing plan (the “Plan”) for eligible employees. The Plan allows for employee contributions to the Plan up to the maximum amount allowed by the Internal Revenue Code. CHW makes a matching contribution equal to 100% of the first 3%, and 50% of the amount that exceeds 3% up to 5%. CHW contributed \$197,139 and \$169,030 for the years ended December 31, 2020 and 2019, respectively.

**Letter of Credit**

The bonds payable to the City of Carlsbad require the Partnership to provide an irrevocable Letter of Credit. The Letter of Credit was issued by Citibank, N.A. in the amount of the bonds outstanding (\$12,215,000 and \$12,415,000 at December 31, 2020 and 2019, respectively). The Letter of Credit will expire on July 1, 2022, unless it expires earlier or is extended in accordance with its terms. There is a monthly fee paid on the Letter of Credit to Citibank, N.A. No demands for payment were made on the Letter of Credit at December 31, 2020.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 17 - Commitments and Contingencies: (Continued)**

**Capital Contribution Commitments and Operating Guarantees**

The Partnership and Operating Agreements provide for various obligations of the Organization as the General Partner or Managing Member, including their obligation to provide funds for any development and operating deficits, and the Organization is obligated as a guarantor on certain debt obligations. The Organization has not incurred any losses related to these obligations at December 31, 2020 and 2019.

**Legal Matters**

The Organization is subject to claims that arise out of the normal course of business. The Organization maintains insurance coverage and uses various risk management activities which, combined, management believes are sufficient to ensure that the final outcome of any claims or proceedings will not have an adverse material effect on the consolidated financial position, operations, or liquidity of the Organization.

**Grant Awards and Notes Receivables**

CHW has evaluated the projected cash flow available for repayment of the notes receivable and has recorded an allowance for uncollectible amounts equal to the balance of the notes receivable. Interest earned on the notes receivable is expected to be collected, and has been accrued at December 31, 2020 and 2019. Payments received are recorded as revenue in the period that they are received.

**Paradise Creek Housing Partners, L.P. and Paradise Creek II Housing Partners, L.P.**

In 2011, CHW was awarded a grant in the amount of \$14,957,000 for the sole purpose of CHW making a loan to PCHP. The note receivable dated November 19, 2014 bears interest at .25% beginning after construction has been completed. Payments of principal and interest are payable annually from cash flow, with any remaining balance due November 19, 2069. The balance of the note receivable and interest receivable totals \$14,652,523 and \$27,599 and \$14,764,896 and \$27,811 at December 31, 2020 and 2019, respectively. Payments on the note receivable and interest totaled \$149,384 and \$96,806 for the years ended December 31, 2020 and 2019, respectively.

In 2011, CHW was awarded a grant in the amount of \$5,350,800 for the sole purpose of CHW making a loan to PCHP. The note receivable dated November 19, 2014 is noninterest-bearing. Principal payments are payable annually from cash flow, as defined, with any remaining balance due November 19, 2069. The balance of the note receivable totals \$5,172,113 and \$5,234,906 at December 31, 2020 and 2019, respectively. Payments on the note receivable totaled \$62,793 and \$36,828 for the years ended December 31, 2020 and 2019, respectively.

In 2015, CHW was awarded a grant in the amount of \$14,909,000 for the sole purpose of CHW making a loan to PCHP-II. The note receivable dated October 2015 bears interest at .25% beginning after construction has been completed. Payments of principal and interest are payable annually from cash flow, with any remaining balance due 55 years after the expiration of the stabilization period, as defined. The balance of the note receivable and interest receivable totals \$14,859,347 and \$27,988 and \$14,909,000 and \$59,014, respectively at December 31, 2020 and 2019, respectively. Payments on the note receivable and interest totaled \$117,847 and \$-0- for the years ended December 31, 2020 and 2019, respectively.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 17 - Commitments and Contingencies: (Continued)**

**Grant Awards and Notes Receivables (Continued)**

**Paradise Creek Housing Partners, L.P. and Paradise Creek II Housing Partners, L.P.**

In 2015, CHW was awarded a grant in the amount of \$4,000,000 for the sole purpose of CHW making a loan to PCHP-II. The note receivable dated October 2015 is noninterest-bearing. Principal payments are payable annually from cash flow, as defined, with any remaining balance due 55 years after the expiration of the stabilization period, as defined. The balance of the note receivable totals \$3,968,382 and \$4,000,000 and payments on the note receivable totaled \$31,618 and \$-0- for the years ended December 31, 2020 and 2019, respectively.

**Fruit Avenue Housing Associates, L.P.**

In 2017, CHW was awarded a grant in the amount of \$1,714,806, which it loaned to Fruit Housing Associates, L.P. to complete a weatherization program at Parks at Fig Apartments. The note receivable dated December 16, 2016 bears interest at 7.0% per annum. Principal and interest payments are payable annually from cash flow, as defined, with any remaining balance due November 30, 2071. The balance of the note receivable and interest receivable totals \$1,745,723 and \$306,496, and \$1,745,723 and \$183,910 at December 31, 2020 and 2019, respectively. Grant advances totaling \$-0- and \$396,011 have been recorded as grant revenue for the years ended December 31, 2020 and 2019, respectively.

The following is a summary of the assets, revenue, and expense recorded for Paradise Creek Housing Partners, L.P., Paradise Creek II Housing Partners, L.P and Fruit Avenue Housing Associates, L.P. as of and for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Notes receivable	\$ 40,398,088	\$ 40,654,525
Less: Allowance for uncollectible	(40,398,088)	(40,654,525)
Notes Receivable, Net	<u>\$ -</u>	<u>\$ -</u>
Interest receivable	\$ 362,083	\$ 270,735
Less: Allowance for uncollectible	(306,496)	(183,910)
Interest Receivable, Net	<u>\$ 55,587</u>	<u>\$ 86,825</u>
Interest income	\$ 196,553	\$ 179,853
Less: Allowance for uncollectible	(122,586)	(105,648)
Interest Income, Net	<u>\$ 73,967</u>	<u>\$ 74,205</u>
Grant revenue	\$ -	\$ 396,011
Less: Allowance for uncollectible	-	(396,011)
Grant Revenue, Net	<u>\$ -</u>	<u>\$ -</u>

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 17 - Commitments and Contingencies: (Continued)**

**Coronavirus Pandemic Contingency**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Organization is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization's donors, tenants, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

**Note 18 - Acquisitions and Dispositions of Partnership Interests:**

During 2020, the Organization acquired a limited partnership interest in Delta Village Housing Associates, L.P and Fallbrook View Housing Associates, L.P. As a result, the Organization has now consolidated this wholly owned partnership and has included the capital account of the partnership at acquisition into net assets.

During 2020, the Organization deconsolidated Arden Way Housing Associates, L.P., South Santa Fe Housing Associates, Ulric Street Housing Associates, L.P and Windsor Gardens Housing Associates, L.P. The assets and liabilities have been removed from the consolidated statement of financial position, which had no effect on net assets for the year ended December 31, 2020.

During 2019, the Organization acquired a limited partnership interest in Dove Family Housing Associates, L.P. As a result, the Organization has now consolidated this wholly owned partnership and has included the capital account of the partnership at acquisition into net assets.

During 2019, the Organization deconsolidated Keeler Court Housing Associates, L.P., Kimball Tower Housing Associates, L.P. and Morgan Tower Housing Associates, L.P. The assets and liabilities have been removed from the consolidated statement of financial position, which had no effect on net assets for the year ended December 31, 2019.

**Note 19 - Subsequent Events:**

In January 2021, Community HousingWorks, the General Partner for Dove Family Housing Associates, L.P. purchased the 0.005% interest in the Partnership from the Co-General Partner, Mercy Housing West for \$2,685,000.

**COMMUNITY HOUSINGWORKS**  
**SUPPLEMENTARY SCHEDULE OF REAL ESTATE ENTITIES - CONSOLIDATED**  
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<b>Partnership Name</b>	<b>Property Name</b>	<b>Units</b>	<b>Location</b>	<b>CHW Equity Owned Through LLC</b>	<b>CHW Equity</b>	<b>Esperanza</b>	<b>Escondido</b>	<b>Accounting Method</b>
Breihan Housing Associates, L.P.	Hillside Village	71	Poway	N/A	0.0100%	99.99%	-	Consolidated
Cedar Road Housing Associates	<i>Sold December 14, 2016</i>	-	-	N/A	1.0000%	99.00%	-	Consolidated
CHW Arden Way Development LLC	<i>Development</i>	-	-	N/A	0.0000%	100.00%	-	Consolidated
CHW Las Haciendas Development, LLC	<i>Development</i>	-	-	N/A	0.0000%	100.00%	-	Consolidated
CHW Ulric Street Development, L.P.	Ulric Apartments	36	San Diego	N/A	1.0000%	99.00%	-	Consolidated
Concord Sun Ridge, LLC	N/A	-	-	N/A	0.0000%	100.00%	-	Consolidated
Daybreak Housing Associates	Daybreak Grove / Sunrise Place	21	Escondido	N/A	0.0000%	99.00%	1.000%	Consolidated
Delta Village Housing Associates, L.P.	Las Serenas	108	San Diego	N/A	0.0100%	99.99%	-	Consolidated 5/5/2020
Dove Family Housing Associates, L.P.	La Costa Paloma	180	Carlsbad	N/A	0.0050%	99.99%	-	Consolidated
Esperanza Gardens Apartments, L.P.	Esperanza Garden Apartments	10	Encinitas	N/A	0.0000%	1.000%	99.00%	Consolidated
Eucalyptus View Cooperative Housing Associates, L.P.	Eucalyptus View	24	Escondido	N/A	0.0100%	99.99%	-	Consolidated
Fallbrook View Housing Associates, L.P.	Fallbrook View Apartments	80	Fallbrook	N/A	0.0100%	99.99%	-	Consolidated 1/1/20
Haley Ranch Estates Housing Associates, L.P.	Haley Ranch Estates	65	Poway	N/A	1.0000%	99.00%	-	Consolidated
Kalmia Street Housing Associates, L.P.	Keeler Court <i>Sold December 19, 2019</i>	-	-	N/A	99.0000%	1.000%	-	Consolidated
Las Haciendas Housing Associates, L.P.	<i>Development</i>	-	-	CHW Las Haciendas, LLC	0.0100%	99.99%	-	Consolidated
Linda Vista Housing Associates, L.P.	<i>Development</i>	-	-	CHW Linda Vista LLC	0.1000%	99.90%	-	Consolidated
Mission Grove Housing Associates, L.P.	Old Grove Apartments	56	Oceanside	N/A	0.0100%	99.99%	-	Consolidated
Morningside Housing Associates, L.P.	206 Cedar <i>Sold January 22, 2020</i>	-	-	West Vista Alliance, LLC	99.0000%	1.000%	-	Consolidated
Navajo Road Development Holding Company, LLC	<i>Development</i>	-	-	N/A	0.0000%	100.00%	-	Consolidated
Navajo Road Housing Associates, L.P.	<i>Development</i>	-	-	CHW Navajo Road, LLC	0.0100%	99.99%	-	Consolidated
Nettleton Road Housing Associates	<i>Sold December 14, 2016</i>	-	-	N/A	1.0000%	99.00%	-	Consolidated
Orange Place Housing Associates	Orange Place Apartments	32	Escondido	N/A	1.0000%	99.00%	-	Consolidated
Parks at Fig, LLC	<i>Sold December 16, 2016</i>	-	-	N/A	100.0000%	-	-	Consolidated
Portola Senior Housing Associates, L.P.	<i>Development</i>	-	-	Lake Forest Housing Opportunities, LLC	0.0100%	99.99%	-	Consolidated
Royal Oaks Housing Associates, L.P.	<i>Development</i>	-	-	CHW Royal Oaks LLC	0.1000%	99.90%	-	Consolidated
The Bowron Road Group Limited Partnership	Parkview Terrace	92	Poway	N/A	0.0020%	99.98%	-	Consolidated
Tremont Street Apartments Limited Partnership	Marisol Apartments	22	Oceanside	N/A	1.0000%	99.00%	-	Consolidated
Winona Gardens Housing Associates, L.P.	Bandar Salaam Apartments	68	San Diego	N/A	0.0100%	99.99%	-	Consolidated
Wooster Ave, LLC	<i>Sold to Tripp ( December 2019)</i>	-	San Jose	N/A	0.0000%	100.00%	-	Consolidated
15th Avenue Housing Cooperative	15th Avenue Apartments	16	Escondido	N/A	0.0000%	-	-	Operated by CHW
	Las Casitas Apartments	14	San Diego	N/A	100.0000%	-	-	CHW

(Continued)

**COMMUNITY HOUSINGWORKS**  
**SUPPLEMENTARY SCHEDULE OF REAL ESTATE ENTITIES - EQUITY**  
**DECEMBER 31, 2020**

<u>Partnership Name</u>	<u>Property Name</u>	<u>Units</u>	<u>Location</u>	<u>CHW Equity Owned Through LLC</u>	<u>CHW Equity</u>	<u>Esperanza</u>	<u>Escondido</u>	<u>Accounting Method</u>
Alabama Manor Housing Associates, L.P.	Alabama Manor Apartments	67	San Diego	N/A	0.0100%	-	-	Equity
Arden Way Housing Associates, L.P.	Arden Way Apartments ( <i>Construction 120 units</i> )		-	Boxwood Street Housing LLC	0.0100%	-	-	Deconsolidated 10/1/2020
Cedar Nettleton Housing Associates, L.P.	Cedar Nettleton Apartments	68	Vista	Vista Lilac LLC	0.0100%	-	-	Equity
Community Road Housing Associates, L.P.	Solara	56	Poway	N/A	0.0100%	-	-	Equity
Cypress Cove Housing Associates, L.P.	Manzanita Apartments	200	Escondido	Mission Manzanita, LLC	0.0100%	-	-	Equity
East Mountain Housing Associates, L.P.	The Groves Apartments	44	Pasadena	Northwest Manor LLC	0.0100%	-	-	Equity
El Norte Housing Associates, L.P.	Avocado Court Apartments	36	Escondido	El Norte Housing Opportunities LLC	0.0100%	-	-	Equity
Florida Street Housing Associates, L.P.	Kalos Apartments	83	San Diego	Another Nurturing Neighborhood LLC	0.0100%	-	-	Equity
Foothill Oak Housing Associates, L.P.	Los Robles Apartments	76	Vista	Foothill Oak Housing Opportunities LLC	0.0100%	-	-	Equity
Fruit Avenue Housing Associates, L.P.	Parks at Fig Garden	366	Fresno	Ashlan Ave Housing, LLC	0.0100%	-	-	Equity
Keeler Court Housing Associates, L.P.	Keeler Court Apartments ( <i>Construction 71 units</i> )		-	Las Conchas Housing Opportunities LLC	0.0100%	-	-	Equity
Kimball Tower Housing Associates, L.P.	Kimball Tower	151	National City	CHW Kimball Development, LLC	0.0050%	-	-	Equity
Lindo Housing Associates, L.P.	Maplewood Apartments	79	Lakeside	Lakeside Family Housing LLC	0.0100%	-	-	Equity
Mission Cove Seniors Housing Associates, L.P.	Mission Cove Seniors	138	Oceanside	Carolyn Compass Rose, LLC	0.0100%	-	-	Equity
Monument Boulevard Housing Associates, L.P.	Sun Ridge Apartments	198	Concord	Concord Victory Lane, LLC	0.0100%	-	-	Equity
Morgan Tower Housing Associates, L.P.	Morgan Tower	152	National City	CHW Morgan Development, LLC	0.0050%	-	-	Equity
Mountain View Housing Associates, L.P.	Mayberry Townhomes	70	San Diego	Alta Vista Townhomes, LLC	0.0100%	-	-	Equity
North Santa Fe Housing Associates, L.P.	North Santa Fe Apartments	68	Vista	Buena Vista Alliance LLC	0.0100%	-	-	Equity
Oak Knoll Housing Associates, L.P.	Oak Knoll Villas	52	Poway	Fallbrook Renaissance LLC	0.0100%	-	-	Equity
Paradise Creek Housing Partners, L.P.	Paradise Creek	109	National City	CHW Paradise Creek Development Co., LI	0.0050%	-	-	Equity
Paradise Creek II Housing Partners, L.P.	Paradise Creek II	92	National City	CHW Paradise Creek II Development Co.,	0.0050%	-	-	Equity
Poway Villas Housing Associates, L.P.	Poway Villas	60	Poway	CHW Civic Center LLC	0.0100%	-	-	Equity
Solutions Family Center, L.P.	Solutions	33	Vista	N/A	1.0000%	-	-	Equity
South Santa Fe Housing Associates, L.P.	Paseo Artist Village ( <i>Construction 60 units</i> )		-	Paseo Artist Village LLC	0.0100%	-	-	Deconsolidated 10/1/20
Texas Street Senior Housing, L.P.	North Park Seniors	76	San Diego	Howard Avenue Senior Housing LLC	0.0100%	-	-	Equity
Tripp Avenue Housing Associates, L.P.	Parkside Terrace Apartments	201	San Jose	CHW Parkside Terrace LLC	0.0100%	-	-	Equity
Turnagain Renaissance Housing Associates, L.P.	Turnagain Arms	80	Fallbrook	Fallbrook Renaissance LLC	0.0100%	-	-	Equity
Ulric Street Housing Associates, L.P.	Ulric Street Apartments ( <i>Construction 96 units</i> )		-	Ulric Street Housing Opportunities LLC	0.0090%	-	-	Deconsolidated 10/1/2020
Windsor Gardens Housing Associates, L.P.	Windsor Gardens Apartments	132	Escondido	CHW Windsor Gardens LLC	0.0001%	-	-	Deconsolidated 2/1/2020
Woodcroft Street Housing Associates, L.P.	Azusa Apartments	88	Azusa	Big Dalton Wash LLC	0.0100%	-	-	Equity
		3,670						

**COMMUNITY HOUSINGWORKS**  
**SUPPLEMENTARY SCHEDULE OF REAL ESTATE ENTITIES - CONSOLIDATED**  
**DECEMBER 31, 2019**

<u>Partnership Name</u>	<u>Property Name</u>	<u>Units</u>	<u>Location</u>	<u>CHW Equity Owned Through LLC</u>	<u>CHW Equity</u>	<u>Esperanza</u>	<u>Escondido</u>	<u>Accounting Method</u>
Community Housing Solutions	<i>PineView Apartments (Sold 7/1/19)</i>	-	Fallbrook	N/A	100.00%	-	-	Consolidated (Sold 7/1/2019)
Dove Family Housing Associates, L.P.	La Costa Paloma	180	Carlsbad	N/A	0.005%	99.99%	-	Consolidated (1/1/19)
Arden Way Housing Associates, L.P.	<i>Development</i>	-	-	Boxwood Street Housing LLC	99.00%	1.000%	-	Consolidated
Breihan Housing Associates, L.P.	Hillside Village	71	Poway	N/A	0.010%	99.99%	-	Consolidated
Cedar Road Housing Associates	<i>Sold December 14, 2016</i>	-	-	N/A	1.000%	99.00%	-	Consolidated
CHW Arden Way Development LLC	<i>Development</i>	-	-	N/A	-	100.00%	-	Consolidated
CHW Las Haciendas Development, LLC	<i>Development</i>	-	-	N/A	-	100.00%	-	Consolidated
CHW Ulric Street Development, L.P.	Ulric Apartments	36	San Diego	N/A	1.000%	99.00%	-	Consolidated
Concord Sun Ridge, LLC	N/A	-	-	N/A	-	100.00%	-	Consolidated
Daybreak Housing Associates	Daybreak Grove / Sunrise Place	21	Escondido	N/A	-	99.00%	1.000%	Consolidated
Esperanza Gardens Apartments, L.P.	Esperanza Garden Apartments	10	Encinitas	N/A	-	1.000%	99.00%	Consolidated
Eucalyptus View Cooperative Housing Associates, L.P.	Eucalyptus View	24	Escondido	N/A	0.010%	99.99%	-	Consolidated
Haley Ranch Estates Housing Associates, L.P.	Haley Ranch Estates	65	Poway	N/A	1.000%	99.00%	-	Consolidated
Kalmia Street Housing Associates, L.P.	<i>Keeler Court Sold December 19, 2019</i>	-	-	N/A	99.00%	1.000%	-	Consolidated
Linda Vista Housing Associates, L.P.	<i>Development</i>	-	-	CHW Linda Vista LLC	0.100%	99.90%	-	Consolidated
Mission Grove Housing Associates, L.P.	Old Grove Apartments	56	Oceanside	N/A	0.010%	99.99%	-	Consolidated
Morningside Housing Associates, L.P.	<i>Development</i>	-	-	West Vista Alliance, LLC	99.00%	1.000%	-	Consolidated
Nettleton Road Housing Associates	<i>Sold December 14, 2016</i>	-	-	N/A	1.000%	99.00%	-	Consolidated
Orange Place Housing Associates	Orange Place Apartments	32	Escondido	N/A	1.000%	99.00%	-	Consolidated
Parks at Fig, LLC	<i>Sold December 16, 2016</i>	-	-	N/A	100.00%	-	-	Consolidated
Royal Oaks Housing Associates, L.P.	<i>Development</i>	-	-	CHW Royal Oaks LLC	0.100%	99.90%	-	Consolidated
South Santa Fe Housing Associates, L.P.	<i>Development</i>	-	-	Paseo Artist Village LLC	1.00%	99.00%	-	Consolidated
The Bowron Road Group Limited Partnership	Parkview Terrace	92	Poway	N/A	0.002%	99.98%	-	Consolidated
Tremont Street Apartments Limited Partnership	Marisol Apartments	22	Oceanside	N/A	1.000%	99.00%	-	Consolidated
Ulric Street Housing Associates, L.P.	<i>Development</i>	-	-	Ulric Street Housing Opportunities LLC	99.00%	1.000%	-	Consolidated
Windsor Gardens Housing Associates, L.P.	Windsor Gardens Apartments	132	Escondido	CHW Windsor Gardens LLC	0.010%	99.99%	-	Consolidated
Winona Gardens Housing Associates, L.P.	Bandar Salaam Apartments	68	San Diego	N/A	0.010%	99.99%	-	Consolidated
Wooster Ave, LLC	<i>Sold to Tripp ( December 2019)</i>	-	San Jose	N/A	0.000%	100.00%	-	Consolidated
15th Avenue Housing Cooperative	15th Avenue Apartments	16	Escondido	N/A	-	-	-	Operated by CHW
	Las Casitas Apartments	14	San Diego	N/A	100.00%	-	-	CHW

(Continued)

**COMMUNITY HOUSINGWORKS**  
**SUPPLEMENTARY SCHEDULE OF REAL ESTATE ENTITIES - EQUITY**  
**DECEMBER 31, 2019**

<b>Partnership Name</b>	<b>Property Name</b>	<b>Units</b>	<b>Location</b>	<b>CHW Equity Owned Through LLC</b>	<b>CHW Equity</b>	<b>Esperanza</b>	<b>Escondido</b>	<b>Accounting Method</b>
Alabama Manor Housing Associates, L.P.	Alabama Manor Apartments	67	San Diego	N/A	0.010%	-	-	Equity
Cedar Nettleton Housing Associates, L.P.	Cedar Nettleton Apartments	68	Vista	Vista Lilac LLC	0.010%	-	-	Equity
Community Road Housing Associates, L.P.	Solara	56	Poway	N/A	0.010%	-	-	Equity
Cypress Cove Housing Associates, L.P.	Manzanita Apartments	200	Escondido	Mission Manzanita, LLC	0.010%	-	-	Equity
Delta Village Housing Associates, L.P.	Las Serenas	108	San Diego	N/A	0.010%	-	-	Equity
East Mountain Housing Associates, L.P.	The Groves Apartments	44	Pasadena	Northwest Manor LLC	0.010%	-	-	Equity
El Norte Housing Associates, L.P.	Avocado Court Apartments	36	Escondido	El Norte Housing Opportunities LLC	0.010%	-	-	Equity
Fallbrook View Housing Associates, L.P.	Fallbrook View Apartments	80	Fallbrook	N/A	0.010%	-	-	Equity
Florida Street Housing Associates, L.P.	Kalos Apartments	83	San Diego	Another Nurturing Neighborhood LLC	0.010%	-	-	Equity
Foothill Oak Housing Associates, L.P.	Los Robles Apartments	76	Vista	Foothill Oak Housing Opportunities LLC	0.010%	-	-	Equity
Fruit Avenue Housing Associates, L.P.	Parks at Fig Garden	366	Fresno	Ashlan Ave Housing, LLC	0.010%	-	-	Equity
Keeler Court Housing Associates, L.P.	<i>Development</i>	-	-	Las Conchas Housing Opportunities LLC	0.010%	-	-	Deconsolidated (12/18/2019)
Kimball Tower Housing Associates, L.P.	Kimball Tower	151	National City	CHW Kimball Development, LLC	0.005%	-	-	Deconsolidated (3/28/2019)
Lindo Housing Associates, L.P.	Maplewood Apartments	79	Lakeside	Lakeside Family Housing LLC	0.010%	-	-	Equity
Mission Cove Seniors Housing Associates, L.P.	Mission Cove Seniors	138	Oceanside	Carolyn Compass Rose, LLC	0.010%	-	-	Equity
Monument Boulevard Housing Associates, L.P.	Sun Ridge Apartments	198	Concord	Concord Victory Lane, LLC	0.010%	-	-	Equity
Morgan Tower Housing Associates, L.P.	Morgan Tower	152	National City	CHW Morgan Development, LLC	0.005%	-	-	Deconsolidated (3/28/2019)
Mountain View Housing Associates, L.P.	Mayberry Townhomes	70	San Diego	Alta Vista Townhomes, LLC	0.010%	-	-	Equity
North Santa Fe Housing Associates, L.P.	North Santa Fe Apartments	68	Vista	Buena Vista Alliance LLC	0.010%	-	-	Equity
Oak Knoll Housing Associates, L.P.	Oak Knoll Villas	52	Poway	Fallbrook Renaissance LLC	0.010%	-	-	Equity
Paradise Creek Housing Partners, L.P.	Paradise Creek	109	National City	CHW Paradise Creek Development Co., LI	0.005%	-	-	Equity
Paradise Creek II Housing Partners, L.P.	Paradise Creek II	92	National City	CHW Paradise Creek II Development Co.,	0.005%	-	-	Equity
Poway Villas Housing Associates, L.P.	Poway Villas	60	Poway	CHW Civic Center LLC	0.010%	-	-	Equity
Solutions Family Center, L.P.	Solutions	33	Vista	N/A	1.000%	-	-	Equity
Texas Street Senior Housing, L.P.	North Park Seniors	76	San Diego	Howard Avenue Senior Housing LLC	0.010%	-	-	Equity
Tripp Avenue Housing Associates, L.P.	Parkside Terrace Apartments	201	San Jose	CHW Parkside Terrace LLC	0.010%	-	-	Equity
Turnagain Renaissance Housing Associates, L.P.	Turnagain Arms	80	Fallbrook	Fallbrook Renaissance LLC	0.010%	-	-	Equity
Woodcroft Street Housing Associates, L.P.	Azusa Apartments	88	Azusa	Big Dalton Wash LLC	0.010%	-	-	Equity
		3,670						



**COMMUNITY HOUSINGWORKS**  
**SUPPLEMENTARY CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2020**

	Community HousingWorks	Partnership and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Family Housing Corporation	Eliminations	Consolidated
<b>Current Assets:</b>						
Cash and cash equivalents	\$ 25,777,481	\$ 106,714	\$ 2,288,791	\$ 87,735	\$ -	\$ 28,260,721
Investments	9,637,536	-	-	-	-	9,637,536
Security deposits	7,000	-	635,672	11,112	-	653,784
Grants and contracts receivable	60,771	-	-	-	-	60,771
Accounts receivable - related parties	16,865,273	-	-	-	-	16,865,273
Accounts receivable - other, net	32,157	-	161,488	-	-	193,645
Intercompany accounts receivable	5,742,977	-	39,288	-	(5,782,265)	-
Prepaid expenses	36,157	-	105,916	583	-	142,656
Total Current Assets	<u>58,159,352</u>	<u>106,714</u>	<u>3,231,155</u>	<u>99,430</u>	<u>(5,782,265)</u>	<u>55,814,386</u>
<b>Noncurrent Assets:</b>						
Restricted reserves	-	-	7,576,606	432,903	-	8,009,509
Loans receivable, net	315,772	-	-	-	-	315,772
Intercompany notes receivable	543,829	-	-	-	(543,829)	-
Notes receivable - related parties, net	17,708,520	8,251,620	40,016,055	-	-	65,976,195
Interest receivable	687,948	780,544	906,816	-	-	2,375,308
Property and equipment, net	1,654,932	-	71,840,629	467,601	-	73,963,162
Investments in limited partnerships	24,093,227	2,587,972	191,331	(2,392)	(12,349,241)	14,520,897
Deposits	165,749	-	107,825	1,000	-	274,574
Other assets, net	-	-	41,621	-	-	41,621
Total Noncurrent Assets	<u>45,169,977</u>	<u>11,620,136</u>	<u>120,680,883</u>	<u>899,112</u>	<u>(12,893,070)</u>	<u>165,477,038</u>
<b>TOTAL ASSETS</b>	<u>\$ 103,329,329</u>	<u>\$ 11,726,850</u>	<u>\$ 123,912,038</u>	<u>\$ 998,542</u>	<u>\$ (18,675,335)</u>	<u>\$ 221,291,424</u>

**COMMUNITY HOUSINGWORKS**  
**SUPPLEMENTARY CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**DECEMBER 31, 2020**

	Community HousingWorks	Partnership and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Family Housing Corporation	Eliminations	Consolidated
<b><u>Current Liabilities:</u></b>						
Accounts payable and accrued expenses	\$ 1,221,774	\$ 4,350	\$ 449,450	\$ 2,059	\$ -	\$ 1,677,633
Security deposits	7,000	-	635,666	11,112	-	653,778
Intercompany payables	65,177	-	5,688,827	28,261	(5,782,265)	-
Deferred revenue	48,953	-	98,341	1,511	-	148,805
Current portion of noncurrent liabilities	1,000,000	-	873,307	-	-	1,873,307
Total Current Liabilities	<u>2,342,904</u>	<u>4,350</u>	<u>7,745,591</u>	<u>42,943</u>	<u>(5,782,265)</u>	<u>4,353,523</u>
<b><u>Noncurrent Liabilities:</u></b>						
Deferred revenue	155,302	-	-	-	-	155,302
Deferred lease liability	281,170	-	-	-	-	281,170
Intercompany notes payable	-	-	543,829	-	(543,829)	-
Notes payable - amortized debt, net	8,650,000	-	24,749,632	-	-	33,399,632
Notes payable - residual receipts debt, net	2,112,355	-	28,799,761	997,003	-	31,909,119
Interest payable - residual receipts debt	202,927	-	14,398,344	552,373	-	15,153,644
Less: Current portion	(1,000,000)	-	(873,307)	-	-	(1,873,307)
Total Noncurrent Liabilities	<u>10,401,754</u>	<u>-</u>	<u>67,618,259</u>	<u>1,549,376</u>	<u>(543,829)</u>	<u>79,025,560</u>
Total Liabilities	<u>12,744,658</u>	<u>4,350</u>	<u>75,363,850</u>	<u>1,592,319</u>	<u>(6,326,094)</u>	<u>83,379,083</u>
<b><u>Obligation Under Interest Rate Swap</u></b>	<u>-</u>	<u>-</u>	<u>989,513</u>	<u>-</u>	<u>-</u>	<u>989,513</u>
<b><u>Net Assets:</u></b>						
Without donor restrictions	89,677,891	11,722,500	47,558,675	(593,777)	(12,349,241)	136,016,048
With donor restrictions:						
Time and purpose restrictions	906,780	-	-	-	-	906,780
Total Net Assets	<u>90,584,671</u>	<u>11,722,500</u>	<u>47,558,675</u>	<u>(593,777)</u>	<u>(12,349,241)</u>	<u>136,922,828</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 103,329,329</u>	<u>\$ 11,726,850</u>	<u>\$ 123,912,038</u>	<u>\$ 998,542</u>	<u>\$ (18,675,335)</u>	<u>\$ 221,291,424</u>

**COMMUNITY HOUSINGWORKS**  
**SUPPLEMENTARY CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2019**

	Community HousingWorks	Partnership and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Family Housing Corporation	Community Housing Solutions	Eliminations	Consolidated
<b>Current Assets:</b>							
Cash and cash equivalents	\$ 15,592,051	\$ 53,700	\$ 5,134,818	\$ 90,715	\$ -	\$ -	\$ 20,871,284
Investments	8,801,430	-	-	-	-	-	8,801,430
Security deposits	6,500	-	583,210	11,112	-	-	600,822
Grants and contracts receivable	68,443	-	-	-	-	-	68,443
Contributions receivable, net	750	-	-	-	-	-	750
Accounts receivable - related parties	6,576,381	-	-	-	-	-	6,576,381
Accounts receivable - other, net	134,579	-	35,818	-	-	-	170,397
Intercompany accounts receivable	9,355,624	-	73,617	-	-	(9,429,241)	-
Prepaid expenses	76,554	-	166,991	1,622	-	-	245,167
Property held for sale	-	1,732,489	-	-	-	-	1,732,489
<b>Total Current Assets</b>	<b>40,612,312</b>	<b>1,786,189</b>	<b>5,994,454</b>	<b>103,449</b>	<b>-</b>	<b>(9,429,241)</b>	<b>39,067,163</b>
<b>Noncurrent Assets:</b>							
Restricted reserves	-	-	6,091,882	420,782	-	-	6,512,664
Loans receivable, net	468,040	-	-	-	-	-	468,040
Intercompany notes receivable	1,046,976	-	-	-	-	(1,046,976)	-
Notes receivable - related parties, net	17,482,952	8,251,620	40,120,396	-	-	-	65,854,968
Interest receivable	774,402	580,394	446,268	-	-	-	1,801,064
Property and equipment, net	1,251,206	2,372,167	73,873,598	505,226	-	-	78,002,197
Investments in limited partnerships	21,505,527	1,186,746	201,857	(2,090)	-	(11,245,001)	11,647,039
Deposits	65,749	-	186,538	1,000	-	-	253,287
Other assets, net	-	-	44,073	-	-	-	44,073
<b>Total Noncurrent Assets</b>	<b>42,594,852</b>	<b>12,390,927</b>	<b>120,964,612</b>	<b>924,918</b>	<b>-</b>	<b>(12,291,977)</b>	<b>164,583,332</b>
<b>TOTAL ASSETS</b>	<b>\$ 83,207,164</b>	<b>\$ 14,177,116</b>	<b>\$ 126,959,066</b>	<b>\$ 1,028,367</b>	<b>\$ -</b>	<b>\$ (21,721,218)</b>	<b>\$ 203,650,495</b>

**COMMUNITY HOUSINGWORKS**  
**SUPPLEMENTARY CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**DECEMBER 31, 2019**

	Community HousingWorks	Partnership and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Family Housing Corporation	Community Housing Solutions	Eliminations	Consolidated
<b><u>Current Liabilities:</u></b>							
Accounts payable and accrued expenses	\$ 1,377,737	\$ 219,947	\$ 851,014	\$ 1,259	\$ -	\$ -	\$ 2,449,957
Security deposits	6,500	-	561,960	11,112	-	-	579,572
Intercompany payables	56,307	3,884,784	5,459,403	28,747	-	(9,429,241)	-
Deferred revenue	48,953	-	84,565	2,183	-	-	135,701
Line-of-credit payable	2,000,000	-	-	-	-	-	2,000,000
Current portion of noncurrent liabilities	1,400,000	-	486,050	-	-	-	1,886,050
Total Current Liabilities	<u>4,889,497</u>	<u>4,104,731</u>	<u>7,442,992</u>	<u>43,301</u>	<u>-</u>	<u>(9,429,241)</u>	<u>7,051,280</u>
<b><u>Noncurrent Liabilities:</u></b>							
Deferred revenue	200,255	-	-	-	-	-	200,255
Deferred lease liability	254,064	-	-	-	-	-	254,064
Intercompany notes payable	-	-	1,046,976	-	-	(1,046,976)	-
Notes payable - amortized debt, net	5,650,000	-	27,194,075	-	-	-	32,844,075
Notes payable - residual receipts debt, net	1,997,855	-	35,294,014	996,733	-	-	38,288,602
Interest payable - residual receipts debt	190,207	-	10,222,095	532,373	-	-	10,944,675
Less: Current portion	(1,400,000)	-	(486,050)	-	-	-	(1,886,050)
Total Noncurrent Liabilities	<u>6,892,381</u>	<u>-</u>	<u>73,271,110</u>	<u>1,529,106</u>	<u>-</u>	<u>(1,046,976)</u>	<u>80,645,621</u>
Total Liabilities	<u>11,781,878</u>	<u>4,104,731</u>	<u>80,714,102</u>	<u>1,572,407</u>	<u>-</u>	<u>(10,476,217)</u>	<u>87,696,901</u>
<b>Obligation Under Interest Rate Swap</b>	<u>-</u>	<u>-</u>	<u>948,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>948,438</u>
<b><u>Net Assets:</u></b>							
Without donor restrictions	70,004,509	10,072,385	45,296,526	(544,040)	-	(11,245,001)	113,584,379
With donor restrictions:							
Time and purpose restrictions	647,937	-	-	-	-	-	647,937
Perpetual in nature	772,840	-	-	-	-	-	772,840
Total Net Assets	<u>71,425,286</u>	<u>10,072,385</u>	<u>45,296,526</u>	<u>(544,040)</u>	<u>-</u>	<u>(11,245,001)</u>	<u>115,005,156</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 83,207,164</u>	<u>\$ 14,177,116</u>	<u>\$ 126,959,066</u>	<u>\$ 1,028,367</u>	<u>\$ -</u>	<u>\$ (21,721,218)</u>	<u>\$ 203,650,495</u>

**COMMUNITY HOUSINGWORKS  
SUPPLEMENTARY CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Community HousingWorks	Partnership and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Family Housing Corporation	Eliminations	Consolidated
<b><u>Net Assets Without Donor Restrictions:</u></b>						
<b><u>Support and Revenues:</u></b>						
Contributions	\$ 3,989,005	\$ -	\$ -	\$ -	\$ (3,252,996)	\$ 736,009
Developer fees	18,096,560	-	-	-	-	18,096,560
Grants and contracts	1,628,956	-	-	-	-	1,628,956
Loan interest and investment income	1,737,319	200,150	1,032,657	6,849	(68,931)	2,908,044
Management fees	1,374,531	33,552	-	-	(594,160)	813,923
Other income	857,404	-	164,472	2,817	-	1,024,693
Program income	1,673,253	-	-	-	(835,635)	837,618
Rental income	-	-	10,696,598	154,032	-	10,850,630
Net assets released from restrictions	1,143,519	-	-	-	-	1,143,519
Total Support and Revenues	<u>30,500,547</u>	<u>233,702</u>	<u>11,893,727</u>	<u>163,698</u>	<u>(4,751,722)</u>	<u>38,039,952</u>
<b><u>Expenses:</u></b>						
<b><u>Program Services:</u></b>						
Asset management	1,389,408	-	-	-	-	1,389,408
Community programs	3,494,526	-	-	-	-	3,494,526
Real estate development	3,910,951	-	-	-	-	3,910,951
Rental real estate	-	6,551	16,250,183	196,137	(4,751,722)	11,701,149
Supportive housing programs	374,096	-	-	-	-	374,096
Total Program Services	<u>9,168,981</u>	<u>6,551</u>	<u>16,250,183</u>	<u>196,137</u>	<u>(4,751,722)</u>	<u>20,870,130</u>
<b><u>Supporting Services:</u></b>						
Management and general	1,430,721	-	5,282	-	-	1,436,003
Fundraising	632,868	-	-	-	-	632,868
Total Supporting Services	<u>2,063,589</u>	<u>-</u>	<u>5,282</u>	<u>-</u>	<u>-</u>	<u>2,068,871</u>
Total Expenses	<u>11,232,570</u>	<u>6,551</u>	<u>16,255,465</u>	<u>196,137</u>	<u>(4,751,722)</u>	<u>22,939,001</u>
Change in Net Assets Without Donor Restrictions Before Other Revenue and (Expenses)	<u>19,267,977</u>	<u>227,151</u>	<u>(4,361,738)</u>	<u>(32,439)</u>	<u>-</u>	<u>15,100,951</u>

**COMMUNITY HOUSINGWORKS**  
**SUPPLEMENTARY CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Community HousingWorks	Partnership and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Family Housing Corporation	Eliminations	Consolidated
<b><u>Other Revenue and (Expenses):</u></b>						
Gain on sale of property and equipment	\$ -	\$ 251,738	\$ 4,259,298	\$ -	\$ -	\$ 4,511,036
Loan forgiveness and recovery	278,480	-	-	-	-	278,480
Obligation under interest rate swap change	-	-	242,168	-	-	242,168
Partnership income (loss)	126,925	(161,859)	(356)	(302)	(322,142)	(357,734)
Total Other Revenue and (Expenses)	<u>405,405</u>	<u>89,879</u>	<u>4,501,110</u>	<u>(302)</u>	<u>(322,142)</u>	<u>4,673,950</u>
<b>Change in Net Assets Without Donor Restrictions</b>	<u>19,673,382</u>	<u>317,030</u>	<u>139,372</u>	<u>(32,741)</u>	<u>(322,142)</u>	<u>19,774,901</u>
<b><u>Net Assets With Donor Restrictions:</u></b>						
Contributions	366,740	-	-	-	-	366,740
Grants and contracts	261,579	-	-	-	-	261,579
Interest income	1,203	-	-	-	-	1,203
Net assets released from restrictions	<u>(1,143,519)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,143,519)</u>
<b>Change in Net Assets With Donor Restrictions</b>	<u>(513,997)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(513,997)</u>
Change in Net Assets	19,159,385	317,030	139,372	(32,741)	(322,142)	19,260,904
Net Assets at Beginning of Year	71,425,286	10,072,385	45,296,526	(544,040)	(11,245,001)	115,005,156
Acquisition of Partnership Interest	-	-	2,463,382	-	362,771	2,826,153
Contributions/(Distributions), net	<u>-</u>	<u>1,333,085</u>	<u>(340,605)</u>	<u>(16,996)</u>	<u>(1,144,869)</u>	<u>(169,385)</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 90,584,671</u>	<u>\$ 11,722,500</u>	<u>\$ 47,558,675</u>	<u>\$ (593,777)</u>	<u>\$ (12,349,241)</u>	<u>\$ 136,922,828</u>

**COMMUNITY HOUSINGWORKS**  
**SUPPLEMENTARY CONSOLIDATING STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Community HousingWorks	Partnership and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Family Housing Corporation	Community Housing Solutions	Eliminations	Consolidated
<b><u>Net Assets Without Donor Restrictions:</u></b>							
<b><u>Revenues and Support:</u></b>							
Contributions	\$ 3,401,358	\$ -	\$ -	\$ -	\$ -	\$ (2,921,823)	\$ 479,535
Developer fees	6,380,154	-	-	-	-	-	6,380,154
Grants and contracts	880,406	-	-	-	10,515	-	890,921
Loan interest and investment income	1,410,586	195,192	516,748	11,403	2,795	(13,008)	2,123,716
Management fees	1,350,338	31,833	-	-	-	(414,771)	967,400
Other income	60,728	-	421,765	2,767	27,604	-	512,864
Program income	1,588,400	-	-	-	-	(507,610)	1,080,790
Rental income	-	-	12,027,422	147,264	575,780	-	12,750,466
Net assets released from restrictions	840,176	-	-	-	-	-	840,176
Total Revenues and Support	<u>15,912,146</u>	<u>227,025</u>	<u>12,965,935</u>	<u>161,434</u>	<u>616,694</u>	<u>(3,857,212)</u>	<u>26,026,022</u>
<b><u>Expenses:</u></b>							
<b><u>Program Services:</u></b>							
Asset management	1,250,894	-	-	-	-	-	1,250,894
Community programs	2,971,903	-	-	-	-	-	2,971,903
Real estate development	3,375,973	-	-	-	-	-	3,375,973
Rental real estate	-	3,888	17,394,223	186,144	1,943,809	(3,857,212)	15,670,852
Supportive housing programs	349,419	-	-	-	-	-	349,419
Total Program Services	<u>7,948,189</u>	<u>3,888</u>	<u>17,394,223</u>	<u>186,144</u>	<u>1,943,809</u>	<u>(3,857,212)</u>	<u>23,619,041</u>
<b><u>Supporting Services:</u></b>							
Management and general	1,252,392	-	2,500	-	-	-	1,254,892
Fundraising	559,149	-	-	-	-	-	559,149
Total Supporting Services	<u>1,811,541</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,814,041</u>
Total Expenses	<u>9,759,730</u>	<u>3,888</u>	<u>17,396,723</u>	<u>186,144</u>	<u>1,943,809</u>	<u>(3,857,212)</u>	<u>25,433,082</u>
Change in Net Assets Without Donor Restrictions Before Other Revenue and (Expenses)	<u>6,152,416</u>	<u>223,137</u>	<u>(4,430,788)</u>	<u>(24,710)</u>	<u>(1,327,115)</u>	<u>-</u>	<u>592,940</u>

**COMMUNITY HOUSINGWORKS**  
**SUPPLEMENTARY CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Community HousingWorks	Partnership and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Family Housing Corporation	Community Housing Solutions	Eliminations	Consolidated
<b><u>Other Revenue and (Expenses):</u></b>							
Gain on sale of property and equipment	\$ -	\$ 3,603	\$ 34,220,947	\$ -	\$ 9,819,982	\$ -	\$ 44,044,532
Loan forgiveness and recovery	127,769	-	-	-	-	-	127,769
Obligation under interest rate swap change	-	-	89,700	-	-	-	89,700
Partnership income (loss)	99,808	(21,857)	(210)	(704)	-	(15,409)	61,628
Total Other Revenue and (Expenses)	<u>227,577</u>	<u>(18,254)</u>	<u>34,310,437</u>	<u>(704)</u>	<u>9,819,982</u>	<u>(15,409)</u>	<u>44,323,629</u>
<b>Change in Net Assets Without Donor Restrictions</b>	<u>6,379,993</u>	<u>204,883</u>	<u>29,879,649</u>	<u>(25,414)</u>	<u>8,492,867</u>	<u>(15,409)</u>	<u>44,916,569</u>
<b><u>Net Assets With Donor Restrictions:</u></b>							
Contributions	459,015	-	-	-	-	-	459,015
Grants and contracts	150,000	-	-	-	-	-	150,000
Interest income	761	-	-	-	-	-	761
Net assets released from restrictions	(840,176)	-	-	-	-	-	(840,176)
<b>Change in Net Assets With Donor Restrictions</b>	<u>(230,400)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(230,400)</u>
Change in Net Assets	6,149,593	204,883	29,879,649	(25,414)	8,492,867	(15,409)	44,686,169
Net Assets at Beginning of Year	65,275,693	9,867,362	11,915,172	(518,442)	(8,492,867)	(11,230,828)	66,816,090
Acquisition of Partnership Interest	-	-	3,502,897	-	-	-	3,502,897
Contributions/(Distributions), net	-	140	(1,192)	(184)	-	1,236	-
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 71,425,286</u>	<u>\$ 10,072,385</u>	<u>\$ 45,296,526</u>	<u>\$ (544,040)</u>	<u>\$ -</u>	<u>\$ (11,245,001)</u>	<u>\$ 115,005,156</u>



**COMMUNITY HOUSINGWORKS  
SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES -  
COMMUNITY HOUSINGWORKS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Services			Supportive Housing Programs	Supporting Services		Total Expenses
	Asset Management	Community Programs	Real Estate Development		Management and General	Fundraising	
<b><u>Personnel Expenses:</u></b>							
Salaries and wages	\$ 981,867	\$ 2,034,172	\$ 2,717,830	\$ 28,981	\$ 748,837	\$ 279,115	\$ 6,790,802
Payroll taxes	63,942	135,954	171,661	2,247	58,120	34,119	466,043
Health insurance and other benefits	107,108	314,187	290,772	5,108	109,688	59,389	886,252
Temporary/contract personnel	2,670	3,923	2,616	245	6,332	1,562	17,348
Total Personnel Expenses	<u>1,155,587</u>	<u>2,488,236</u>	<u>3,182,879</u>	<u>36,581</u>	<u>922,977</u>	<u>374,185</u>	<u>8,160,445</u>
<b><u>Occupancy:</u></b>							
Office rent	92,705	138,911	220,298	21,811	84,764	59,443	617,932
Telephone/Internet	8,980	16,336	22,400	2,119	8,319	5,788	63,942
Total Occupancy	<u>101,685</u>	<u>155,247</u>	<u>242,698</u>	<u>23,930</u>	<u>93,083</u>	<u>65,231</u>	<u>681,874</u>
<b><u>Insurance</u></b>	<u>2,994</u>	<u>10,996</u>	<u>7,974</u>	<u>1,073</u>	<u>(2,170)</u>	<u>1,388</u>	<u>22,255</u>
<b><u>Supplies and Other Administrative Costs</u></b>	<u>44,691</u>	<u>139,884</u>	<u>231,249</u>	<u>9,122</u>	<u>153,519</u>	<u>60,901</u>	<u>639,366</u>
<b><u>Travel</u></b>	<u>1,664</u>	<u>19,383</u>	<u>3,889</u>	<u>103</u>	<u>2,653</u>	<u>863</u>	<u>28,555</u>
<b><u>Professional Fees:</u></b>							
Other professional services	20,433	180,194	49,117	17,640	65,838	57,999	391,221
Equipment/computer services	8,790	32,607	18,110	1,706	33,547	12,187	106,947
Accounting (Audit)	2,583	7,293	10,112	456	11,770	2,903	35,117
Total Professional Fees	<u>31,806</u>	<u>220,094</u>	<u>77,339</u>	<u>19,802</u>	<u>111,155</u>	<u>73,089</u>	<u>533,285</u>
<b><u>Program/Project Expenses:</u></b>							
Program/Project related expenses	1,645	372,758	3,096	113,332	7,587	22,193	520,611
Property operation cost	18,194	-	-	132,882	-	-	151,076
Total Program/Project Expenses	<u>19,839</u>	<u>372,758</u>	<u>3,096</u>	<u>246,214</u>	<u>7,587</u>	<u>22,193</u>	<u>671,687</u>
<b><u>Other Expenses:</u></b>							
Interest	15,576	43,980	29,320	16,303	70,984	17,507	193,670
Depreciation	7,613	21,494	14,331	19,565	34,692	8,556	106,251
Contributions to others	7,953	22,454	14,970	1,403	36,241	8,955	91,976
Property loss	-	-	103,206	-	-	-	103,206
Total Other Expenses	<u>31,142</u>	<u>87,928</u>	<u>161,827</u>	<u>37,271</u>	<u>141,917</u>	<u>35,018</u>	<u>495,103</u>
<b>TOTAL EXPENSES</b>	<u>\$ 1,389,408</u>	<u>\$ 3,494,526</u>	<u>\$ 3,910,951</u>	<u>\$ 374,096</u>	<u>\$ 1,430,721</u>	<u>\$ 632,868</u>	<u>\$ 11,232,570</u>

**COMMUNITY HOUSINGWORKS  
SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES -  
COMMUNITY HOUSINGWORKS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Program Services			Supportive Housing Programs	Supporting Services		Total Expenses
	Asset Management	Community Programs	Real Estate Development		Management and General	Fundraising	
<b><u>Personnel Expenses:</u></b>							
Salaries and wages	\$ 760,462	\$ 1,667,141	\$ 2,278,488	\$ 27,800	\$ 666,620	\$ 290,460	\$ 5,690,971
Payroll taxes	61,927	127,867	166,974	2,351	45,781	25,295	430,195
Health insurance and other benefits	96,085	243,748	233,057	4,531	84,205	37,219	698,845
Temporary/contract personnel	22,758	30,333	41,487	3,941	77,959	29,132	205,610
Total Personnel Expenses	<u>941,232</u>	<u>2,069,089</u>	<u>2,720,006</u>	<u>38,623</u>	<u>874,565</u>	<u>382,106</u>	<u>7,025,621</u>
<b><u>Occupancy:</u></b>							
Office rent	92,149	133,912	268,204	21,917	86,396	29,538	632,116
Telephone/Internet	8,890	14,133	26,560	2,119	8,870	5,376	65,948
Total Occupancy	<u>101,039</u>	<u>148,045</u>	<u>294,764</u>	<u>24,036</u>	<u>95,266</u>	<u>34,914</u>	<u>698,064</u>
<b><u>Insurance</u></b>	<u>(10,756)</u>	<u>(4,980)</u>	<u>(14,898)</u>	<u>(878)</u>	<u>(49,616)</u>	<u>(10,672)</u>	<u>(91,800)</u>
<b><u>Supplies and Other Administrative Costs</u></b>	<u>70,732</u>	<u>177,819</u>	<u>216,327</u>	<u>12,210</u>	<u>131,674</u>	<u>61,245</u>	<u>670,007</u>
<b><u>Travel</u></b>	<u>18,872</u>	<u>69,717</u>	<u>20,085</u>	<u>555</u>	<u>6,852</u>	<u>4,298</u>	<u>120,379</u>
<b><u>Professional Fees:</u></b>							
Other professional services	92,758	172,852	47,625	40,227	77,212	37,102	467,776
Accounting (Audit)	3,975	11,560	11,592	1,485	3,838	2,359	34,809
Total Professional Fees	<u>96,733</u>	<u>184,412</u>	<u>59,217</u>	<u>41,712</u>	<u>81,050</u>	<u>39,461</u>	<u>502,585</u>
<b><u>Program/Project Expenses:</u></b>							
Program/Project related expenses	2,016	285,884	3,675	91,489	5,236	20,944	409,244
Property operation cost	-	-	-	112,170	-	-	112,170
Total Program/Project Expenses	<u>2,016</u>	<u>285,884</u>	<u>3,675</u>	<u>203,659</u>	<u>5,236</u>	<u>20,944</u>	<u>521,414</u>
<b><u>Other Expenses:</u></b>							
Interest	17,053	22,730	31,087	12,084	59,059	14,765	156,778
Depreciation	10,087	13,445	18,388	16,738	34,934	8,733	102,325
Contributions to others	3,886	5,742	8,477	680	13,372	3,355	35,512
Property loss	-	-	18,845	-	-	-	18,845
Total Other Expenses	<u>31,026</u>	<u>41,917</u>	<u>76,797</u>	<u>29,502</u>	<u>107,365</u>	<u>26,853</u>	<u>313,460</u>
<b>TOTAL EXPENSES</b>	<u>\$ 1,250,894</u>	<u>\$ 2,971,903</u>	<u>\$ 3,375,973</u>	<u>\$ 349,419</u>	<u>\$ 1,252,392</u>	<u>\$ 559,149</u>	<u>\$ 9,759,730</u>

**COMMUNITY HOUSINGWORKS  
SUPPLEMENTARY SCHEDULES OF FUNCTIONAL EXPENSES -  
PARTNERSHIP AND LIMITED LIABILITY COMPANIES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020			2019
	Parks at Fig Garden	Kalmia Street Housing	Total	Parks at Fig Garden
Administrative	\$ 2,688	\$ -	\$ 2,688	\$ 2,688
Operating expenses	-	3,163	3,163	-
Taxes and insurance	700	-	700	1,200
<b>TOTAL EXPENSES</b>	<u>\$ 3,388</u>	<u>\$ 3,163</u>	<u>\$ 6,551</u>	<u>\$ 3,888</u>

**COMMUNITY HOUSINGWORKS  
SUPPLEMENTARY SCHEDULES OF FUNCTIONAL EXPENSES -  
ESPERANZA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	Program Services - 2020																		
	Bandar Salaam Apartments	Daybreak Grove Apartments	Delta Village Apartments	Esperanza Housing	Eucalyptus View	Fallbrook View Apartments	Haley Ranch Estates	Hillside Village Apartments	La Costa Paloma Apartments	Marisol Apartments	Old Grove Apartments	Orange Place Apartments	Parkside Terrace Apartments	Parkview Terrace	Sun Ridge Apartments	Ulric Apartments	Windsor Gardens	Total 2020	
Administrative	\$ 140,694	\$ 42,244	\$ 212,617	\$ 6,876	\$ 97,504	\$ 201,880	\$ 192,098	\$ 175,070	\$ 453,617	\$ 92,009	\$ 121,784	\$ 87,894	\$ 9,146	\$ 217,497	\$ 2,500	\$ 71,861	\$ 20,755	\$ 2,146,046	
Amortization	-	-	-	-	-	-	1,000	-	-	-	-	-	-	553	-	-	-	1,553	
Depreciation	229,380	65,191	255,964	415,714	120,109	475,821	241,400	381,885	682,181	31,259	250,558	150,761	-	295,633	-	-	79,556	3,675,412	
Grant to Community HousingWorks	-	-	-	3,236,168	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,236,168
Marketing and leasing	1,504	-	2,014	-	337	-	1,337	1,944	2,491	616	-	247	-	3,768	-	-	14	14,272	
Mortgage interest - amortized debt	57,261	3,203	190,230	-	-	7,034	-	84,815	664,718	-	38,527	16,399	-	90,560	-	545,917	-	1,698,664	
Mortgage interest - residual receipts debt	64,513	40,514	120,830	-	21,567	79,890	-	117,910	-	20,165	122,250	34,906	-	203,941	-	-	(90,272)	736,214	
Operating and maintenance	207,899	75,340	218,883	-	62,922	218,618	223,694	214,602	449,324	50,079	153,411	112,199	3,173	200,322	-	57,138	24,303	2,271,907	
Partnership management fee	35,072	29,240	48,530	-	8,769	36,141	32,691	72,146	60,000	19,736	75,486	24,648	-	64,776	-	-	-	507,235	
Taxes, insurance and other financial	58,835	18,543	75,164	-	30,039	73,910	91,362	83,524	214,202	18,103	65,599	38,166	3,970	79,081	408	101,843	7,028	959,777	
Utilities	138,487	23,394	106,889	-	40,165	141,711	14,623	90,749	198,741	17,509	61,496	46,077	-	78,223	-	35,308	14,845	1,008,217	
<b>TOTAL EXPENSES</b>	<b>\$ 933,645</b>	<b>\$ 297,669</b>	<b>\$ 1,231,121</b>	<b>\$ 3,658,758</b>	<b>\$ 381,412</b>	<b>\$ 1,235,005</b>	<b>\$ 798,205</b>	<b>\$ 1,222,645</b>	<b>\$ 2,725,274</b>	<b>\$ 249,476</b>	<b>\$ 889,111</b>	<b>\$ 511,297</b>	<b>\$ 16,289</b>	<b>\$ 1,234,354</b>	<b>\$ 2,908</b>	<b>\$ 812,067</b>	<b>\$ 56,229</b>	<b>\$ 16,255,465</b>	

	Program Services - 2019																	
	Bandar Salaam Apartments	Daybreak Grove Apartments	Delta Village Apartments	Esperanza Housing	Eucalyptus View	Fallbrook View Apartments	Haley Ranch Estates	Hillside Village Apartments	La Costa Paloma Apartments	Marisol Apartments	Old Grove Apartments	Orange Place Apartments	Parkside Terrace Apartments	Parkview Terrace	Sun Ridge Apartments	Ulric Apartments	Windsor Gardens	Total 2019
Administrative	\$ 132,157	\$ 38,893	\$ -	\$ -	\$ 95,967	\$ -	\$ 169,657	\$ 161,123	\$ 420,436	\$ 99,935	\$ 120,717	\$ 72,890	\$ 364,176	\$ 229,544	\$ 2,500	\$ 69,108	\$ 56,302	\$ 2,033,405
Amortization	-	-	-	-	-	-	1,000	-	-	-	-	-	-	553	-	-	-	1,553
Depreciation	215,348	64,951	-	415,714	118,727	-	236,131	381,023	691,762	31,649	249,303	152,688	861,682	276,560	-	-	119,333	3,814,871
Grant to Community HousingWorks	-	-	-	1,797,400	-	-	-	-	-	-	-	-	-	-	-	-	-	1,797,400
Marketing and leasing	287	-	-	-	24	-	630	762	4,328	354	-	269	4,347	763	-	50	2,179	13,993
Mortgage interest - amortized debt	60,071	3,774	-	-	-	-	-	88,203	678,811	-	41,259	18,192	1,671,209	97,460	-	574,832	-	3,233,811
Mortgage interest - residual receipts debt	64,388	40,514	-	-	21,560	-	-	117,912	-	20,193	122,407	34,905	982,719	203,941	-	-	90,272	1,698,811
Operating and maintenance	245,695	92,772	-	-	65,564	-	209,253	182,357	552,245	48,546	121,632	137,258	337,056	214,905	-	289,475	72,307	2,569,065
Partnership management fee	34,050	29,240	-	-	8,514	-	53,314	30,870	60,000	19,161	76,747	23,700	-	62,728	-	-	-	398,324
Taxes, insurance and other financial	52,409	13,976	-	160	26,613	-	83,109	68,791	171,141	15,474	60,208	31,351	104,369	75,920	3,236	126,649	7,407	840,813
Utilities	118,130	22,247	-	-	39,333	-	16,598	82,495	163,453	20,662	59,958	40,063	271,646	73,313	-	39,354	44,925	992,177
<b>TOTAL EXPENSES</b>	<b>\$ 922,535</b>	<b>\$ 306,367</b>	<b>\$ -</b>	<b>\$ 2,213,274</b>	<b>\$ 376,302</b>	<b>\$ -</b>	<b>\$ 769,692</b>	<b>\$ 1,113,536</b>	<b>\$ 2,742,176</b>	<b>\$ 255,974</b>	<b>\$ 852,231</b>	<b>\$ 511,316</b>	<b>\$ 4,597,204</b>	<b>\$ 1,235,687</b>	<b>\$ 5,736</b>	<b>\$ 1,099,468</b>	<b>\$ 392,725</b>	<b>\$ 17,394,223</b>

**COMMUNITY HOUSINGWORKS  
SUPPLEMENTARY SCHEDULES OF FUNCTIONAL EXPENSES -  
ESCONDIDO FAMILY HOUSING CORPORATION  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
	Esperanza Garden <u>Apartments</u>	Esperanza Garden <u>Apartments</u>
Administrative	\$ 26,229	\$ 24,915
Depreciation	37,625	37,871
Mortgage interest - residual receipts debt	30,270	30,270
Operating and maintenance	50,723	44,483
Partnership management fee	27,461	28,747
Taxes and insurance	9,958	7,686
Utilities	<u>13,871</u>	<u>12,172</u>
<b>TOTAL EXPENSES</b>	<b><u><u>\$ 196,137</u></u></b>	<b><u><u>\$ 186,144</u></u></b>

**COMMUNITY HOUSINGWORKS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grants/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Revenues Recognized	Passed Through to Subrecipient	Federal Expenditures	Total Federal Expenditures
<b>U.S. Department of Housing and Urban Development:</b>						
<b>Direct Program:</b>						
Continuum of Care Program	14.267	CA1025L9D011804 / CA1025L9D011905	\$ 71,413	\$ -	\$ 71,413	\$ 71,413
Total Direct Program			<u>71,413</u>	<u>-</u>	<u>71,413</u>	<u>71,413</u>
<b>Pass-Through Programs From:</b>						
Supportive Housing Program:	14.235					
County of San Diego Department of Community Development (Loan)		N/A	-	-	73,500	73,500
HOME Investment Partnerships Program:	14.239					
City of Escondido (Loan)		N/A	139,000	-	139,000	139,000
City of Escondido (Loan)		N/A	-	-	182,355	182,355
Total HOME Investment Partnerships Program			<u>139,000</u>	<u>-</u>	<u>321,355</u>	<u>321,355</u>
Continuum of Care Program:	14.267					
County of San Diego Department of Community Development		CA0709L9D011811 / CA0703L9D011912	142,417		142,417	142,417
Total Pass-Through Programs			<u>281,417</u>	<u>-</u>	<u>537,272</u>	<u>537,272</u>
Total U.S. Department of Housing and Urban Development			<u>352,830</u>	<u>-</u>	<u>608,685</u>	<u>608,685</u>
<b>Neighborhood Reinvestment Corporation:</b>						
<b>Direct Programs:</b>						
Expendable Grant	99.999	N/A	944,241	-	736,642	736,642
Total Direct Programs			<u>944,241</u>	<u>-</u>	<u>736,642</u>	<u>736,642</u>
Total Neighborhood Reinvestment Corporation			<u>944,241</u>	<u>-</u>	<u>736,642</u>	<u>736,642</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 1,436,071</u>	<u>\$ -</u>	<u>\$ 1,345,327</u>	<u>\$ 1,345,327</u>

**COMMUNITY HOUSINGWORKS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Note 1 - Basis of Presentation:**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Community HousingWorks under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Community HousingWorks, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Community HousingWorks.

**Note 2 - Significant Accounting Policies:**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations* or the cost principles contained in Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement

Community HousingWorks has elected not to use the 10-percent de minimus indirect cost rate as allowed under Uniform Guidance.

**Note 3 - Loan Programs:**

The following is the activity of the loans payable for the year ended December 31, 2020:

CFDA Number	Program Name	Loans Outstanding at December 31, 2019	Loans Awarded for the Year Ended December 31, 2020	Loan Principal Repaid for the Year Ended December 31, 2020	Loans Outstanding at December 31, 2020
14.235	<b>Supportive Housing Program:</b> County of San Diego Department of Community Development	\$ 73,500	\$ -	\$ 24,500	\$ 49,000
14.239	<b>Home Investment Partnerships Program:</b> City of Escondido City of Escondido	182,355 -	- 139,000	- -	182,355 139,000
		<u>182,355</u>	<u>139,000</u>	<u>-</u>	<u>321,355</u>
	<b>Total Loans</b>	<u>\$ 255,855</u>	<u>\$ 139,000</u>	<u>\$ 24,500</u>	<u>\$ 370,355</u>



Leaf & Cole, LLP  
Certified Public Accountants  
A Partnership of Professional Corporations

**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance With *Government Auditing Standards***

To the Board of Directors  
Community HousingWorks

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Community HousingWorks, which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended and the related notes to the consolidated financial statements, and have issued our report thereon dated May 24, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Community HousingWorks' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community HousingWorks' internal control. Accordingly, we do not express an opinion on the effectiveness of Community HousingWorks' internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Community HousingWorks' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Community HousingWorks' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community HousingWorks' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Leaf & Cole LLP

San Diego, California  
May 24, 2021



Leaf & Cole, LLP  
Certified Public Accountants  
A Partnership of Professional Corporations

**Independent Auditor's Report on Compliance  
for the Major Program and on Internal Control Over  
Compliance Required by the Uniform Guidance**

To the Board of Directors  
Community HousingWorks

**Report on Compliance for the Major Federal Program**

We have audited Community HousingWorks' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Community HousingWorks' major federal program for the year ended December 31, 2020. Community HousingWorks' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for Community HousingWorks' major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community HousingWorks' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Community HousingWorks' compliance.

### ***Opinion on the Major Federal Program***

In our opinion, Community HousingWorks complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

### **Report on Internal Control over Compliance**

Management of Community HousingWorks is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community HousingWorks' internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community HousingWorks' internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Leaf & Cole LLP

San Diego, California  
May 24, 2021

## **Proforma Sources and Uses**

**Las Serenas Rehab - Sources and Uses - 4.18.22**

<b>Sources</b>		<b>Summary</b>
Citi refi proceeds	\$ 13,950,784	Projected \$13.95M refi through Citi - will be in first lien position
Replacement Reserves	\$ 215,570	
SDHC Loan	\$ 8,241,463	
<b>Total Sources</b>	\$ 22,407,817	
<b>Uses</b>		
Construction	\$ 5,054,115	A+B1 scope. Assumes B2 and C (contingency) scopes will be addressed as funds are available during cons
Hard Cost Contingency	\$ 505,412	10% of construction costs
Architect & Engineering	\$ 520,335	Architect, structural, civil, mechanical, electrical engineers
Permits/Misc	\$ 110,792	Estimated permit fees
Finance/Legal/Insurance	\$ 291,400	Based on projected finance costs and includes legal fees for SDHC
Relocation	\$ 558,761	7 days per unit + part time staff during project
Title	\$ 5,000	
Refi Fee to CHW	\$ 702,485	
CHW Loan Payment	\$ 300,000	
Payoff Bond	\$ 4,900,000	Bond held by SDHC
SDHC Bond Fees	\$ 411,054	
SDHC Loan Accrued Interest Payment	\$ 591,431	
SDHC Loan	\$ 8,241,463	
Replacement Reserves	\$ 215,570	
<b>Total Uses</b>	\$ 22,407,817	

**COMMUNITY HOUSINGWORKS**  
**BANK REFERENCES**

## 17. Bank References

**San Diego Housing Commission – Developer Disclosure Statement**

17. Names and addresses of bank references, and name of contact at each reference:

1. Name: **Sebastian Glowacki, Business Development Officer, US Bank**  
Address: **633 W. 5th Street, 29th Floor, Los Angeles, CA 90071**  
Phone: **303-585-4230**  
Project Name and Description:  
**North Park Seniors (New Construction, 76 Units, in San Diego);  
Kimball Tower (Rehabilitation, 151 apts., in National City); and  
Morgan Tower (Rehabilitation, 152 apts., in National City)**
  
2. Name: **Perica Bell, Managing Director, Union Bank**  
Address: **1901 Avenue of the Stars, Suite 600, Los Angeles, CA 90067**  
Phone: **310-551-8964**  
Project Name and Description:  
**Kalos Apartments (New construction, 83 apts., in San Diego); and  
Keeler Court (New construction, 71 apts., in San Diego)**
  
3. Name: **Todd Fabian, Vice President, National Equity Fund**  
Address: **500 S Grand Ave, #2300, Los Angeles, CA 90017**  
Phone: **213-240-3144**  
Project Name and Description:  
**Las Serenas Apartments (Rehabilitation, 102 apts., in San Diego); and  
Sun Ridge Apartments (New Construction, 198 apts., in Concord)**



**COMMUNITY HOUSINGWORKS  
LIST OF PREVIOUS UNDERTAKINGS**

## 20. List of Previous Undertakings

**San Diego Housing Commission – Developer Disclosure Statement**

20. List undertakings (including, but not limited to, bid bonds, performance bonds, payment bonds and/or improvement bonds) comparable to size of the proposed project which have been completed by the CONTRACTOR, including identification and brief description of each project, date of completion, and amount of bond, whether any legal action has been taken on the bond:

<b>Type of Bond</b>	<b>Project Description</b>	<b>Date of Completion</b>	<b>Amount of Bond</b>	<b>Action on Bond</b>
Ulric Street Apartments Public Improvements	Grading bond to build affordable housing	Est. 6/2022	\$148,761	Active
Ulric Street Apartments Public Improvements	Public Improvement Bond to build affordable housing	Est. 6/2022	\$114,351	Active
Keeler Court Apartments Public Improvements	Grading and improvement plans to build affordable housing	11/2021	\$331,240	Active
Paseo Artist Village – Landscaping and Irrigation Bond	Public landscaping and irrigation related to development of affordable housing	Est. 4/2022	\$22,000	Active
Paseo Artist Village – Performance Bond	Site improvement work related to development of affordable housing	Est. 4/2022	\$270,000	Active
Paseo Artist Village – Grading, Drainage and Erosion Control	Site grading and erosion control work related to development of affordable housing	Est. 4/2022	\$363,000	Active
Paseo Artist Village – Payment and Performance Bond	Construction of Water System related to development of affordable housing	Est. 4/2022	\$78,163	Active
Paseo Artist Village – Warranty Bond	Construction of Water System related to development of affordable housing	Est. 4/2022	\$7,816	Active

**COMMUNITY HOUSINGWORKS  
DEVELOPER QUALIFICATIONS**

## 22. CHW Developer Qualifications

# Community HousingWorks

## QUALIFICATIONS

**Community HousingWorks** (CHW) is a nationally-recognized 501(c)(3) non-profit organization that believes opportunity begins with a stable home. Community HousingWorks provides and builds life-changing affordable apartment communities with resident-centered services for working families, seniors, and people with disabilities to forge stronger futures.

CHW has successfully developed new and renovated existing multi-family, affordable rental apartments in



North Santa Fe | Vista, CA

urban, suburban and rural communities in California since 1988. With nearly 3,700 rental apartments in 42 communities statewide as of December, 2020, CHW proudly serves more than more than 9,000 children and adults each year. CHW is an Exemplary member of the national NeighborWorks Network®, a founding member of the Housing Opportunities Collaborative, an award- winning affiliate of UnidosUS, and the national Housing Partnership Network.

In addition to developing quality, cost effective apartment communities, CHW distinguishes itself from other developers with outcome based programs for our residents. CHW delivers onsite programs to residents to give people the knowledge, tools, and motivation to achieve their goals and dreams. As a result, many adult residents are able to get out of debt, improve their credit, and start a practice of saving for the future; and youth have a safe place to learn and grow, improve reading ability, and succeed at school. Our board of directors, donors and fund raising programs help support the cost of these services.



Kalos | San Diego, CA

### Developer Experience

Since 1988, CHW's multifamily division has established a successful track record as a real estate developer in urban, suburban, and rural areas. We have completed and currently own 42 rental communities with nearly 3,700 apartments statewide as of December 2020, with nearly 1,500 apartments in development. Our rental developments thrive in higher income communities such as Carlsbad and suburban Poway, as well as in inner-city communities like San Diego's City Heights and Shelltown.

Developments like Kalos (San Diego), North Santa Fe (Vista), Mission Cove (Oceanside), Paradise Creek (National City), La Costa Paloma (Carlsbad), and SOLARA (Poway) illustrate CHW's experience with large-scale new construction, complex sites, and wood frame over podium parking, developments comparable to the future of infill housing. The successful development and operation of these rental communities demonstrates our capacity to acquire, design, purchase land, obtain entitlements, finance, build and operate residential properties. And while some nonprofits have amassed portfolios of thousands of units not by developing themselves but by being the tax-exempt partner for other developers, CHW has been the sole developer, or the lead partner in the development of all 42 communities in our portfolio, with the exception of Paradise Creek.

## Portfolio Overview

CHW has nearly 1,500 apartments in the active pipeline of new construction, acquisition, rehabilitation and preservation. In the last two years, CHW grew by over 40 percent, transforming itself into a powerhouse recognized by *Affordable Housing Finance Magazine* as number 33 of the “Top 50 Affordable Housing Developers” nationwide in 2017.

At the close of the fiscal year 2018, Community HousingWorks had Unrestricted Net Assets of more than \$65 million. CHW’s current portfolio

is valued at over \$621 million. CHW maintains a cash position covering at least six months of operations, and derives its income from diverse funding sources including governments, foundations, corporate grants, individual donors, development and asset management fees. The diversity of funding sources and business lines has allowed CHW to be resilient and grow significantly in the past five years, in spite of diminished government resources.



North Park Seniors | San Diego, CA

## Cost Efficiency, Schedule, and Entitlements

CHW works with top architects to design apartment complexes that fit seamlessly into the existing community and complement and enhance the surrounding homes and neighborhoods. Our cost-effective designs are attractive and responsive to community needs and context. A study by Keyser Marston Associates, *Construction Cost Comparison Analysis – Affordable vs Market Rate Development*, released by the San Diego Housing Commission in 2011, highlighted our cost-conscious design achievements, favorably comparing Kalos Apartments, our 83-unit, four story, wood frame with concrete podium in North Park, to several other local developments.

## **Profile: North Santa Fe Apartments: On-Time, Under-Budget, Stellar Costs by Industry Norms**

CHW’s recently completed family development in Vista is an example of our experience and qualifications regarding cost efficiency and budget construction performance, illustrating that—in addition to rehab projects—CHW excels at new construction. Constructed by Sun Country Builders, costs were below other tax credit developments.

The city selected CHW through an RFQ process in July 2012. By the following June, CHW had completed full design and entitlements on a complicated site for a 68-unit podium (underground garage) construction, and had readiness to apply for a competitive tax credit allocation in July 2013. After learning that CHW’s 9% tax credit application won, we successfully completed construction documents and pulled grading and building permits prior to closing in March 2014. This exhibited our experience in obtaining entitlements, working successfully with a city for both housing development as well as permits.

The project, with a Green Point Rated certification of 201 points (Platinum), one of the top seven scores ever recorded in California, completed construction early, under-budget, despite having additional environmental remediation. Savings were used to add photovoltaic panels for common area energy mitigation. We applied for and won AHP finance from the Federal Home Loan Bank (“FHLB”) of San Francisco for \$670,000; as we neared completion with project savings, we returned the award to the FHLB, undisbursed. The final project costs were virtually identical – within \$19,000 – to the projections provided to the city in the original RFQ. Moreover, the project was 100% occupied by income-qualified residents within 10 days of the Certificates of Occupancy in July 2015.

The final cost for North Santa Fe Apartments, completed in 2015, was \$297,000/unit, significantly below the cost of most other tax credit affordable developments. Data provided by California Tax Credit Allocation Committee (“CTCAC”) indicates that for 2015, the average cost per unit for new construction was \$390,000 per unit.

### **Sustainability Leader: Operating Cost Efficiencies, Resident Health**

CHW is committed to sustainability as a benefit both for resident health as well as for mitigation of project operating costs. Nationally noted as an innovator and leader in sustainability, our landmark SOLARA development (2007) exemplifies CHW’s track record in this area.. Prior to there being a LEED for Homes program, but following the USGBC LEED checklists that existed for commercial properties, CHW achieved the first virtual net zero energy project that was a pilot project of the California Energy Commission (“CEC”). By 2017, CHW’s solar investments alone had met 3.5 megawatts of the federal 2020 goal of 100 megawatts of solar on affordable apartments.



Solara | Poway, CA

As a national leader in the field of sustainable design and development, CHW has made it our business to know how to **access financial incentives** to lower the cost of installing energy and water conserving technologies, and we lead the industry in using green technologies to lower operating costs and to provide them as amenities. CHW has been awarded for our commitment to renewables, and we have photovoltaic panels providing electricity in 18 of our apartment communities. CHW’s sustainable design and construction practices seek to promote a healthy environment and to provide thermal comfort and utility savings for our residents. High performance buildings reduce our carbon footprint, minimize the use of natural resources, and, perhaps most importantly, significantly lower utility and maintenance costs over time.

We are thoughtful and careful on selection of sustainable elements, looking at long term operating cost efficiencies from water and energy performance enhancements, but also mindful of operating costs for unit interiors such as plank flooring versus carpet in apartments, using no-VOC paints to prevent allergy and asthma particularly in seniors. We have been recognized with numerous national and statewide awards for sustainability.



## CHW SUPPORTIVE HOUSING EXPERIENCE

Community Housing Works (CHW) has owned and operated housing for people experiencing homelessness since CHW opened its first ever project, a transitional apartment community for homeless families with state funding, in 1989. Community HousingWorks was an original member of San Diego's Continuum of Care and received its first HUD funding under those programs in 1996. Our Board-approved strategic plan in 2017 reaffirmed our commitment to house formerly homeless residents, with future projects ranging from 30-100% occupancy by formerly homeless people. Our portfolio currently includes 71 supportive housing apartments serving formerly homeless people, and includes two communities with 100% of the apartments set aside for formerly homeless people. An additional 102 apartments serve homeless and vulnerable people through subsidies, services, and creative community partnerships.

CHW initially provided its own supportive services for most of its homeless supportive housing residents (including residents at Marisol, Las Casitas, Avocado Court, Manzanita). As priorities for homeless housing shifted to prioritize the most vulnerable, disabled, and chronically homeless, CHW contracted supportive services with nonprofits that offer more specialized case management staff and mental and behavioral health programming. CHW receives referrals for the four programs at Las Casitas, Avocado Court, Manzanita, and North Park Seniors from the Coordinated Entry System (CES) of the Homeless Management Information System county-wide database. CHW's contracted nonprofits provide the full range of services, from help screens and client intake through case management, collaborating with CHW as owner and our third party property management to ensure housing stability. The intake and leasing policies for CHW projects managed by Con Am Property Management were recently acknowledged as a Housing First "gold standard" by the San Diego Regional Task Force on the Homeless. Residents under this Housing First model have high VI-SPDAT (Vulnerability Index - Service Prioritization Decision Assistance Tool) scores indicating high-risk or severe needs.

### CHW Supportive Housing

#### Permanent Supportive Housing and TAY Supportive Housing

- **Las Casitas** (2001, Escondido, CA) - 100% (14/14 units- 42 beds with HUD PSH funding) of PSH for chronically homeless families who experienced challenges with substance abuse or single parent households escaping situations of domestic violence. CHW contracts Interfaith Community Services (ICS) for supportive services. Interfaith receives referrals from Child Welfare Services for a majority of these households. As residents move on-site, case management focuses on reuniting eligible parents or guardians with children that may have become separated, preventing long-term foster placements.
  - **Marisol** (1997, Oceanside, CA) - 100% (25/25 units, 21 at Marisol and 4 at Old Grove) – PSH apartments for people with HIV/AIDS, with 10 apartments reserved for formerly homeless people and 15 apartments prioritized for formerly homeless people. CHW
-

received capital funds (and for many years, services funding) from the Housing for Persons with Aids (HOPWA) program, and Project-Based Section 8 from Oceanside Housing Authority. Many residents have a dual-diagnosis of mental health or addiction disorder, and HIV/AIDS disabilities. Many residents identify with the LGBT community. CHW has contracted with Interfaith Community Services to provide intake screening and case management addressing the physical, substance abuse, and mental health concerns faced by residents.

- **Avocado Court** (2010, Escondido, CA) - 22% (8/36 units- 10 beds with HUD PSH funding) of PSH for chronically homeless veterans experiencing multiple mental and physical disabilities. CHW contracts Interfaith Community Services (ICS) for supportive services. ICS receives referrals from local veteran assistance programs and provides intensive case management.
- **Manzanita** - 3% (6/200 units- or 13 beds with HUD PSH funding) of PHS for chronically homeless veterans experiencing multiple mental and physical disabilities. CHW contracts Interfaith Community Services (ICS) for supportive services. ICS receives referrals from this program from local veteran assistance programs and provides intensive case management.
- **North Park Seniors** (2018, North Park, San Diego, CA) - 11% (8/76 units) -- PSH apartments for formerly homeless seniors (55+) with disabilities, in an LGBT-affirming community. CHW received a contract with San Diego Housing Commission, who refers clients through the Coordinated Entry System to the Project-Based Section 8 units. CHW contracted the LGBT Center of San Diego to provide case management for the 8 households and to provide resident services to all the senior residents.
- **North Santa Fe** (2014, Vista, CA) 15% (10/68 units) Supportive housing apartments for Transitional Age Youth (TAY) foster youth at risk of homelessness. North County Lifeline provides case management and rental assistance for apartments set aside for these residents. As of 2018, three TAY youth have already “graduated” into other non-set aside apartments at North Santa Fe.

#### **Other CHW Homeless-Serving and Special Needs Programs:**

- **Alabama Manor** (2008, North Park, San Diego, CA) 34% (23/67 units) available for disabled seniors (age 55+ with HIV/AIDS, physical, and/or orthopedic disabilities) as restricted by project capital funding under the state Multifamily Housing Program (MHP). CHW currently provides a Resident Services Coordinator (RSC). The primary focus of the RSC is to work to link residents to their case management services and to link residents to opportunities and programs to help maintain health, benefits, jobs, child care, and computer training.
- **Mission Cove Seniors** (2018, Oceanside, CA) 20% (28/137 units) Opened in 2018, Mission Cove Seniors is a 62+ senior property with 137 affordable apartments. CHW established a homeless setaside, and worked with partner homeless service providers to identify and refer 28 clients with services and/or subsidies to the waitlist. Nine of the first tenants referred identified as veterans.

- **La Costa Paloma** (2016, Carlsbad, CA) *3% (6/180 units)* Community Resource Center refers homeless families experiencing homelessness into up to 6 apartments and provides them with case management and rent subsidies.
- **Kalos** (2013, North Park - San Diego, CA) *6% (5/83 units)* Homestart refers residents into up to 5 two bedroom apartments for young mothers (age 18-23) who are experiencing homelessness or are at risk of homelessness and provides them with case management and rent subsidies to stabilize their housing situation.
- **Parkview Terrace, Hillside, Solara** (Poway, CA) *2% (5/219 units)* Through a partnership with Crisis House (administering for Soroptomists), CHW accepts referrals for up to 5 apartments to house victims of domestic violence experiencing homelessness. Crisis House coordinates the transitional housing program, rent subsidies and case management services. Most residents transition into permanent tenancy onsite.
- **Hillside Village** (2007, Poway, CA) *3% (2/71 units)* Through a partnership with the San Diego Regional Center (SDRC) CHW accepts referrals for 2 apartments to house developmentally disabled adults at 35% AMI. SDRC provides case management for these residents.
- **Solutions Family Center** (2004, Vista, CA) *100% (33/33 units)* In partnership with North County Solutions for Change, CHW developed these 33 transitional housing apartments for homeless families as well as a homelessness services center, for operation by Solutions. CHW continues in a limited partner role as owner of the property.

**Pipeline:**

**Keeler Court** (San Diego, CA) *10% (7/71 units)* available for disabled veterans with case management through the VASH program.

**Ulric I** (San Diego, CA) *10% (10/96 units)* available for permanent supportive housing with services by the Veteran Affairs (VA) and Community HousingWorks.

**Ulric II** (San Diego, CA) *10% (6/60 units)* available for permanent supportive housing with services by Community HousingWorks.

# Community HousingWorks

## Key Personnel

Community HousingWorks' success is in its people. With years of combined private sector development experience and affordable housing finance, development and operations experience, our team of professionals delivers unparalleled expertise and innovation to project leadership, finance, acquisitions, entitlements and asset management. Recognized as industry leaders, our team offers deep financial experience working with local and state housing programs, federal low-income housing tax credits, tax-exempt bonds both public and private offerings, and the laying of HUD program financing and regulatory agreements.

### **Sean Spear**

*President & CEO*

Sean Spear is the President & CEO of Community HousingWorks. Founded in 1988, Community HousingWorks (CHW) is a nationally recognized 501(c)(3) nonprofit organization that develops, rehabilitates, preserves and operates affordable apartment communities in San Diego and throughout California. CHW's mission centers of the following statement, "Opportunity begins with a stable home." To manifest this principle, Community HousingWorks provides and builds life-changing affordable apartment communities with resident-centered services for working families, seniors and people with disabilities to forge stronger futures. Sean is directly responsible for insuring that the organization fulfills that mission every day.



Sean has served as a top local and state government leader in successive community development roles in the cities of New York, San Francisco, Los Angeles, and in Sacramento for the State of California. Prior to joining Community HousingWorks in 2020, Sean was the Assistant General Manager at the Los Angeles Housing + Community Investment Department where he was responsible for leading its housing production efforts and directing the operations of its Housing Development Bureau. The Bureau facilitates the financing of housing development projects with its business and community partners, leveraging its resources to the maximum benefit of the City's residents and neighborhoods.

Sean was formerly the Managing Director with Hunt Mortgage Group where he consulted on the acquisition, development, financing and execution of affordable housing development transactions, and originated new debt and equity executions. He also most notably served as the Executive Director of the California Debt Allocation Committee (CDLAC) from 2009-2015, administering the \$3.8 Billion private activity bond program for California. Sean brings additional private sector experience from his time with Fannie Mae; then providing housing development and public financing resources across the Western United States. Throughout his career he has developed both new project financing structures (especially for affordable housing preservation), as well as designed and implemented billion-dollar governmental programs with the goal of building better communities for those in greatest need. Sean holds both graduate and undergraduate degrees from Cornell University, and is a member of the invitation-only Lambda Alpha International Society for Land Economics.

# Community HousingWorks

## Key Personnel

### **Jim Kelly**

*Chief Operations Officer*

As COO, reporting to the President & CEO, Jim Kelly has been innovating side by side with all members of organizational staff to drive Operational Excellence, since his early leadership position in an Irvine lending company created an industry standard documentation process over 25 years ago. Football and college took him to Kansas, and a passion for leading continuous growth and development, and for CHW's mission are bringing him back to Southern California.



Mr. Kelly has experience in marketing and creating quality improvements across every kind of company: including serving as district sales leader for Coca Cola Enterprises, recruiting vocational training candidates for a state training program, and leading marketing, operations and then the whole enterprise as COO at an international manufacturing firm. For seven years prior to joining the CHW team, Mr. Kelly was a performance coach and interim leader for many kinds of businesses and roles, including serving in a leadership role at a local non-profit for the homeless as Director of Operations.

Mr. Kelly holds a Master's of Business Administration from Kansas Wesleyan University and a Bachelor of Science in Total Quality Management from Friends University, Wichita, Kansas.

### **Brian Kay**

*Chief Financial Officer*

As CFO, reporting to the President & CEO, Mr. Kay has brought leadership and cross-department expertise to the office with a proven ability to drive multi-functional teams to results. Mr. Kay is a Certified Public Accountant with over 20 years of combined public and private accounting and finance experience. Mr. Kay has raised capital and managed the performance of an internal board-designated quick-strike \$25 million real estate predevelopment and acquisition fund comprised of debt and equity components. He regularly assesses and mitigates for organizational and financial risk across the organization including tax, legal, regulatory, and structural. Before joining CHW in 2012, his career highlights include leadership positions within several diverse San Diego companies. Most recently with Five Point Capital, Inc., he completed a loss to profit turnaround story culminating in an owner-acquisition. He also led the financial aspect of Anonymizer, Inc.'s sell-side transaction to Abraxas Corporation at a multiple of 16.5x's EBITDA. While at Provide Commerce (formerly ProFlowers), he managed growth from start-up to over \$100 million annual sales and played a key role in the company's successful initial public offering (IPO).



Mr. Kay holds a Bachelor of Arts in Economics and Business from Westmont College in Santa Barbara, California.

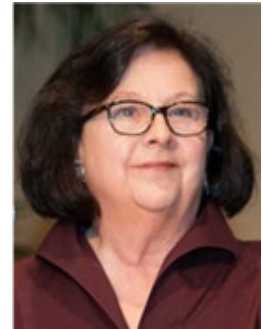
# Community HousingWorks

## Key Personnel

### **Mary Jane Jagodzinski**

*Senior Vice President, Housing and Real Estate Development*

Ms. Jagodzinski heads the 20-person Housing and Real Estate Development Department, reporting to the President & CEO. Since joining CHW in 2003, she has developed or supervised completed construction or renovation of over 2,000 affordable apartments, with a total project cost of approximately \$600 million; current pipeline totals over 1,400 apartments. While at CHW, Ms. Jagodzinski has led developments that have been nationally recognized for innovation in sustainability, design and finance, including receipt of a *ULI Award of Excellence – The Americas* and a *Novogradac Journal of Tax Credits Award* for Innovative HUD Finance.



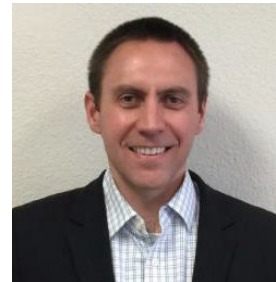
Prior to CHW, Ms. Jagodzinski's experience included: regional head of a national developer's commercial development group where, in joint ventures with an institutional investor she developed over 500,000 sf of retail, office, hotel and mixed-use projects; Vice President of a national engineering/environmental firm providing advisory services to the financial and investment industries; and, entitlement consultant for several large master plan developments. Previously, she held senior positions with the State of California including: the first Executive Director of the California Debt Limit Allocation Committee (CDLAC); and, Principal at Assembly Ways and Means Committee, as fiscal committee expert on taxation, bonds and housing.

Mary Jane Jagodzinski received her Bachelor of Arts (Economics, Honors) from California State University, Sacramento, and her Master's degree in Business Administration from the Harvard Graduate School of Business Administration. She served as a member of the Board of Directors of the San Diego Housing Federation (2011-2017, President, 2014-16), and as an invited member of the CEC's Affordable Housing Advisory Committee for the New Solar Homes Partnership.

### **Marc Welk**

*Director of Project Finance*

Marc Welk has over 10 years of experience in affordable housing and community development. As Director of Project Finance, reporting to the Senior Vice-President, of Housing and Real Estate Development, Mr. Welk is responsible for the creative financial structuring and for proforma design and review for all CHW projects. Previously as a Project Manager at Community HousingWorks, he was responsible for managing all aspects of the affordable housing development process from project conception through construction, lease-up and occupancy. Prior to joining Community HousingWorks in 2015, Mr. Welk worked for a for-profit affordable housing developer in Los Angeles. He has experience accessing multiple affordable housing financing programs including Low Income Housing Tax Credits, Tax Exempt Bonds, Housing & Community Investment Department of Los Angeles Affordable Housing Trust Funds, Federal Home Loan Bank Affordable Housing Program, CA Mental Health Services Act, CA Transit Oriented Development and others.



Marc Welk received his Bachelor of Arts in Urban Planning from the University of Southern California.

# Community HousingWorks

## Key Personnel

### **Elizabeth Selby**

*Vice President of Forward Planning,  
Housing and Real Estate Development*

As Vice President of Forward Planning, Elizabeth Selby leads strategic initiatives and creating and maintaining key stakeholder relationships. Within the Housing and Real Estate Development team reporting to the Senior Vice President, her responsibilities include the strategic planning of target geographies and product types including selection, feasibility and early concept design of new construction sites and acquisitions of existing multifamily product.



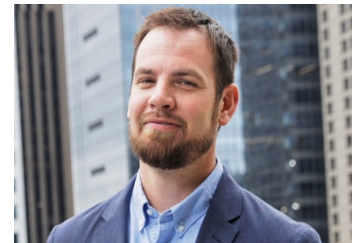
Throughout her career, Ms. Selby has focused on the creation of affordable housing, developing more than 1,200 rental and for sale homes in New York City and redevelopment of low-income multifamily projects across California's Central Valley. While working with a national tax credit syndicator, Ms. Selby structured equity investments in low income communities across the nation. Most recently, as Director of Housing Innovation for the Mayor's Office in Los Angeles, she was responsible for managing a \$120 million fund to explore innovative ways to build Permanent Supportive Housing more quickly and less expensively implementing both construction and financial innovations.

Ms. Selby received her Bachelor of Science from University of California, Berkeley, and Master's Degree in Real Estate Development from the University of Southern California.

### **Tim Parham**

*Vice President, Housing and Real Estate Development*

As Vice President of Housing and Real Estate Development, Tim Parham supervises the team of project managers in design, entitlement, finance closing and construction. He reports to the Senior Vice President of Housing and Real Estate Development.



Tim has closed financing for over 500 affordable apartments during his 8 year career in affordable housing development. Prior to joining CHW, Mr. Parham worked for a regional nonprofit developer/owner in Seattle that provided permanent supportive housing in the region. There he led the real estate development team to nearly double in size and scale, and supervised 6 housing developments totaling over \$180 Million that will provide apartments for nearly 600 individuals experiencing homelessness. These projects provided experience in construction management, contract management, negotiation, and budget management. He has extensive experience in designing, structuring development and operating financing, and developing programs for permanent supportive housing.

Before his career in affordable housing development started, Tim worked as an urban planner with a suburban city and the Puget Sound Regional Council where he led the development of long-range land use and economic development plans as well as developing financing tools for affordable housing development in the State of Washington.

Tim Parham has a Bachelor of Arts in History at Western Michigan University and a Master's degree in Urban and Regional Planning along with a Real Estate Development Certificate from University of Michigan. He served as a member of the Seattle Planning Commission and served as Chair.

# Community HousingWorks

## Key Personnel

### **Nhan Ho**

*Director of Acquisitions*

As an Acquisitions Manager, Mr. Ho's responsibilities include sourcing, underwriting, and acquiring affordable housing communities with various financing strategies. This entails establishing financial and market feasibility, physical due diligence, and identifying and securing sources of bridge, construction, and permanent debt. Since joining Community HousingWorks in 2013, Mr. Ho has acquired properties across California, expanding Community HousingWorks' footprint and adding more than 1,300 units. He was also part of the National City Request for Proposal team, underwriting for the acquisition of two senior HUD towers. In addition to acquiring communities in the marketplace, he is also responsible for portfolio repositioning and dispositions, including the disposition and recapitalization of six properties.



Prior to joining Community HousingWorks Mr. Ho worked as an Acquisitions Associate at a private equity firm where he underwrote, bid, and acquired distressed assets portfolios, including commercial, residential, and inventory; and as an Asset Manager at a nationally recognized syndicator and developer where he oversaw a nationwide portfolio of LIHTC properties.

Nhan Ho received his Bachelor's degree in Economics at San Diego State University. Licensed Real Estate Agent.

### **Stephen Swiecicki**

*Director of Acquisitions*

Stephen Swiecicki joined Community HousingWorks in 2016 and reports to the Vice President of Forward Planning. As an Acquisitions Manager, Mr. Swiecicki is responsible for identifying and securing multi-family development sites and acquisition/rehabilitation properties. Additionally, he manages the feasibility review process as well as leads the entitlement efforts for new construction developments.



Mr. Swiecicki has more than 17-years of comprehensive multifamily/commercial real estate and financial services experience with principal investment, asset management, and capital markets advisory for real estate operating companies and assets. He has had personal involvement with over \$800 million in multifamily investment, \$425 million of debt closings and has managed portfolios with value in excess of \$2.5 billion. Since joining CHW, he has helped to secure approximately 600 affordable dwelling units to the portfolio including the organization's first ground-up development project outside of San Diego County.

Stephen Swiecicki received his Bachelor of Science degree in Finance from Virginia Polytechnic Institute and State University.



# Community HousingWorks

## Key Personnel

### **Michelle Muniz**

*Associate Director of Development, Housing and Real Estate Development*

Michelle Muñiz joined Community HousingWorks in 2020 and with a strong background in affordable housing finance and regulatory processes. Throughout her career, Ms. Muñiz has collaborated on over 90 funding applications, successfully securing over \$200 million from various local, state and federal funding sources. As Associate Director of Development, reporting to the Vice President of Development, she reviews the work product of Project Managers including overseeing the preparation of bond, tax credit and other funding applications, financing documents, finance closings, budget tracking, contract negotiation, and participates in response to request for qualifications or proposals.



Prior to CHW, Ms. Muñiz worked for a statewide affordable housing developer based in San Diego for four years. Her previous role as Applications Manager was to support Acquisitions and Development by leading the completion of financing applications, RFPs, and tracking deadlines, performance milestones, and results associated with these activities.

Michelle Muñiz holds a Bachelor of Science in Accounting and a Master's of Science in Real Estate from the University of San Diego.

### **Rosalind Ross**

*Senior Project Manager*

Rosalind Ross is responsible for all phases of real estate development from pre-development, construction, lease-up, and occupancy. Ms. Ross joined Community Housing Works in 2017 and reports to the Vice President of Development.



Prior to joining CHW, Ms. Ross was Sr. Project Manager for a Louisiana-based non-profit affordable housing developer where she managed over \$55 million of real estate development that generated 300 apartments and homeownership units. Ms. Ross' prior work experience includes asset management for an international commercial real estate investment firm, neighborhood economic development planning for a New York City business improvement district, and corporate finance for an international financial services firm.

Rosalind Ross received a Bachelor of Arts in Economics from Spelman College, a Master's of Urban Planning from the Robert F. Wagner Graduate School of Public Service at New York University and Certification in Urban Redevelopment from The University of Pennsylvania. Ms. Ross is also an alum of the CORO Fellows Program in Public Affairs in San Francisco.

# Community HousingWorks

## Key Personnel

### **John Witkowski**

*Project Manager*

John Witkowski joined Community HousingWorks in 2022 as a Project Manager with a background in urban planning and affordable housing development. Reporting to the Vice President of Development, Mr. Witkowski oversees all aspects of an affordable housing project's development, from initial conception until final completion.

Prior to joining CHW, Mr. Witkowski worked as a project manager for an affordable housing developer helping to develop a wide array of project types including senior, large family, permanent supportive and transitional housing.

He was instrumental in helping to close on and construct approximately 226 units of critically needed affordable housing through a wide variety of state, county, and city funding sources. He is also a veteran, having served in the U.S. Navy, which helps drive a passion for developing veteran focused projects.

John Witkowski received a Bachelor of Business Administration in Accounting from the University of Hawaii at Manoa and a Master's degree in Urban and Regional Planning from the University of California, Los Angeles.



### **Jacklyn Oh**

*Project Manager*

Jacklyn Oh joined Community HousingWorks in 2018 as an Associate Project Manager, most recently promoted to Project Manager reporting to the Vice President of Development. Ms. Oh is responsible for managing all development aspects of assigned affordable housing projects including: entitlements, design, funding applications, permitting, closing and construction. Her work to date has included managing the early stages of projects through design, entitlements, environmental review, and competitive funding applications including City/County, TCAC, CDLAC, MHP, AHP, and CalHFA. She is currently working through the multiple development stages of four new construction projects, approximately 336 units total and 2,100 square feet of retail, in the San Diego County and Sacramento regions.

Prior to joining CHW, Ms. Oh worked for a development consulting firm in Los Angeles and real estate sales in San Diego.

Jacklyn Oh received a Bachelor of Science in Community and Regional Development from University of California, Davis and a Master's degree in Urban and Regional Planning from University of California, Los Angeles.



# Community HousingWorks

## Key Personnel

### **Chris Bloom**

*Project Manager*

Christopher Bloom joined Community HousingWorks in 2020 as a Project Manager with a strong real estate background in acquisitions, finance, and development. Reporting to the Vice President of Development, Mr. Bloom's is responsible for managing all development aspects and phases of new construction and rehabilitation projects. Prior to joining CHW, Mr. Bloom was instrumental in closing more than \$25 million in construction financing for an affordable housing development and securing over \$10 million through competitive funds. He has also successfully entitled multiple projects, solely transacted more than \$15 million in acquisitions, and assisted with over \$50 million in closings.

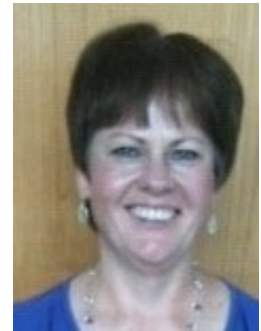


Christopher Bloom holds a Bachelor of Arts degree in Economics from San Diego State University and a Master's in Business Administration degree with an emphasis in Real Estate Finance from Georgetown University.

### **Kelly Swanson**

*Senior Project Accountant*

Ms. Swanson is the Senior Project Accountant for the Housing and Real Estate Development Department, reporting directly to the Senior Vice President of Housing and Real Estate Development. Since joining CHW in 2010, she has provided all accounting services for over 35 development projects. She oversees the preparation of all construction draws, creates and posts all monthly transactions, records all purchases and sales of properties, participates in the annual project audits, and liaisons with the outside CPA firm on all cost certifications.



Prior to CHW, Ms. Swanson had over 20 years of experience as a project accountant and assistant controller for multiple different for-profit homebuilders in both Maryland and California.

Kelly Swanson received her Bachelor of Science in Accounting from the University of Phoenix. She has received training regarding low income tax credits, including Novogradac LIHTC Eligible Basis and Capitalization.

# Community HousingWorks

## Key Personnel

### **Chris Johnston**

*Vice President, Asset Management*

Mr. Johnston joined Community HousingWorks in 2017 as a Senior Asset Manager with nearly 20 years of experience in the affordable housing business. Prior to joining CHW, he worked for nine (9) years at national bank as the Co-Director of Asset Management, where he managed a team of asset managers and oversaw a direct portfolio of approximately 40 properties and a portfolio of 35 funds. He was also responsible for all LIHTC dispositions. Mr. Johnston also served as a LIHTC acquisition officer at national, private, full-service tax credit syndicator headquartered in Seattle Washington; and as an Investment Manager at a public utility company, one of the first corporate investors of affordable housing. At the public utility company, he managed a portfolio of over 1,300 properties in 52 funds.



Chris Johnston earned his Bachelor of Arts in Urban Studies at University of California, San Diego and a Master's degree in City Planning from Georgia Institute of Technology.

**COMMUNITY HOUSINGWORKS  
INSURANCE CERTIFICATES**

## 26. Insurance Certificate





## ADDITIONAL REMARKS SCHEDULE

<b>AGENCY</b> Arthur J. Gallagher & Co. Insurance Brokers of CA., Inc.		<b>NAMED INSURED</b> COMMUNITY HOUSINGWORKS 3111 Camino Del Rio N Ste 800 San Diego, CA 92108	
<b>POLICY NUMBER</b>		<b>EFFECTIVE DATE:</b>	
<b>CARRIER</b>	<b>NAIC CODE</b>		

**ADDITIONAL REMARKS**

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,**  
**FORM NUMBER:** 25 **FORM TITLE:** CERTIFICATE OF LIABILITY INSURANCE

Development, LP is an additional named insured on the policy. Community Housing Capital, Inc. and its successors and assigns shall be named as an additional insured,



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

**Name Of Additional Insured Person(s) Or Organization(s):**

Person(s) or organization(s) required to be additional insureds by written contract , as per schedule on file"

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.



HOME OFFICE	SAN FRANCISCO	ANNUAL RATING ENDORSEMENT
IT IS AGREED THAT THE CLASSIFICATIONS AND RATES PER \$100 OF REMUNERATION APPEARING IN THE CONTINUOUS POLICY ISSUED TO THIS EMPLOYER ARE AMENDED AS SHOWN BELOW.		

HERE ARE YOUR NEW RATES FOR THE PERIOD INDICATED. IF YOUR NAME OR ADDRESS SHOULD BE CORRECTED OR IF INSURANCE IS NOT NEEDED FOR NEXT YEAR, PLEASE TELL US.

**IMPORTANT** THIS IS NOT A BILL  
 SEND NO MONEY UNLESS STATEMENT IS ENCLOSED  
 THE RATING PERIOD BEGINS AND ENDS AT 12:01AM  
 PACIFIC STANDARD TIME

CONTINUOUS POLICY 9254903-21

RATING PERIOD 7-01-21 TO 7-01-22

COMMUNITY HOUSINGWORKS  
 3111 CAMINO DEL RIO N STE 800  
 SAN DIEGO, CALIF 92108

DEPOSIT PREMIUM \$0.00  
 MINIMUM PREMIUM \$500.00  
 PREMIUM ADJUSTMENT PERIOD MONTHLY  
 REP 04 R NA

NAME OF EMPLOYER- COMMUNITY HOUSINGWORKS A NON-PROFIT CORPORATION  
 (A NON-PROFIT CORP.)

CODE NO. PRINCIPAL WORK AND RATES EFFECTIVE FROM 07-01-21 TO 07-01-22

		PREMIUM BASIS	BASE RATE	INTERIM BILLING RATE*
8868-1	COLLEGES OR SCHOOLS--PRIVATE--NOT AUTOMOBILE SCHOOLS--PROFESSORS, TEACHERS, OR ACADEMIC PROFESSIONAL	976473	1.72	1.15
8740-1	APARTMENT OR CONDOMINIUM COMPLEX OPERATION--N.O.C.--NOT HOMEOWNERS ASSOCIATIONS--PROPERTY MANAGEMENT SUPERVISORS		2.14	1.44
8740-6	APARTMENT OR CONDOMINIUM COMPLEX OPERATION FOR SENIORS--AGE RESTRICTED	351756	2.14	1.44
8742-1	SALESPERSONS--OUTSIDE.	2856068	.79	.53
8810-1	CLERICAL OFFICE EMPLOYEES--N.O.C.	1467923	.51	.34
8871-1	CLERICAL TELECOMMUTER EMPLOYEES--N.O.C.	0	.25	.17
9007-1	APARTMENT OR CONDOMINIUM COMPLEX OPERATION FOR SENIORS--AGE RESTRICTED	0	7.39	4.96
9067-2	CLUBS--BOYS AND GIRLS--ALL EMPLOYEES --INCLUDING FRONT DESK EMPLOYEES, TEACHERS AND INSTRUCTORS.	0	4.06	2.72
9101-1	COLLEGES OR SCHOOLS--PRIVATE--NOT AUTOMOBILE SCHOOLS	0	10.85	7.28

EXPERIENCE MODIFICATION  
 07-01-21 TO 07-01-22 130 8

\*\*\*\*\*BUREAU NOTE INFORMATION\*\*\*\*\*

TOTAL ESTIMATED ANNUAL PREMIUM \$47,415



HOME OFFICE	SAN FRANCISCO	ANNUAL RATING ENDORSEMENT
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 SEND NO MONEY UNLESS STATEMENT IS ENCLOSED

CONTINUOUS POLICY 9254903-21

THE RATING PERIOD BEGINS AND ENDS AT 12:01AM  
 PACIFIC STANDARD TIME

RATING PERIOD 7-01-21 TO 7-01-22

- FEIN 330317950
- FEIN 330339762
- FEIN 330655300
- FEIN 330692538
- FEIN 330695695
- FEIN 953685889



HOME OFFICE	SAN FRANCISCO	ANNUAL RATING ENDORSEMENT
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 PACIFIC STANDARD TIME

CONTINUOUS POLICY 9254903-21

RATING PERIOD 7-01-21 TO 7-01-22

\* INTERIM BILLING RATES WILL BE USED ON PAYROLL REPORTS. THEY TAKE INTO ACCOUNT RATING PLAN CREDITS (OR DEBITS) WHICH WILL APPLY AT FINAL BILLING AND AN ESTIMATE OF YOUR PREMIUM DISCOUNT AS DETAILED BELOW.

RATING PLAN CREDITS (DEBITS) EFFECTIVE FROM 07-01-21 TO 07-01-22

RATING PLAN MODIFIER	0.74725
ESTIMATED PREMIUM DISCOUNT MODIFIER	<u>0.89769</u>
COMPOSITE FACTOR APPLIED TO BASE RATES TO DERIVE INTERIM BILLING RATES	0.67080

\*\*\*\*\*  
 \*  
 \* PREMIUM DISCOUNT SCHEDULE EFFECTIVE FROM 07-01-21 TO 07-01-22 \*  
 \* ESTIMATED MODIFIED PREMIUM IS DISCOUNTED ACCORDING TO THE FOLLOWING SCHEDULE: \*  
 \* FIRST ABOVE \*  
 \* \$5,000 \$5,000 \*  
 \* 0.08 11.38 \*  
 \*  
 \*\*\*\*\*

THE ESTIMATED PREMIUM DISCOUNT IS BASED ON AN ESTIMATE OF YOUR PAYROLL. ACTUAL PREMIUM DISCOUNT APPLIED AT FINAL BILLING WILL BE BASED ON THE ACTUAL PAYROLL REPORTED ON YOUR POLICY AND SUBJECT TO AUDIT.



HOME OFFICE	SAN FRANCISCO	ANNUAL RATING ENDORSEMENT
IT IS AGREED THAT THE CLASSIFICATIONS AND RATES PER \$100 OF REMUNERATION APPEARING IN THE CONTINUOUS POLICY ISSUED TO THIS EMPLOYER ARE AMENDED AS SHOWN BELOW.		

CONTINUOUS POLICY 9254903-21

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT YOUR LOCAL STATE FUND OFFICE BELOW:

SAN FRANCISCO  
5880 OWENS DRIVE  
PLEASANTON, CA 94588  
(888) 782-8338

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions agreements or limitations of the Policy other than as herein stated.

When countersigned by a duly authorized officer or representative of the State Compensation Insurance Fund, these declarations shall be valid and form part of the Policy.

AUTHORIZED REPRESENTATIVE

PRESIDENT AND CEO



Amwins Insurance Brokerage of California, LLC
444 South Flower St
Suite 4500
Los Angeles, CA 90071
amwins.com

June 23, 2021

Justin Dove
Arthur J. Gallagher & Co. Insurance Brokers of California, Inc.
595 Market Street
Suite 2100
San Francisco, CA 94105

RE: Community HousingWorks

EXCESS LIABILITY CONFIRMATION OF COVERAGE

Dear Justin:

In accordance with your instructions to bind, please find the attached Binder for Community HousingWorks which confirms that coverage is bound for your client as follows:

DATE OF ISSUANCE: 6/23/2021
INSURED: Community HousingWorks
MAILING ADDRESS: 3111 Camino Del Rio North Suite 800
San Diego, CA 92108
CARRIER: Arch Specialty Insurance Company (Non-Admitted)
POLICY NUMBER: UXP1038549-01
POLICY PERIOD: From 6/1/2021 to 6/1/2022
12:01 A.M. Standard Time at the Mailing Address shown above
POLICY PREMIUM: Premium \$160,000.00
TRIA \$4,500.00
Surplus Lines Taxes and Fees \$5,346.25
Total \$169,846.25
MINIMUM EARNED PREMIUM: 25%
COMMISSION: 11.000% of premium excluding fees and taxes
ADDITIONAL TERMS AND CONDITIONS: N/A

SURPLUS LINES TAX SUMMARY

HOME STATE: California

SURPLUS LINES TAX CALCULATION:

State	Description	Taxable Premium	Taxable Fee	Tax Basis	Rate	Tax
California	Surplus Lines Tax	\$164,500.00	\$0.00	\$164,500.00	3.000%	\$4,935.00
	Stamping Fee	\$164,500.00	\$0.00	\$164,500.00	0.250%	\$411.25
<b>Total Surplus Lines Taxes and Fees</b>						<b>\$5,346.25</b>

**Important Notice:** Surplus Lines Tax Rates and Regulations are subject to change which could result in an increase or decrease of the total Surplus Lines Taxes and Fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes owed must be promptly remitted.

The attached Binder from the carrier sets forth the coverage as bound. Please review carefully with your client to ensure the bound coverage matches the terms and conditions of the bind order. It is your responsibility to ensure the bound terms and conditions are accurate and consistent with the agreed bind order terms.

If after reviewing you should have any questions or requested changes, please let us know as soon as possible so we can discuss with the carrier.

Thank you for your business. We truly appreciate it.

Sincerely,

**Nicholas Madson**

Associate Broker | Amwins Insurance Brokerage of California, LLC  
T 213.254.2220 | F 213.254.2238 | nicholas.madson@amwins.com  
444 South Flower St | Suite 4500 | Los Angeles, CA 90071 | amwins.com

On behalf of,

**Jack Reid**

Executive Vice President | Amwins Insurance Brokerage of California, LLC  
T 213.254.2224 | F 213.254.2238 | jack.reid@amwins.com  
444 South Flower St | Suite 4500 | Los Angeles, CA 90071 | amwins.com

License 0C01319

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**SURPLUS LINES DISCLOSURE**

California

**IMPORTANT NOTICE:**

**1. The insurance policy that you have purchased is being issued by an insurer that is not licensed by the State of California. These companies are called "nonadmitted" or "surplus line" insurers.**

**2. The insurer is not subject to the financial solvency regulation and enforcement that apply to California licensed insurers.**

**3. The insurer does not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.**

**4. The insurer should be licensed either as a foreign insurer in another state in the United States or as a non-United States (alien) insurer. You should ask questions of your insurance agent, broker, or "surplus line" broker or contact the California Department of Insurance at the toll-free number 1-800-927-4357 or internet website [www.insurance.ca.gov](http://www.insurance.ca.gov). Ask whether or not the insurer is licensed as a foreign or non-United States (alien) insurer and for additional information about the insurer. You may also visit the NAIC's internet website at [www.naic.org](http://www.naic.org). The NAIC-the National Association of Insurance Commissioners-is the regulatory support organization created and governed by the chief insurance regulators in the United States.**

**5. Foreign insurers should be licensed by a state in the United States and you may contact that state's department of insurance to obtain more information about that insurer. You can find a link to each state from this NAIC internet website: [https://naic.org/state\\_web\\_map.htm](https://naic.org/state_web_map.htm).**



**6. For non-United States (alien) insurers, the insurer should be licensed by a country outside of the United States and should be on the NAIC's International Insurers Department (IID) listing of approved nonadmitted non-United States insurers. Ask your agent, broker, or "surplus line" broker to obtain more information about that insurer.**

**7. California maintains a "List of Approved Surplus Line Insurers (LASLI)." Ask your agent or broker if the insurer is on that list, or view that list at the internet website of the California Department of Insurance:**  
**<http://www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm>**

**8. If you, as the applicant, required that the insurance policy you have purchased be effective immediately, either because existing coverage was going to lapse within two business days or because you were required to have coverage within two business days, and you did not receive this disclosure form and a request for your signature until after coverage became effective, you have the right to cancel this policy within five days of receiving this disclosure. If you cancel coverage, the premium will be prorated and any broker's fee charged for this insurance will be returned to you.**

**D-2 (Effective January 1, 2020)**

**COMMUNITY HOUSINGWORKS**  
**BUSINESS LICENSE**

## 32. Business License

POST IN CONSPICUOUS PLACE OR KEEP ON PERSON

# CITY OF SAN DIEGO \* CERTIFICATE OF PAYMENT OF BUSINESS TAX



COMMUNITY HOUSINGWORKS  
ACCOUNTING DEPT  
3111 CAMINO DEL RIO NORTH #800  
SAN DIEGO CA 92108-5728

Certificate Number: B2004013671  
Business Name: COMMUNITY HOUSINGWORKS  
Business Owner: COMMUNITY HOUSINGWORKS  
Business Address: 3111 CAMINO DEL RIO NORTH N #800  
SAN DIEGO CA 92108-5728  
Primary Business Activity: CIVIC & SOCIAL ORGANIZATIONS  
Secondary Business Activity:  
Effective Date: 01/01/2022  
Expiration Date: 12/31/2022

PLEASE NOTIFY THE CITY TREASURER'S OFFICE IN WRITING OF ANY CHANGE IN OWNERSHIP OR ADDRESS - PLEASE SEE REVERSE SIDE FOR ADDITIONAL INFORMATION

## BUSINESS FILE COPY

CITY OF SAN DIEGO  
CERTIFICATE OF PAYMENT OF BUSINESS TAX  
PO BOX 122289, SAN DIEGO, CA 92112-2289  
1200 3RD AVENUE, MS 51T, SAN DIEGO, CA 92101  
(619) 615-1500; FAX (619) 533-3272  
www.sandiego.gov/treasurer

Certificate Number: B2004013671 PIN: TWBA6  
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COMMUNITY HOUSINGWORKS  
ACCOUNTING DEPT  
3111 CAMINO DEL RIO N STE 800  
SAN DIEGO, CA 92108-5728



Mailing Address: COMMUNITY HOUSINGWORKS  
ACCOUNTING DEPT  
3111 CAMINO DEL RIO NORTH #800  
SAN DIEGO CA 92108-5728

This certificate acknowledges payment of business taxes pursuant to the San Diego Municipal Code. This **is not** a License to do business within the City of San Diego in violation of any section of the Municipal Code or regulation adopted by the City Council including, but not limited to: Zoning restrictions; Land Use specifications as defined in Planned Districts, Redevelopment areas, Historical Districts, or Revitalization areas; Business Tax Regulations; Police Department Regulations; and Fire, Health or Sanitation Permits and Regulations.

This document is issued without verification that the payer is subject to or exempt from licensing by the State of California.

Payment of the required tax at the time or times due is for the term and purpose stated and is pursuant to City Ordinance. Please refer to delinquency information under "Notice".

**NOTICE:** It is the responsibility of the certificate holder to renew this certificate of payment of business tax within the proper time limits. Failure to do so, even if you have not received a renewal notice, will result in the assessment of a penalty. Please note your expiration date on this certificate above. The certificate holder is requested to notify the City Treasurer's Office upon sale or closure of the business, change of location, or change of business activity.

The tax or fees collected are **Not Refundable** unless collected as a direct result of an error by the City of San Diego.

**This certificate is NOT transferable for a change in business ownership.**

See reverse side.

AP

#### Business Addresses/Location

Per San Diego Municipal Code (SDMC) §31.0130, a Business Tax Certificate is required for each business location/address in the City of San Diego. Businesses will be required to self-certify that the business is allowed in the zone that applies to the property where the business activity will be conducted. Businesses may use the following on-line resources to perform self-certification:

Open Counter Portal - <https://business.sandiego.gov>  
Official Zoning Map - <https://www.sandiego.gov/development-services/zoning>

Business owners or representatives may also visit the Development Services Department at 1222 First Avenue -3rd Floor, San Diego, CA 92101. For additional information regarding zoning, visit <https://www.sandiego.gov/development-services> or call 619-446-5000.

#### Account Updates:

It is the responsibility of the Certificate holder to notify the City Treasurer in writing of any changes to the business. You can update your account information via mail at City Treasurer, PO BOX 122289, San Diego CA 92112, in person at 1200 Third Avenue, Suite 100 in Downtown San Diego or online at <https://pay.sandiego.gov/BTaxApp/Login.aspx>.

#### Renewal:

You can renew your certificate online using the Certificate Number and PIN located on the front side. Payments can be made at the following URL: <https://www.sandiego.gov/business taxpayment>.

#### Late Fees:

Businesses that fail to pay the tax within 15 days from the due date will be assessed a late fee of \$25.00 or 10% of the amount owed, whichever is greater. Beginning one calendar month from the due date of the Business Tax, a penalty of 1% per month will be added to any past due business taxes and late fees.

Business Improvement Districts (BID): BID's are authorized by State Law which allows an assessment to be placed on businesses in addition to the Business Tax assessment. If you are located within a BID you will be assessed a separate late fee of twenty-five dollars (\$25.00) or 10% whichever is greater. In addition, one percent (1%) per month beginning one calendar month following the payment due date will be added to any past due taxes and penalties.

#### Surcharges:

In addition to the penalties for delinquent payment, all businesses found to be operating without having a valid Business Tax Certificate will pay a surcharge of \$68.00 for businesses with 12 employees or fewer or \$250.00 for businesses with 13 employees or more. The City Treasurer bills retroactively for up to three (3) years with late fees applicable to each year (SDMC §31.0131).

Balances that remain unpaid will be referred to the City's Delinquent Accounts Program for collections. Unpaid balances are subject to a collection referral fee of 10% or \$25, whichever is greater, and interest. As required by law, you are hereby notified that a negative credit entry reflecting on your credit report may be submitted to a credit reporting agency if the amount is not paid by the due date.

#### Number of Employees

SDMC §31.0301 defines an employee as anyone that works ten (10) hours per week. While business owners are not considered employees; paid officers of a corporation are considered employees. Per SDMC §31.0140, new businesses may estimate the number of persons that will be employed; this is subject to subsequent verification by the City. For existing businesses, the employee count can be computed by one of the following methods:

- The average number of persons employed over a twelve month period (SDMC §31.0301(a))
- The number of persons appearing on payroll immediately prior to the certificate expiration date (SDMC §31.0140(e))

**COMMUNITY HOUSINGWORKS**  
**LIST OF CONTRACTS**

## 35. List of Contracts

**San Diego Housing Commission – Developer Disclosure Statement**

35. List all CONTRACTS with, DEVELOPMENTS for or with, LOANS with, PROJECTS with, GRANTS from, and SALES of Real Property to SDHC, AUTHORITY and/or the CITY within the last five (5) years:

<b>Date</b>	<b>Project Name</b>	<b>Entity Involved (i.e. City SDHC, etc)</b>	<b>Status (Current, delinquent, repaid, etc.)</b>	<b>Dollar Amount</b>
01/21/2022	Navajo Family Apartments	City SDHC and PBVs	Committed	\$3,379,200
3/23/2018 (rev. 12/3/2018)	Keeler Court Apartments	City SDHC HUD-VASH PBVs	Current	\$1,572,480
6/25/2021 (rev. 5/12/2021)	Ulric II Street Apartments	City SDHC and PBVs	Committed	\$4,075,000 Loan; \$11,210,395 PBVs
12/4/2020	Ulric I Street Apartments	City SDHC	Current	\$7,000,000
2/23/2009	Kalos Apartments	City SDHC	Current	\$6,965,583
4/1/2007	Alabama Manor	City of San Diego Housing Authority	Current	\$5,808,006
1/26/2021	Bandar Salam Apartments	City of San Diego Housing Authority - Bonds	Current	NTE \$13,500,000
Final Draw 08/03/2007	Las Serenas	City SDHC	Current	\$6,100,000
3/1/1999 (rev. Dec. 2007)	Mayberry Townhomes	City SDHC	Current	\$799,956
6/15/2016	North Park Seniors	City SDHC	Current	\$7,000,000
1/8/2021	Cortez Hill	City SDHC Non PSH PBV	Committed	\$12,154,500
6/15/21	Cortez Hill	City SDHC	Non-Binding Commitment	\$5,000,000
10/15/20	Cortez Hill	City of San Diego	PSA	\$11,593.00



**COMMUNITY HOUSINGWORKS**  
**LOCAL REFERENCES**



## COMMUNITY HOUSINGWORKS LOCAL REFERENCES

Please see below three local references that are familiar with previous Community HousingWorks construction projects:

- 1. Name: Karen Youel, Housing & Neighborhood Services Manager, Community Development City of Escondido**  
**Address: 201 North Broadway, Escondido, CA 92025**  
**Phone: 760-839-4518**  
**Project Name and Description:**  
**Windsor Gardens (Rehabilitation, 132 apts., in Escondido)**
- 2. Name: Amanda Lee, Assistant to the City Manager, City of Vista**  
**Address: 200 Civic Center Drive, Vista, CA 92084**  
**Phone: 760-643-5208**  
**Project Name and Description:**  
**Paseo Artist Village (New construction, 60 apts., in Vista); and**  
**North Santa Fe Apartments (New Construction, 68 apts., in Vista)**
- 3. Name: Carlos Aguirre, Director of the National City Housing Authority**  
**Address: 140 East 12th Street, National City, CA 91950**  
**Phone: 619-336-4391**  
**Project Name and Description:**  
**Kimball Tower (Rehabilitation, 151 apts., in National City); and**  
**Morgan Tower (Rehabilitation, 152 apts., in National City)**