



## EXECUTIVE SUMMARY

### HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: October 13, 2022

HCR22-111

SUBJECT: Cortez Hill Apartments Final Bond Authorization and Tax, Equity and Fiscal Responsibility Act (TEFRA) Hearing and Resolution

COUNCIL DISTRICT: 3

ORIGINATING DEPARTMENT: Real Estate Division

CONTACT/PHONE NUMBER: Jennifer Kreutter 619- 578-7709

#### REQUESTED ACTION:

Authorize the issuance of tax-exempt Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds, in the aggregate amount not to exceed \$19,305,000 of a tax--exempt bond and a taxable bond in an amount not to exceed \$13,000,000, to fund Beech Street Housing Associates LP's acquisition and new construction of Cortez Hill Apartments, a new affordable rental housing development at 915 Beech Street in the Cortez Hill neighborhood in downtown San Diego, which will consist of 87 units that will remain affordable for 55 years for people experiencing chronic homelessness or with low-income and selected from the San Diego Housing Commission's Project-Based Housing Vouchers (PBV) waiting list, with income between 30 percent to 40 percent of the San Diego Area Median Income (AMI), and one unrestricted manager unit.

#### EXECUTIVE SUMMARY OF KEY FACTORS:

- Cortez Hill Apartments will consist of 87 affordable rental housing units (79 one-bedroom units and eight two-bedroom units) and one two-bedroom manager's unit. Fourteen of the units are for households experiencing chronic homelessness with income up to 30% of San Diego's Area Median Income (AMI). The remaining units will serve households with income of 30% to 40% of AMI.
- The Housing Commission has awarded 87 project-based housing vouchers (PBVs) to help pay rent for residents—14 for households experiencing homelessness and 73 for households not experiencing homelessness.
- The site is within a Transit Priority Area, which allows for zero parking spaces for residential buildings. Residents are anticipated to utilize the numerous bus and trolley options located within walking distance of the site.
- The property is close to neighborhood amenities, including grocery stores and a drug store/pharmacy within ½- to ¾-mile from the site.
- People Assisting the Homeless (PATH) will provide supportive services for all residents.
- On July 9, 2021, the Housing Commission Board of Commissioners approved preliminary steps to authorize the issuance of tax-exempt Multifamily Housing Revenue Bonds and approved a loan of up to \$5 million.
- The land is owned by the City of San Diego. The developer is Community HousingWorks. The building was part of a public disposition, for which Community HousingWorks was the only respondent.
- The estimated total development cost is \$41,224,577 (\$468,461/unit).



# REPORT

**DATE ISSUED:** October 5, 2022

**REPORT NO:** HCR22-111

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of October 13, 2022

**SUBJECT:** Cortez Hill Apartments Final Bond Authorization and Tax, Equity and Fiscal Responsibility Act (TEFRA) Hearing and Resolution

**COUNCIL DISTRICT:** 3

## **REQUESTED ACTION**

*A Tax Equity and Fiscal Responsibility Act (TEFRA) hearing is scheduled to be heard by the San Diego Housing Commission (Housing Commission) Board of Commissioners on October 13, 2022, at 9 a.m. Any two members of the Housing Authority of the City of San Diego (Housing Authority) or San Diego City Council (City Council) may request that this hearing not take place and instead be heard by the Housing Authority and City Council by giving notice to the Housing Commission's President & Chief Executive Officer, or designee, within seven days of the date of this notice.*

Authorize the issuance of tax-exempt Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds, in the aggregate amount not to exceed \$19,305,000 of a tax-exempt bond and a taxable bond in an amount not to exceed \$13,000,000, to fund Beech Street Housing Associates LP's acquisition and new construction of Cortez Hill Apartments, a new affordable rental housing development at 915 Beech Street in the Cortez Hill neighborhood in downtown San Diego, which will consist of 87 units that will remain affordable for 55 years for people experiencing chronic homelessness or with low-income and selected from the San Diego Housing Commission's Project-Based Housing Vouchers (PBV) waiting list, with income between 30 percent to 40 percent of the San Diego Area Median Income (AMI), and one unrestricted manager unit.

## **STAFF RECOMMENDATION**

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) take the following actions and recommend that the Housing Authority of the City of San Diego (Housing Authority) and the San Diego City Council (City Council) take the following actions:

### **Housing Commission Board**

- 1) Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing approving the Housing Authority's issuance of a tax-exempt Multifamily Housing Revenue Bond in an amount not to exceed \$19,305,000 to fund Beech Street Housing Associates LP's construction of Cortez Hill, a new affordable rental housing development at 915 Beech Street, which will consist of 87 units that will remain affordable for 55 years for people with low income, selected from the Housing Commission's Project-Based Housing Vouchers (PBV) waiting list for those earning between 30 percent to 40 percent of the San Diego Area Median Income (AMI), and one unrestricted manager unit.

**Housing Authority**

- 1) Authorize the issuance of a tax-exempt Multifamily Housing Revenue Bond in an aggregate amount not to exceed \$19,305,000 of a tax-exempt bond and a taxable bond in an amount not to exceed \$13,000,000 to fund Beech Street Housing Associates LP’s acquisition and construction of the Cortez Hill Apartments (Cortez Hill), a new affordable rental housing development at 915 Beech Street in the Cortez Hill neighborhood in downtown San Diego, which will consist of 87 units that will remain affordable for 55 years for people experiencing chronic homelessness or with low income and selected from the Housing Commission’s Project-Based Housing Vouchers (PBV) waiting list, with income between 30 percent to 40 percent of the San Diego Area Median Income (AMI), and one unrestricted manager unit.
  
- 2) Authorize the Housing Commission President & CEO, or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by the General Counsel of the Housing Authority and of the Housing Commission and the Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of the General Counsel and/or the Bond Counsel. Housing Commission staff will notify the Housing Authority and the City Attorney’s Office about any subsequent amendments or modifications to the transaction, and other required documents, including amendments to any documents.

**City Council**

- 1) Adopt a TEFRA resolution approving the issuance of a tax-exempt Multifamily Housing Revenue Bond in an amount not to exceed \$19,305,000 to facilitate the development of Cortez Hill.

**SUMMARY**

A Development Summary is at Attachment 1.

**Table 1 –Development Details**

Address	915 Beech Street, San Diego
Council District	3
Community Plan Area	Cortez Hill Active Residents Group (CHARG)
Developer	Community HousingWorks (CHW)
Development Type	New construction
Construction Type	5-story Type 1A and VA
Parking Type	No parking. The site is in a Transit Priority Area, which allows for a zero minimum parking space requirement for residential buildings.
Mass Transit	The closest bus stop is at 10 <sup>th</sup> Avenue and A Street, 0.2 miles from the subject site. The Fifth Avenue trolley stop is 0.5 miles from the site.
Housing Type	Permanent supportive housing for 14 very low- and low-income individuals experiencing chronic homelessness within the City of San Diego and affordable housing for households with very low or extremely low income.
Lot Size	.41 acres, 17,651 square feet.
Units	88 (87 affordable units and one manager’s unit)
Density	214.63 dwelling units per acre (88 units ÷ 0.41 acres)

Unit Mix	79 one-bedroom units, 8 two-bedroom units and one unrestricted manager's two-bedroom unit.
Gross Building Area	54,711 square feet
Net Rentable Area	48,177 square feet
Project-Based Housing Vouchers (PBV)	87 PBVs: a) 14 permanent supportive housing (PSH) vouchers for households experiencing chronic homelessness with income at or below 30 percent of AMI b) 73 Non-PSH vouchers for households with income at 30 percent and 40 percent of AMI, selected from Housing Commission's PBV waiting list.
Affordable Units in Service by Council District	Council District 3 includes 8,215 affordable rental housing units currently in service, which represents 33 percent of the 24,695 affordable rental housing units in service citywide.

Background

Formerly known as the Cortez Hill Family Center (Cortez Hill) at 1449 Ninth Ave. (Attachment 2-Map) in the Cortez Hill neighborhood in central San Diego was a 48-unit interim shelter for families experiencing homelessness. San Diego YWCA operated the shelter for close to 20 years until it surrendered its contract for shelter operations during SDHC's Fiscal Year 2019. On November 30, 2018, the Housing Commission's Board of Commissioners authorized a contract with Alpha Project to operate the interim housing program for families. Maintenance had been deferred at the property, which impacted continued operations at the site and the number of families it could accommodate. In March 2020, at the onset of the COVID-19 pandemic, the program moved the families it was serving out of the property to local hotels. On May 19, 2020, the San Diego City Council declared the building at 1449 Ninth Avenue to be surplus land (Resolution No. R-313039). On October 20, 2020, the City Council authorized the City to sell the building at 1449 Ninth Ave. to Community HousingWorks (Resolution No. R-313266).

Community HousingWorks (CHW) has demolished the existing building and plans to develop new affordable housing on the site.

The Development

The new construction project will be called Cortez Hill Apartments (Cortez Hill) and will consist of 88 units. The development will be within one five-story building. Distributed within the building will be 87 housing units with federal Project-Based Housing Vouchers the Housing Commission awarded to help pay rent for 14 households experiencing chronic homelessness with income up to 30 percent of AMI and 73 households not experiencing homelessness with income of 30 percent to 40 percent of AMI, residing within the City of San Diego.

The proposed development site consists of a single .41-acre parcel at 915 Beech Street (formerly called 1449 Ninth Ave.) in the Cortez Hill neighborhood of San Diego. The land is owned by the City of San Diego. The building was part of a public disposition, for which CHW was the only respondent. CHW offered the purchase price based on existing debt. Cortez Hill Apartments will be a new construction, affordable rental housing development that will include a total of 88 apartments on grade within a five-story wood-frame building. The project design will incorporate space for case management and resident

services as well as property management. The development will consist of 79 one-bedroom units, eight two-bedroom units and one two-bedroom manager's unit. Integrated within the community will be 14 units (15 percent) reserved for households experiencing chronic homelessness with income up to 30 percent of AMI, who will be identified by referrals through the Coordinated Entry System (CES). The remaining 73 restricted units will serve households earning 30 percent to 40 percent of AMI. These 73 households will be selected from the Housing Commission's Project-Based Housing Voucher Wait List. The site is within a Transit Priority Area, which allows for zero parking spaces for residential buildings. Residents are anticipated to utilize the numerous bus and trolley options located within walking distance of the site. In addition, by limiting parking, the development can avoid a costly podium design, which yields a more financially competitive project, focused on cost containment.

### The Property

The property is close to neighborhood amenities, including grocery stores and a drug store/pharmacy within ½- to ¾-mile from the site. The site is a short walk from the Tweet Street Linear Park (800 feet to the north) and Balboa Park. Public transportation options include the Fifth Avenue Trolley Station (Orange and Blue Lines), 10th Avenue and A Street bus stop (110, 280, 290 buses) and the Fifth Avenue & Beech bus stop (No. 3 bus), which results in strong accessibility to the greater city and county.

The site is bordered on the south by a small 12-unit apartment complex as well as the 137-unit Aria condominiums building. To the north, across Beech Street, are two smaller rental buildings and a single-room occupancy (SRO) hotel. To the west, kitty-corner to the subject site, are the Discovery at Cortez Hill condominiums. The eastern boundary of the site abuts the Highway 163 off-ramp.

### Housing First

The project will serve 14 households experiencing chronic homelessness within the City of San Diego. People Assisting the Homeless (PATH), as the lead service provider, will be responsible for providing case management services to the 14 permanent supportive housing (PSH) units and providing resident services to the 73 non-PSH units. Appropriate services and/or referrals will be provided for all residents, including non-PSH units. The target population for the non-PSH units will be individuals and families earning 30 percent to 40 percent of AMI.

The 14 units serving individuals experiencing chronic homelessness will be provided with their own full-time case manager to provide intensive case management services. The case manager will provide linkages and transportation to appropriate on- and off-site employment, mental/physical, substance abuse and crisis care, as needed and requested by residents of the 14 units. An on-site, part-time Activity Coordinator will provide general resident services to all units of the property, including the PSH units. The Activity Coordinator will conduct a needs assessment and create a guide for residents needing referral to other resources. Activities will include community building events, education and skill-building classes, and health and wellness workshops/events.

The development is supported by HOUSING FIRST – SAN DIEGO, the Housing Commission's homelessness action plan. This action plan is rooted in the national "Housing First" model of addressing homelessness – to provide housing as quickly as possible, with supportive services as needed.

The Housing Commission has partnered with the Regional Task Force on Homelessness to enable homeless service providers in the City of San Diego (City) to participate in a Coordinated Entry System

(CES), and utilize a single regional data management repository, the Homeless Management Information System (HMIS). Organizations serving individuals and families experiencing homelessness in the region share this single system, which enables more efficient delivery of housing and critical services to San Diegans experiencing homelessness. The database allows homeless housing providers to screen individuals experiencing homelessness for the most appropriate housing options based on who is most in need. The developer and service provider will participate in the CES and maintain client data in the HMIS as required by the Housing Commission.

#### Tenant Supportive Services

All residents will have access to a range of organized community activities, including social events and celebrations, health and wellness classes, and financial education. PATH will provide resident services for all of the affordable units. Case management will be provided for the 14 formerly homeless tenants.

#### Developer's Request

In response to the Housing Commission's Fiscal Year (FY) 2021 Notice of Funding Availability (NOFA), developer CHW submitted an application for a loan and federal Project-Based Housing Vouchers (PBV) for the Cortez Hill development.

On July 9, 2021, the Housing Commission (Report No. HCR21-042) approved taking preliminary steps to authorize the issuance of up to \$24,600,000 of a tax-exempt Multifamily Housing Revenue Bond, approved a Housing Commission residual receipts loan up to \$5,000,000, to finance the new construction of Cortez Hill, and held a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986.

On June 15, 2022, the California Debt Limit Allocation Committee (CDLAC) approved a \$19,305,000 tax-exempt bond allocation, and the California Tax Credit Allocation Committee (CTCAC) approved a 4 percent tax credits allocation.

#### Prevailing Wages

Cortez Hill's proposed use of 87 U.S. Department of Housing and Urban Development Project-Based Housing Vouchers, administered by the Housing Commission, will require the project to pay prevailing wages. The proposed development is not subject to payment of California State prevailing wages as there are no State funds currently budgeted for the project.

#### Appraisal

On October 12, 2020, before the property was sold by the City to CHW, it was appraised by Rasmuson Appraisal Services at \$11,593. This valuation took into consideration that the property was subject to covenants, conditions, and restrictions (CC&Rs) including the requirement that 44 of the units be rented to families experiencing homelessness based on maximum income levels at 30 percent of the AMI.

The project was required to be operated as a transitional housing facility, and demolition of the improvements was not allowed based on existing restrictions. The income restrictions continue to run with the land for 55 years from December 2003. The appraised value was based on the special assumption that the existing rent and occupancy restrictions for at least 44 units would remain in place until their expiration in 2058. The valuation also assumed that the existing restrictions could be altered to allow for the site to be demolished and redeveloped. Additionally, when arriving at this valuation the appraiser took into consideration the cost of the demolition and work required to bring the site to a developable level, along with the existing income restrictions that encumbered the parcel.

The appraisal determined that the highest and best use of the property is development of a site with an apartment project that would include 44 rent- and occupancy-restricted units per the CC&Rs.

“Continued use of the existing improvements may require significant capital improvements to bring the project up to rentable standards. Operation of the facility would require a public subsidy since it has very limited rent earning potential given the rent, occupancy, and use restrictions.” The proposed purchase price matched the existing trust deed amount encumbering the subject property and was to pay off this debt. The property was marketed for sale, and the City received only the letter of intent from CHW in response. The City agreed to amend the transitional housing requirement as part of the sale.

In a letter dated March 22, 2021, the Housing Commission stated that “upon the closing of the San Diego Housing Commission’s loan to Community Housing Works, then Housing Commission will: (i) amend its existing deed of trust to allow demolition of the existing improvements and construction of the new project; and (ii) replace the Declaration with a new Declaration with affordability levels as set forth in the table below or as otherwise approved by the President and CEO of the San Diego Housing Commission.” This aligns with Table 6 of this report and exceeds the original 44 units at 30 percent of AMI.

#### Relocation

The property is vacant and no relocation is necessary.

#### Accessibility

CTCAC requires wheelchair accessibility in 10 percent of the units. An additional 4 percent of the units are required to have communication features for residents with visual and/or hearing impairment.

The same units can satisfy both of these accessibility requirements. The Cortez Hill units will be accessible in accordance with the Americans with Disabilities Act. If HOME Investment Partnerships Program funds are used to fund the development, these accessible units will satisfy the HOME accessibility requirement in 5 percent of the units, plus an additional 2 percent of the units will be accessible for residents with visual and/or hearing impairment.

#### Project Sustainability

Cortez Hill will be built as Green Point Rated with an anticipated Gold Rating standard. Green Point is a program of Build It Green, a nonprofit organization promoting healthy energy- and resource-efficient buildings in California. Cortez Hill’s sustainable features will include: Energy Star-rated efficient appliances, use of Low Volatile Organic Compound (VOC) paints and stains for interior surfaces, high-efficiency heating and cooling, energy-efficient windows, and low energy lighting. Water conservation will be promoted via drought-tolerant landscaping and low-flow water fixtures and toilets.

#### Development Team

The development team will be led by CHW, an award winning 501(c)(3) nonprofit. 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 are a provider of multiple social services. CHW’s mission is to revitalize neighborhoods through the creation of affordable housing with services for residents. CHW serves more than 9,000 families through its ownership of more than 3,670 apartments in 42 communities statewide. CHW has developed several 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 CHW has the capacity to successfully complete the proposed project. The proposed borrower will be Beech Street Housing Associates LP, which will include CHW Beech Street, LLC, as its General Partner, with the nonprofit CHW as the sole member/manager, and Raymond James California Housing Opportunities Fund 12 LLC as the credit investor limited partner (Attachment 3 - Organization Chart).

**Table 2 Development Team Summary**

<b>ROLE</b>	<b>FIRM/CONTACT</b>
Developer	CHW
Owner/Borrower	Beech Street Housing Associates LP
Managing General Partner	CHW Beech Street LLC
Tax Credit Investor Limited Partner	Raymond James California Opportunities Fund 12 LLC
Architect	Steve Dalton Architects
General Contractor	Highland Construction Services
Property Management	ConAm Management Corporation
Construction and Permanent Lender	Banner Bank
Tenant Services Provider	People Assisting The Homeless (PATH)

**Property Management**

Cortez Hill 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. ConAm manages 3,111 units for CHW. CHW’s Asset Management Department will oversee ConAm.

**FINANCING STRUCTURE**

Cortez Hill has an estimated total development cost of \$41,224,577 (\$468,461 per 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.



**Table 3 – Cortez Hill Estimated Permanent Sources and Uses**

<b>Permanent Financing Sources</b>	<b>Amounts</b>	<b>Permanent Financing Uses</b>	<b>Amounts</b>	<b>Per Unit</b>
Tax-exempt permanent Bond	\$15,872,000	Land - \$11,593 Acquisition costs \$30,000	\$41,593	\$473
Housing Commission Loan	5,000,000	Construction Costs \$22,643,532 Contingency <u>+1,191,765</u> Total contingency 23,835,297	23,835,297	270,856
Housing Commission Loan Accrued deferred interest	192,361	Financing costs	1,232,482	14,005
City of San Diego PLHA Loan	1,400,000	Other soft costs	6,124,588	69,597
City Loan accrued deferred interest	45,051	Developer fee	4,748,191	53,957
Deferred developer fee	1,500,000	Local permits and fees	2,029,432	23,062
4 percent tax credit equity	16,466,975	Architect & Engineering	1,031,182	11,718
General Partner developer fee	748,191	Soft costs contingency	503,708	5,724
		Operating Reserve \$1,651,704 Replacement Reserve \$26,400	1,678,104	19,069
<b>Total Development Cost</b>	<b>\$41,224,577</b>	<b>Total Development Cost (TDC)</b>	<b>\$41,224,577</b>	<b>\$468,461</b>

The Housing Commission’s residual receipts loan will be funded with \$1,816,000 from HOME Investment Partnerships program (HOME) funds, awarded by HUD to the City of San Diego and administered by the Housing Commission, \$1,684,000 from the City of San Diego Housing Trust Fund, which the Housing Commission administers, and \$1,500,000 from California Department of Housing and Community Development’s Local Housing Trust Fund. The total amount of funding sources shall not exceed the Housing Commission approved amount of \$5,000,000. A final determination of Housing Commission funding sources will be made by the Housing Commission’s President & CEO, or designee, contingent upon budget availability.

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.

Developer’s Fee

\$4,748,191 – Gross developer fee  
-1,500,000 – Deferred developer fee  
 \$3,248,191 – Cash developer fee

On April 25, 2017, the Housing Authority approved the “Request for Approval of Updated Developer Fees” (Report No. HAR17-011; Resolution No. HA-1727). That report approved certain developer fee guidelines for multifamily loans and bonds issuances. Attachment 1 to that report stated: “Developer Fee [for] 4% tax credits, in project costs: 15% eligible basis....” The proposed developer fee complies with the HAR17-011 “Request for Approval of Updated Developer Fees” guidelines approved by the Housing Authority on April 25, 2017.

Development Cost Key Performance Indicators

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

**Table 4 - Key Performance Indicators**

Development Cost Per Unit	$\$41,224,577 \div 88 \text{ units} =$	\$468,461
Housing Commission Subsidy Per Unit	$\$5,000,000 \div 88 \text{ units} =$	\$56,818
Land Cost Per Unit	$\$41,593 \div 88 \text{ units} =$	\$473
Gross Building Square Foot Hard Cost	$\$23,835,297 \div 54,711 \text{ sq. ft.} =$	\$436
Net Rentable Square Foot Hard Cost	$\$23,835,297 \div 48,177 \text{ sq. ft.} =$	\$495

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**

New Construction Project Name	Year	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
<b>Proposed Subject – Cortez Hill</b>	<b>2022</b>	<b>88</b>	<b>\$41,224,577</b> <b>(with prevailing wage)</b>	<b>\$468,461</b>	<b>\$56,818</b>	<b>\$436</b>
Southwest Village	2021	81	\$40,314,147 (with prev. wage)	\$497,706	\$0	\$367
Nestor Senior Village	2021	74	\$31,510,305 (with prev. wage)	\$425,815	\$45,000	\$363

**TAX EXEMPT AND TAXABLE MULTIFAMILY HOUSING REVENUE BONDS**

Proposed Housing Bonds Financing

The Housing Commission utilizes the Housing Authority’s tax-exempt borrowing status to pass on lower interest rate financing (and make 4 percent low-income housing tax credits available) to developers of affordable rental housing. The Housing Authority’s ability to issue bonds is limited under the U.S. Internal Revenue Code. To issue bonds for a development, the Housing Authority must first submit an application to CDLAC for a bond allocation. On July 9, 2021, prior to submitting an application to CDLAC, the proposed development was presented to the Housing Commission. A bond inducement resolution was obtained prior to the application submittal to CDLAC.

On March 16, 2022, an application was submitted to CDLAC for a bond allocation of up to \$24,600,000. On June 15, 2022, CDLAC approved the \$19,305,000 bond allocation, and CTCAC approved an allocation of 4 percent tax credits. The developer proposes that the bonds be issued through a tax-exempt private placement bond issuance. The bonds will meet all requirements of the Housing Commission’s Multifamily Housing Revenue Bond Program policy and will fully comply with the City of San Diego’s (City) ordinance on bonds disclosure. In addition, the developer proposes that the Housing Authority issue up to \$13,000,000 in taxable obligations, which do not require an allocation from CDLAC.

The financing amount that will ultimately be set will be based upon development costs, revenues and interest rates prevailing at the time of the bonds issuance. The financing proceeds will be used for both construction financing and permanent financing. Attachment 5 provides a general description of the Multifamily Housing Revenue Bond Program and the actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings.

Public Disclosure and Bond Authorization

The tax-exempt debt will be issued in the form of a bond (issuance Series 2022 E-1) and will be sold through a direct purchase by Raymond James California Housing Opportunities Fund 12 LLC. (Raymond James). The taxable debt will be in the form of a bond (issuance Series 2022 E-2) which will also be purchased by Raymond James.

Raymond James is a “qualified institutional buyer” within the meaning of the U.S. securities laws. At closing, Raymond James will sign an “Investor’s Letter” certifying, among other things, that they are buying each of the Series 2022 E-1 Bonds and Series 2022 E-2 Bonds, as the case may be, for its own account and not for public distribution. Because such Series 2022 E-1 Bonds and Series 2022 E-2 Bonds are being sold through a private placement, an Official Statement will not be used. In addition, the Series 2022 E-1 Bonds and Series 2022 E-2 Bonds will be neither subject to continuing disclosure requirements, nor credit enhanced, nor rated.

Transfer of the bonds to any subsequent bondholder will comply with Housing Commission policy number PO300.301. Moreover, any subsequent bondholder would be required to represent to the Housing Authority that they are a qualified institutional buyer or accredited investor who is buying the bonds for investment purposes and not for resale, and that they have made due investigation of any material information necessary in connection with the purchase of the bonds.

The following documents will be executed on behalf of the Housing Authority: Indenture, Loan Agreement, Assignment of Deed of Trust, Regulatory Agreement, and other loan documents. At the time of docketing, bond documents in substantially final form will be presented to members of the Housing Authority. Any changes to the documents following Housing Authority approval require the consent of the City Attorney’s Office and Bond Counsel. The bonds will be issued pursuant to an Indenture between the Housing Authority and US Bank as the Trustee. Based upon instructions contained in the Indenture, or similar document, the Trustee will disburse bond proceeds for eligible costs, collect project revenues and make payments to the bondholder. Under the terms of the Loan Agreement, the Housing Authority will loan the proceeds of the bonds to the borrower in order to develop the project. The Loan Agreement sets out the terms of repayment and the security for the loan, and the Housing Authority assigns its rights to receive repayments under the loan to the Trustee. An Assignment of Deed of Trust and other Loan Documents, which assigns the Housing Authority’s rights and responsibilities as the bond issuer to the Trustee, will be signed by the Housing Authority and the Trustee. Rights and responsibilities that are assigned to the Trustee include the right to collect and enforce the collection of loan payments, monitor project construction and related budgets, and enforce insurance and other requirements. These rights will be used by the Trustee to protect its financial interests. A Regulatory Agreement will be recorded against the property to ensure the long-term use of the project as affordable housing. The Regulatory Agreement will also ensure that the project complies with all applicable federal and state laws.

**Financial Advisor’s Recommendation**

Jones Hall is the Bond Counsel and Ross Financial is the Bond Financial Advisor to work on the tax-exempt bonds issuance. After evaluating the terms of the proposed financing and the public benefits to be achieved, it is the Financial Advisor’s recommendation that the Housing Authority should proceed with the bond issuance. The Financial Advisor’s analysis and recommendation is included as Attachment 6.

**AFFORDABLE HOUSING IMPACT**

**Project-Based Housing Vouchers (PBV)**

The Housing Commission has provided a preliminary award recommendation of:

- a) 73 Non-PSH PBVs for Cortez Hill, which are for low-income households with income up to 30 and 40 percent of AMI, selected from the Housing Commission’s PBV waiting list; and
- b) 14 PSH PBVs for Cortez Hill, which are for households experiencing chronic homelessness with income up to 30 percent of AMI, selected via the Coordinated Entry System.

The recommendation for these 87 vouchers is contingent upon completion of a subsidy layering review and execution of an Agreement to Enter into Housing Assistance Payment and verification of services. Under the PBV program, the tenant’s rent portion is determined by using the applicable minimum rent or a calculated amount based on their income level, whichever is higher, with the remainder being federally subsidized up to a gross rent level approved by the Housing Commission. The Housing Assistance Payment provides a rental subsidy for residents in Cortez Hill’s 87 voucher-assisted units.

**Affordability**

The Cortez Hill development will be subject to applicable tax credit and bond regulatory agreements, which will restrict affordability of 87 units for 55 years. The rent and occupancy restrictions required by CTCAC will be applicable.

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

<b>Unit Type</b>	<b>AMI</b>	<b>Units</b>	<b>CTCAC Gross Rents</b>
One-bedrooms units	30% (\$31,250/year for two-person household)	50	\$732
One-bedroom units	40% (\$41,650/year for two-person household)	29	\$976
<b>Subtotal One-Bedroom Units</b>	<b>--</b>	<b>79</b>	<b>--</b>
Two-bedroom units	30% (\$35,150/year for three-person household)	4	\$878
Two-bedroom units	40% (\$46,850/year for three-person household)	4	\$1,171
<b>Subtotal Two-Bedroom Units</b>	<b>--</b>	<b>8</b>	<b>--</b>
<b>Subtotal Affordable Residential Units</b>	<b>--</b>	<b>87</b>	<b>--</b>
Manager’s two-bedrooms unit	--	<b>1</b>	\$0
<b>Total Units</b>	<b>--</b>	<b>88</b>	<b>--</b>

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**FISCAL CONSIDERATIONS**

The funding sources and uses proposed by this action are included in the Housing Authority-approved Fiscal Year (FY) 2023 Housing Commission Budget.

Funding sources

Bond Issuer Fee:

\$ 48,263 Tax-exempt bond (\$19,305,000 amount X .0025 = \$48,263)

+ 32,500 Taxable bond (\$13,000,000 X 0.0025 = \$32,500)

\$ 80,763 Total Issuer Fee

Total Funding Sources – up to \$80,763

Funding uses

Administrative costs: \$80,763

Total Funding Uses: up to \$80,763

The tax-exempt bond and the taxable bond will not constitute a debt of the City of San Diego. If the tax-exempt bond and the taxable bond are ultimately issued for the project, the tax-exempt bond and the taxable bond will not financially obligate the City, the Housing Authority, nor the Housing Commission because security for the repayment of the tax-exempt bond and the taxable bond will be limited to specific project-related revenue sources. Neither the faith and credit nor the taxing power of the City, nor the faith and credit of the Housing Authority will be pledged to the payment of the tax exempt bond and the taxable bond. The developer is responsible for the payment of all costs under the financing, including the Housing Commission’s issuer fee, annual bond administration fee, as well as the Housing Commission’s Bond Counsel fee and Financial Advisor’s fee.

The Housing Commission will have an option to purchase the development at the end of the 15-year tax credit compliance period.

Development Schedule

The estimated development timeline is as follows:

<b>Milestones</b>	<b>Estimated Dates</b>
• Housing Authority consideration of bonds authorization	• November 15, 2022
• City Council TEFRA resolution authorization	• November 15, 2022
• Estimated bond issuance and escrow/loan closing	• December 3, 2022
• Estimated start of construction work	• December 3, 2022
• Estimated completion of construction work	• October 202

**HOUSING COMMISSION STRATEGIC PLAN**

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

**EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE**

Community HousingWorks is committed to equity and inclusion as both an employer and a service provider. The Housing Commission included a requirement in the NOFA for prospective applicants to include a narrative and specific examples of activities and initiatives that support equity assurance.

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Community Housing Works demonstrates a commitment to advancing racial equity and inclusion through project design and operational policies, throughout the proposed project timeline.

### **PREVIOUS COUNCIL and/or COMMITTEE ACTION**

On May 19, 2020, the San Diego City Council declared the building at 1449 Ninth Avenue to be surplus land (Resolution No. R-313039).

On October 20, 2020, the City Council authorized the City to sell the building at 1449 Ninth Avenue to Community HousingWorks (Resolution No. R-313266).

### **COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS**

An informational-only initial design concept was provided to the local neighborhood group Cortez Hill Active Resident Group (CHARG) on October 26, 2020, and again on February 22, 2021. On July 25, 2022, CHW presented to CHARG an update on project timing, schedule, and construction expectations. The developer made a presentation to the Downtown San Diego Partnership on March 11, 2021, the Downtown Residents Group on March 15, 2021, and the Downtown Planning Group on March 17, 2021.

### **KEY STAKEHOLDERS & PROJECTED IMPACTS**

Stakeholders include Community HousingWorks as the developer, the Housing Authority as bond issuer, Civic San Diego as a lender, and the Cortez Hill neighborhood. The Cortez Hill development is anticipated to have a positive impact on the community, as it will contribute to the quality of the surrounding neighborhood and create 14 new affordable rental homes for people experiencing chronic homelessness and 73 new affordable homes for people with very low income.

### **STATEMENT for PUBLIC DISCLOSURE**

The developer's Disclosure Statement is at Attachment 7.

### **ENVIRONMENTAL REVIEW**

#### **California Environmental Quality Act**

Development within the Downtown Community Planning area is covered under the following documents, all referred to as the "Downtown FEIR": Final Environmental Impact Report (FEIR) for the San Diego Downtown Community Plan, Centre City Planned District Ordinance, and 10th Amendment to the Centre City Redevelopment Plan, certified by the former Redevelopment Agency ("Former Agency") and the City Council on March 14, 2006 (Resolutions R-04001 and R-301265, respectively); subsequent addenda to the FEIR certified by the Former Agency on August 3, 2007 (Former Agency Resolution R-04193), April 21, 2010 (Former Agency Resolution R-04510), and August 3, 2010 (Former Agency Resolution R-04544), and certified by the City Council on February 12, 2014 (City Council Resolution R-308724) and July 14, 2014 (City Council Resolution R-309115); and, the Final Supplemental Environmental Impact Report for the Downtown San Diego Mobility Plan certified by the City Council on June 21, 2016 (Resolution R-310561). Development within the Downtown Community Planning area is also covered under the following documents, all referred to as the "CAP FEIR": FEIR for the City of San Diego Climate Action Plan (CAP), certified by the City Council on July 12, 2016 (City Council Resolution R-310596). The Downtown FEIR and CAP FEIR are both "Program EIRs" prepared in compliance with California Environmental Quality Act (CEQA) Guidelines Section 15168. The information contained in the Downtown FEIR and the CAP FEIR reflects the independent judgement of the City of San Diego as the lead agency. No substantial changes

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have occurred with respect to the circumstances under which the master environmental impact report was certified and no new information regarding the master environmental impact report has become available. The Downtown FEIR and CAP FEIR are located on the City of San Diego's website: (<https://www.sandiego.gov/ceqa/final>).

National Environmental Policy Act

Federal funds constitute a portion of the funding for the project. A final reservation of federal funds shall occur only upon satisfactory completion of the environmental review and receipt by the City of San Diego of a release of funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58 of the National Environmental Policy Act (NEPA). The Housing Commission received final NEPA clearance and authorizations to use grant funds on June 1, 2021.

Respectfully submitted,

*Jennifer Kreutter*

Jennifer Kreutter  
Vice President, Multifamily Housing Finance  
Real Estate Division

Approved by,

*Jeff Davis*

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

Attachments: 1) Development Summary  
2) Site Map  
3) Organization Chart  
4) Developer's Project Pro Forma  
5) Bond Program Summary  
6) Financial Advisor's Analysis  
7) Developer's Disclosure Statement

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

## ATTACHMENT 1 - DEVELOPMENT SUMMARY

**Table 1 –Development Details**

Address	915 Beech Street, San Diego
Council District	3
Community Plan Area	Cortez Hill Active Residents Group (CHARG)
Developer	Community Housing Works (CHW)
Development Type	New construction
Construction Type	5 story Type 1A and VA
Parking Type	No parking – the site is located in a Transit Priority Area, which allows for a zero minimum parking space requirement for residential buildings.
Mass Transit	The closest bus stop is at 10 <sup>th</sup> Avenue and A Street, 0.2 miles from the subject site. The Fifth Avenue trolley stop is 0.5 miles from the site.
Housing Type	Permanent supportive housing for 14 very low- and low income individuals chronically experiencing homelessness within the City of San Diego and affordable housing for households with very-low or extremely low income.
Lot Size	.41 acres, 17,651 square feet.
Units	88 (87 affordable units and one manager’s unit)
Density	214.63 dwelling units per acre (88 units ÷ 0.41 acres)
Unit Mix	79 one-bedrooms, 8 two-bedrooms and one unrestricted manager’s unit.
Gross Building Area	54,711 square feet
Net Rentable Area	48,177 square feet
Project Based Vouchers	87 Project Based Vouchers (PBV) including: a) 14 PSH Vouchers for chronically homeless households at 30 percent of AMI, and b) 73 Non-PSH Vouchers for low-income households at 30 percent and 40 percent of AMI selected from San Diego Housing Commission’s PBV waiting list.

**Table 2 Development Team Summary**

ROLE	FIRM/CONTACT
Developer	CHW
Owner/Borrower	Beech Street Housing Associates LP
Managing General Partner	CHW Beech Street LLC
Tax Credit Investor Limited Partner	Raymond James California Opportunities Fund 12 LLC
Architect	Steve Dalton Architects
General Contractor	Highland Construction Services
Property Management	ConAm Management Corporation
Construction and Permanent Lender	Banner Bank
Tenant Services Provider	People Assisting The Homeless (PATH)



**Table 3 – Cortez Hill Estimated Permanent Sources and Uses**

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts	Per Unit
Tax-exempt permanent Bond	\$15,872,000	Land - \$11,593 Acquisition costs \$30,000	\$41,593	\$473
San Diego Housing Commission Loan	5,000,000	Construction Costs \$22,643,532 Contingency +1,191,765 Total contingency 23,835,297	23,835,297	270,856
HC Loan Accrued deferred interest	192,361	Financing costs	1,232,482	14,005
City of San Diego PLHA Loan	1,400,000	Other soft costs	6,124,588	69,597
City Loan accrued deferred interest	45,051	Developer fee	4,748,191	53,957
Deferred developer fee	1,500,000	Local permits and fees	2,029,432	23,062
Four percent tax credit equity	16,466,975	Architect & Engineering	1,031,182	11,718
General Partner developer fee	748,191	Soft costs contingency	503,708	5,724
		Operating Reserve \$1,651,704 Replacement Reserve \$26,400	1,678,104	19,069
<b>Total Development Cost</b>	<b>\$41,224,577</b>	<b>Total Development Cost (TDC)</b>	<b>\$41,224,577</b>	<b>\$468,461</b>

**Table 4 - Key Performance Indicators**

Development Cost Per Unit	\$41,224,577 ÷ 88 units =	\$468,461
Housing Commission Subsidy Per Unit	\$5,000,000 ÷ 88 units =	\$56,818
Land Cost Per Unit	\$41,593 ÷ 88 units =	\$473
Gross Building Square Foot Hard Cost	\$23,835,297 ÷ 54,711 sq. ft. =	\$436
Net Rentable Square Foot Hard Cost	\$23,835,297 ÷ 48,177 sq. ft. =	\$495

**Table 5 - Comparable Development Projects**

New Construction Project Name	Year	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
<b>Proposed Subject – Cortez Hill</b>	<b>2022</b>	<b>88</b>	<b>\$41,224,577 (w/ prevailing wage)</b>	<b>\$468,461</b>	<b>\$56,818</b>	<b>\$436</b>
Levant Senior	2022	127	\$47,729,223 (with prev. wage)	\$375,821	\$0	\$656
Southwest Village	2021	81	\$40,314,147 (with prev. wage)	\$497,706	\$0	\$367
Nestor Senior Village	2021	74	\$31,510,305 (with prev. wage)	\$425,815	\$45,000	\$363

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

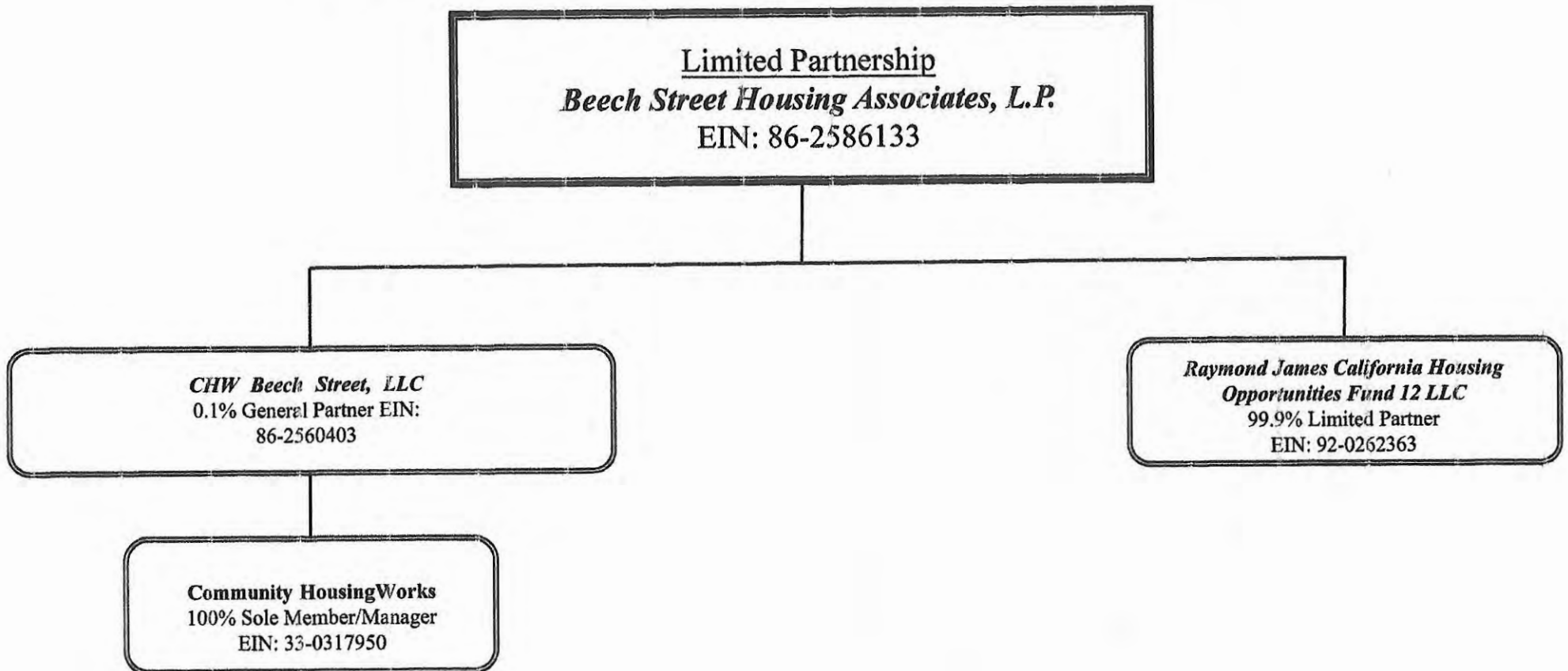
Unit Type	AMI	Units	CTCAC Gross Rents
One bedrooms units	30%	50	\$732
One bedroom units	40%	29	\$976
<b>Subtotal One Bedroom Units</b>	<b>--</b>	<b>79</b>	<b>--</b>
Two bedroom units	30%	4	\$878
Two bedroom units	40%	4	\$1,171
<b>Subtotal Two Bedroom Units</b>	<b>--</b>	<b>8</b>	<b>--</b>
<b>Subtotal Affordable Residential Units</b>	<b>--</b>	<b>87</b>	<b>--</b>
Manager's two bedrooms unit	--	<b>1</b>	\$0
<b>Total Units</b>	<b>--</b>	<b>88</b>	<b>--</b>

**ATTACHMENT 2 – MAP**



# ATTACHMENT 3 - ORGANIZATION CHART

Initial Tax Credit Limited Partnership Entity Structure at Syndication



# ATTACHMENT 4 - DEVELOPER'S PROJECT PRO FORMA

## Cortez Hill

**Prepared For:** Community Housing Works  
**Prepared By:** California Housing Partnership Corporation  
**Version:** 10.00 SLR  
**Revised:** August 25, 2022  
**Notes:**

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### SOURCES OF FUNDS

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PERMANENT	AMOUNT	TOTAL	OID	AMORT	COMMENTS
		INT COST	INT RATE	TERM (Yr)	
Tax-Exempt Permanent Loan	15,872,000	6.03%		30	17 Year Term / 30 Year Amortization
San Diego Housing Commission	5,000,000	4.00%	2.14%	55	
Accrued/Deferred Interest	192,361				
City of San Diego PLHA	1,400,000	3.00%	1.79%	55	Permanent Local Housing Allocation
Accrued/Deferred Interest	45,051				
Deferred Developer Fee	1,500,000	0.00%			
Capital Contributions					
General Partner (Developer Fee)	748,191				Federal Credit Pricing (Gross):
Limited Partner	16,466,975				Credit Rate (Minimum Rate):
					\$0.870
					4.00%
<b>TOTAL SOURCES</b>	<b>41,224,577</b>				
Surplus/(Shortfall)	0				

CONSTRUCTION	AMOUNT	INT RATE	TERM (Mo.)
	Tax-Exempt Construction Loan	19,305,000	5.77%
Taxable Construction Loan	9,099,173	6.07%	24
San Diego Housing Commission	4,500,000	4.00%	24
Accrued/Deferred Interest	192,361		
City of San Diego PLHA	1,260,000	3.00%	24
Accrued/Deferred Interest	45,051		
Costs Deferred Until Conversion	3,676,295		
Deferred Developer Fee	1,500,000		
Capital Contributions			
General Partner (Developer Fee)	0		
Limited Partner	1,646,697		
<b>TOTAL SOURCES</b>	<b>41,224,576</b>		
Surplus/(Shortfall)	(0)		

COSTS DEFERRED UNTIL CONVERSION		DEVELOPER FEE PAY-IN SCHEDULE	
MHP Transition Reserve	0	Construction Closing	1,250,000
Operating Reserve	1,651,704		
Replacement Reserve	26,400		
Legal - Permanent	0	Perm Conversion/Stabilization	748,191 Contributed as GP Equity
Title/Recording/Escrow - Permanent	0	Perm Conversion/Stabilization	1,150,000
Audit/Cost Certification	0	Form 8609	100,000
Developer Fee	1,998,191	Deferred Fee paid from Cash Flow	1,500,000
<b>TOTAL</b>	<b>3,676,295</b>	<b>TOTAL</b>	<b>4,748,191</b>

INTEREST RATE STACK	Tax-Exempt Construction	Taxable Construction	Tax-Exempt Permanent
Index (Term SOFR / 10 Yr Treasury)	2.37%	2.37% <b>1.00% Floor</b>	2.67%
Bank spread	1.90%	2.20%	3.00% Index plus Spread X 80%
Cushion	1.50%	1.50%	1.50%
<b>TOTAL</b>	<b>5.77%</b>	<b>6.07%</b>	<b>6.03%</b>

	100.00% TOTAL		DEPRECIABLE				TAX CREDIT ELIGIBLE		ACQUIS.
	TOTAL	RESIDENTIAL	NON-DEPREC	RESIDENTIAL	NON-RES	EXPENSE	AMORTIZE	CONST/REHAB	
<b>ACQUISITION COSTS</b>									
Land	11,593	11,593	11,593						
Acquisition Costs	30,000	30,000	30,000						0
<b>GENERAL DEVELOPMENT COSTS</b>									
<i>Total Construction Budget</i>	23,835,297								
Residential Construction	18,392,742	18,392,742		18,392,742	0		0	18,392,742	
Demolition	662,653	662,653	662,653					0	
Offsite Work	614,068	614,068	0	614,068				614,068	
Solar Work	219,511	219,511	0	219,511	0		0	219,511	
Site Work/Landscape	383,359	383,359		383,359	0			383,359	
Furnishings included in Personal Property	702,894	702,894		702,894	0			702,894	
Contractor General Requirements	1,200,000	1,200,000	0	1,200,000	0			1,200,000	
Contractor Overhead	555,842	555,842	0	555,842	0			555,842	
Contractor Profit	555,841	555,841	0	555,841	0			555,841	
Contractor Insurance/Bonds	548,387	548,387		548,387	0			548,387	
Construction Contingency (5%)	1,191,765	1,191,765	0	1,191,765	0			1,191,765	
Local Permits/Fees/Utility Fees	265,000	265,000		265,000	0			265,000	
Local Development Impact Fees (less waivers)	1,764,432	1,764,432	0	1,764,432	0			1,764,432	
Environmental /Energy/Other	154,250	154,250		154,250	0			154,250	
Security (during construction)	0	0		0	0			0	
Architecture	963,482	963,482		963,482	0			963,482	
Survey/Engineering	673,700	673,700		673,700	0			673,700	
Appraisal	12,000	12,000		12,000	0		0	12,000	
Market Study	10,000	10,000		0	0		10,000	0	
Predevelopment Loan Interest/Expenses	191,740	191,740	0	191,740	0			191,740	
Construction Period Interest (Tax-Exempt)	1,336,678	1,336,678		1,002,509	0	334,170		1,002,509	
Construction Period Interest (Taxable Loan)	662,784	662,784		497,088	0	165,696		497,088	
Construction Period Interest (SDHC)	192,361	192,361		144,270	0	48,090		144,270	
Construction Period Interest (City of SD)	45,051	45,051		33,788	0	11,263		33,788	
Title/Recording/Escrow - Acquisition	15,000	15,000	15,000	0	0			0	0
Title/Recording/Escrow - Construction	65,000	65,000		65,000	0			65,000	0
Title/Recording/Escrow - Permanent	10,000	10,000					10,000		
Real Estate Taxes During Construction	168	168		168	0	0		168	0
Insurance During Construction	493,012	493,012		493,012	0	0		493,012	0
Soft Cost Contingency	503,708	503,708		503,708	0			503,708	
TCAC Application/Monitoring Fee	75,529	75,529					75,529		
Legal: Acquisition	15,000	15,000	15,000	0				0	0
Construction Closing	77,500	77,500		77,500	0			77,500	0
Permanent Closing	0	0					0		
Organization of Partnership	15,000	15,000					15,000		
Syndication	75,000	75,000	75,000						
Investor Fees	55,000	55,000	55,000						
Syndication Consulting	82,500	82,500	82,500					0	0
Audit/Cost Certification	44,700	44,700		0		44,700	0	0	
Furnishings	100,000	100,000		100,000	0			100,000	
Replacement Reserve	26,400	26,400	26,400			0			
Operating Reserve	1,651,704	1,651,704	1,651,704						
Marketing/Lease-Up/Transitional Costs	250,000	250,000				250,000			
Accounting	18,000	18,000		18,000				18,000	
Prevailing Wage Monitor	170,551	170,551		170,551	0			170,551	
3rd Party Construction Manager	160,000	160,000		160,000	0			160,000	
Developer Fee	4,748,191	4,748,191		4,748,191	0			4,748,191	0
<b>Financing Costs</b>									
Permanent Lender Counsel	71,424	71,424					71,424	0	
Construction Lender Counsel	312,446	312,446		0			312,446	0	
Bond Counsel	50,000	50,000					50,000		
Issuer Financial Advisor	45,000	45,000					45,000		
Construction Lender Expenses/Inspections	18,700	18,700		0			18,700	0	0
Construction Loan Fees	284,042	284,042		0			284,042	0	
Permanent Loan Fees	158,720	158,720					158,720		
Trustee Fee	15,000	15,000					15,000		
CDIAC Fees	5,000	5,000					5,000		
CDLAC Fees	6,757	6,757					6,757		
SDHC Issuer Fee at Closing (0.25%)	48,263	48,263					48,263		
SDHC Issuer Application Fee	13,000	13,000					13,000		
SDHC Issuer Prepaid Annual Fee (0.125%)	24,131	24,131					24,131		
SDHC Issuer Expenses	50,000	50,000					50,000		
SDHC Loan Legal/Cost Review	100,000	100,000					100,000		
City Loan Fee	30,000	30,000					30,000		
<i>Subtotal - Costs of Issuance</i>	1,232,482	1,232,482	0	0	0	0	1,232,482	0	0
<b>TOTAL DEVELOPMENT COSTS</b>	<b>41,224,576</b>	<b>41,224,576</b>	<b>2,624,850</b>	<b>36,402,797</b>	<b>0</b>	<b>853,918</b>	<b>1,343,011</b>	<b>36,402,797</b>	<b>0</b>
<i>Total Development Cost Per Unit</i>	468,461								

TCAC DEVELOPER FEE CALCULATION (4% Project)			
	Construction	Acquisition	Total
Eligible Basis	31,654,606	0	31,654,606
Maximum Potential TCAC Fee (per limits)	N/A	N/A	N/A
Maximum Potential TCAC Fee (per basis)	4,748,191	0	4,748,191
Ratio	100.00%	0.00%	100.00%
Maximum Fee Per TCAC	4,748,191	0	4,748,191
Maximum Fee per HCD			
Maximum Fee per City			
Maximum Fee per TCAC Application			NA
<b>MAXIMUM FEE IN ELIGIBLE BASIS &amp; COSTS</b>	<b>4,748,191</b>	<b>0</b>	<b>4,748,191</b>
Maximum Fee Paid From Development Sources			2,500,000
Contributed as GP Equity and/or Deferred Fee Paid from Cash Flow			2,248,191
<b>MHP Developer Fee Limits (Round 4) No MHP, Increased Dev. Fee limits to SDHC Loan Terms</b>			
Developer Fee Paid From Development Sources			2,500,000
Priority Deferred Fee Paid From Cash Flow			1,500,000
Developer Fee Contributed as GP Equity			748,191
<b>Total Developer Fee</b>			<b>4,748,191</b>

**Cortez Hill**

**Unit Mix & Rental Income**

2022 TCAC Rent Limits

Version: 10.00 SLR

Revised: August 25, 2022

<b>AVERAGE AFFORDABILITY FOR QUALIFIED UNITS (% AMI)</b>	<b>25.0%</b>	<b>UTILITY ALLOWANCES</b>	
		<b>UNIT MIX</b>	
		1 BR	79
		2 BR	114

**RESIDENTIAL INCOME**

TCAC RENT LIMIT		25%	30% RDA		Percentage of Targeted Units: 31.0%			
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
1 Bedrooms	24	559	13,416	25.0%	610	525	12,600	151,200
2 Bedrooms	3	752	2,256	24.7%	722	608	1,824	21,888
<b>TOTAL</b>	<b>27</b>		<b>15,672</b>				<b>14,424</b>	<b>173,088</b>

TCAC RENT LIMIT		25%	55% RDA		Percentage of Targeted Units: 50.6%			
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
1 Bedrooms	40	559	22,360	25.0%	610	525	21,000	252,000
2 Bedrooms	4	752	3,008	25.0%	732	618	2,472	29,664
<b>TOTAL</b>	<b>44</b>		<b>25,368</b>				<b>23,472</b>	<b>281,664</b>

TCAC RENT LIMIT		25%	60% RDA		Percentage of Targeted Units: 18.4%			
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
1 Bedrooms	15	559	8,385	25.0%	610	525	7,875	94,500
2 Bedrooms	1	752	752	25.0%	732	618	618	7,416
<b>TOTAL</b>	<b>16</b>		<b>9,137</b>				<b>8,493</b>	<b>101,916</b>

**MANAGER UNITS**

UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
2 Bedrooms	1	752	752	0.0%	0	0	0	0
<b>TOTAL</b>	<b>1</b>		<b>752</b>				<b>0</b>	<b>0</b>

**SECTION 8 INCOME**

UNIT TYPE	NUMBER	INCOME TIER	PER-UNIT MONTHLY NET RENT	PER UNIT S8 NET RENT	PER-UNIT MONTHLY S8 PREMIUM	TOTAL MONTHLY S8 PREMIUM	TOTAL ANNUAL S8 PREMIUM
1 BR	24	25%	525	2,254	1,729	41,496	497,952
1 BR	40	25%	525	2,254	1,729	69,160	829,920
1 BR	15	25%	525	2,254	1,729	25,935	311,220
2 BR	3	25%	608	2,909	2,301	6,903	82,836
2 BR	4	25%	618	2,909	2,291	9,164	109,968
2 BR	1	25%	618	2,909	2,291	2,291	27,492
<b>TOTAL</b>	<b>87</b>					<b>154,949</b>	<b>1,859,388</b>

<b>SECTION 8 PREMIUM (annual Section 8 income less total annual base rents)</b>	154,949	1,859,388
<b>TOTAL - BASE RENT PLUS SECTION 8 PREMIUM</b>	<b>201,338</b>	<b>2,416,056</b>

**TOTAL RESIDENTIAL INCOME**

	<b>TOTAL UNITS</b>	<b>TOTAL MONTHLY (Net)</b>	<b>TOTAL ANNUAL</b>
	<b>88</b>	<b>201,338</b>	<b>2,416,056</b>
TOTAL SQ FT - TAX CREDIT ELIGIBLE	50,177		
TOTAL SQ FT - NON-TAX CREDIT ELIGIBLE	0		
TOTAL RENTABLE SQ FT	50,177		

**MISCELLANEOUS INCOME**

	PER-UNIT MONTHLY	TOTAL MONTHLY	TOTAL ANNUAL
Laundry/Vending	8.00	704	8,448

**Cortez Hill**  
**15-Year Cash Flow**

Version: 10.00 SLR  
 Revised: August 25, 2022

ASSUMPTIONS:				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
				2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Rent Increase:	2.00%	Permanent Loan - % Debt Service Year 1	25.0%															
Expenses Increase:	3.00%	Qualified Occupancy In Lease-Up Year 1	41.5%															
Real Estate Tax Increase:	2.00%	Permanent Loan - % Debt Service Year 2	100.0%															
Reserve Increase:	0.00%																	
<b>GROSS POTENTIAL INCOME - RESIDENTIAL</b>																		
Rental Subsidy	2.00%	556,668	230,879	567,801	579,157	590,741	602,555	614,606	626,899	639,437	652,225	665,270	678,575	692,147	705,990	720,109	734,512	
Misc. Income		1,859,388	771,183	1,896,576	1,934,507	1,973,197	2,012,661	2,052,915	2,093,973	2,135,852	2,178,569	2,222,141	2,266,584	2,311,915	2,358,154	2,405,317	2,453,423	
Vacancy Loss - Residential	7.00%	8,448	3,504	8,617	8,789	8,965	9,144	9,327	9,514	9,704	9,898	10,096	10,298	10,504	10,714	10,928	11,147	
Vacancy Loss - Rental Subsidy	7.00%		(16,407)	(40,349)	(41,156)	(41,979)	(42,819)	(43,675)	(44,549)	(45,440)	(46,349)	(47,276)	(48,221)	(49,186)	(50,169)	(51,173)	(52,196)	
			(53,983)	(132,760)	(135,416)	(138,124)	(140,886)	(143,704)	(146,578)	(149,510)	(152,500)	(155,550)	(158,661)	(161,834)	(165,071)	(168,372)	(171,740)	
<b>GROSS EFFECTIVE INCOME</b>			935,176	2,299,884	2,345,882	2,392,800	2,440,656	2,489,469	2,539,258	2,590,043	2,641,844	2,694,681	2,748,575	2,803,546	2,859,617	2,916,810	2,975,146	
Operating Expenses (excl. reserves & taxes)	3.00%	811,220	337,240	835,557	860,623	886,442	913,035	940,426	968,639	997,698	1,027,629	1,058,458	1,090,212	1,122,918	1,156,606	1,191,304	1,227,043	
SDHC Loan Monitoring Fee	0.00%	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	
SDHC Bond Monitoring Fee	0.00%	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840	
Real Estate Taxes	2.00%	3,000	1,247	3,060	3,121	3,184	3,247	3,312	3,378	3,446	3,515	3,585	3,657	3,730	3,805	3,881	3,958	
<b>TOTAL OPERATING EXPENSES</b>		847,110	371,377	871,507	896,634	922,516	949,173	976,629	1,004,908	1,034,034	1,064,034	1,094,933	1,126,759	1,159,538	1,193,300	1,228,075	1,263,891	
<b>NET OPERATING INCOME</b>			563,798	1,428,378	1,449,248	1,470,284	1,491,483	1,512,840	1,534,351	1,556,009	1,577,810	1,599,748	1,621,816	1,644,008	1,666,317	1,688,735	1,711,254	
REPLACEMENT RESERVE		44,000	11,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	
<b>NET INCOME AVAILABLE FOR DEBT SERVICE</b>			552,798	1,384,378	1,405,248	1,426,284	1,447,483	1,468,840	1,490,351	1,512,009	1,533,810	1,555,748	1,577,816	1,600,008	1,622,317	1,644,735	1,667,254	
<b>Tax-Exempt Permanent Loan</b>																		
Principal Balance		15,872,000	15,824,632	15,627,875	15,418,919	15,197,009	14,961,342	14,711,065	14,445,272	14,163,002	13,863,232	13,544,877	13,206,787	12,847,737	12,466,427	12,061,478	11,631,425	
Principal Payment			47,368	196,758	208,956	221,910	235,667	250,277	265,793	282,271	299,770	318,354	338,090	359,050	381,310	404,949	430,053	
Interest Payment			239,033	948,846	936,649	923,694	909,937	895,327	879,811	863,333	845,834	827,250	807,514	786,554	764,295	740,655	715,551	
<b>TOTAL DEBT SERVICE</b>			286,401	1,145,604	1,145,604	1,145,604	1,145,604	1,145,604	1,145,604	1,145,604	1,145,604	1,145,604	1,145,604	1,145,604	1,145,604	1,145,604	1,145,604	
<b>SDHC Loan Payment</b>			10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
<b>NET CASH FLOW</b>			256,397	228,774	249,644	270,680	291,879	313,236	334,747	356,405	378,206	400,144	422,212	444,404	466,713	489,131	511,650	
Debt Service Coverage Ratio			1.865	1.198	1.216	1.234	1.253	1.271	1.290	1.308	1.327	1.346	1.365	1.385	1.404	1.423	1.443	
<b>DISTRIBUTION OF CASH FLOW</b>																		
LP Investor Services Fee - Current		5,000	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563	
LP Investor Services Fee - Deferred			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Deferred Developer Fee		1,500,000	251,397	223,624	244,339	265,216	286,252	229,172	0	0	0	0	0	0	0	0	0	
GP Partnership Management Fee - Current		25,000	0	0	0	0	0	28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815	
GP Partnership Management Fee - Deferred			0	0	0	0	0	49,287	83,442	0	0	0	0	0	0	0	0	
San Diego Housing Commission	39.06%		0	0	0	0	0	84,173	124,808	132,892	141,016	149,178	157,374	165,602	173,857	182,138		
City of San Diego PLHA	10.94%		0	0	0	0	0	23,568	34,946	37,210	39,484	41,770	44,065	46,368	48,680	50,999		
GP Incentive Management Fee			0	0	0	0	0	107,742	159,754	170,101	180,500	190,947	201,438	211,970	222,537	233,136		
General Partners	90.00%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Limited Partner	10.00%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>TCAC MAXIMUM CASH FLOW TEST</b>			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	
Greater of 8% of gross income	8.00%		25.50%	11.70%	9.25%	10.52%	11.12%	12.26%	12.80%	13.31%	13.81%	14.29%	14.74%	15.18%	15.60%	15.99%		
or 1.25 DCR	25.00%		89.52%	19.97%	21.79%	23.63%	25.48%	27.34%	29.22%	31.11%	33.01%	34.93%	36.85%	38.79%	40.74%	42.70%		



## **ATTACHMENT 5 HOUSING COMMISSION MULTIFAMILY HOUSING REVENUE BOND PROGRAM SUMMARY**

**General Description:** The multifamily housing bond program provides below-market financing (based on bond interest being exempt from income tax) for developers willing to set aside a percentage of project units as affordable housing. Multifamily housing revenue bonds are also known as "private activity bonds" because the projects are owned by private entities, often including nonprofit sponsors and for-profit investors.

**Bond Issuer:** Housing Authority of the City of San Diego. There is no direct legal liability to the City, the Housing Authority or the Housing Commission in connection with the issuance or repayment of bonds. There is no pledge of the City's faith, credit or taxing power nor of the Housing Authority's faith and credit. The bonds do not constitute a general obligation of the issuer because security for repayment of the bonds is limited to specific private revenue sources, such as project revenues. The developer is responsible for the payment of costs of issuance and all other costs under each financing.

**Affordability:** Minimum requirement is that at least 20% of the units are affordable at 50% of Area Median Income (AMI). Alternatively, a minimum of the units may be affordable at 50% AMI with an additional 30% of the units affordable at 60% AMI. The Housing Commission requires that the affordability restriction be in place for a minimum of 15 years. Due to the combined requirements of state, local, and federal funding sources, projects financed under the Bond Program are normally affordable for 30-55 years and often provide deeper affordability levels than the minimum levels required under the Bond Program.

**Rating:** Generally "AAA" or its equivalent with a minimum rating of "A" or, under conditions that meet IRS and Housing Commission requirements, bonds may be unrated for private placement with institutional investors (typically, large banks). Additional security is normally achieved through the provision of outside credit support ("credit enhancement") by participating financial institutions that underwrite the project loans and guarantee the repayment of the bonds. The credit rating on the bonds reflects the credit quality of the credit enhancement provider.

**Approval Process:**

- **Inducement Resolution:** The bond process is initiated when the San Diego Housing Commission (Housing Commission) adopts an "Inducement Resolution" to establish the date from which project costs may be reimbursable from bond proceeds (if bonds are later issued) and to authorize staff to work with the financing team to perform a due diligence process. The Inducement Resolution does not represent any commitment by the Housing Commission, or the Housing Authority, or the developer to proceed with the financing.



- TEFRA Hearing and Resolution (Tax Equity and Fiscal Responsibility Act of 1982): to assure that projects making use of tax-exempt financing meet appropriate governmental purposes and provide reasonable public benefits, the IRS Code requires that a public hearing be held and that the issuance of bonds be approved by representatives of the governmental unit with jurisdiction over the area in which the project is located. This process does not make the Housing Commission, the Housing Authority, or the City of San Diego financially or legally liable for the bonds or for the project.

[Note: Members of the Housing Commission or the San Diego City Council may be asked to take two actions at this stage in the bond process -- one in their capacity as approving the TEFRA hearing resolution and another as approving the bond inducement.]

- Application for Bond Allocation: The issuance of these "private activity bonds" (bonds for projects owned by private developers, including projects with nonprofit sponsors and for-profit investors) requires an allocation of bond issuing authority from the State of California. To apply for an allocation, an application approved by the Housing Commission and supported by an adopted inducement resolution and by proof of credit enhancement (or bond rating) must be filed with the California Debt Limit Allocation Committee (CDLAC). In addition, evidence of a TEFRA hearing and approval must be submitted prior to the CDLAC meeting.
- Final Bond Approval: The Housing Authority retains absolute discretion over the issuance of bonds through adoption of a final resolution authorizing the issuance. Prior to final consideration of the proposed bond issuance, the project must comply with all applicable financing, affordability, and legal requirements and undergo all required planning procedures/reviews by local planning groups, etc.
- Funding and Bond Administration: All monies are held and accounted for by a third party trustee. The trustee disburses proceeds from bond sales to the developer in order to acquire and/or construct the housing project. Rental income used to make bond payments is collected from the developer by the trustee and disbursed to bond holders, if rents are insufficient to make bond payments, the trustee obtains funds from the credit enhancement provider. No monies are transferred through the Housing Commission or Housing Authority, and the trustee has no standing to ask the issuer for funds. Bond Disclosure: The offering document (typically a Preliminary Offering Statement or bond placement memorandum) discloses relevant information regarding the project, the developer, and the credit enhancement provider. Since the Housing Authority is not responsible in any way for bond repayment, there are no financial statements or summaries about the Housing Authority or the City that are included as part of the offering document. The offering document includes a paragraph that states that the Housing Authority is a legal entity with the authority to issue multifamily housing bonds and that the Housing Commission acts on behalf of the Housing Authority to issue the bonds. The offering document also includes a paragraph that details that there is no pending or threatened litigation that would affect the validity of the bonds or curtail the ability of the Housing Authority to

issue bonds. This is the extent of the disclosure required of the Housing Authority, Housing Commission, or the City. However, it is the obligation of members of the Housing Authority to disclose any material facts known about the project, not available to the general public, which might have an impact on the viability of the project.

# ATTACHMENT 6 - FINANCIAL ADVISOR'S ANALYSIS

## ROSS FINANCIAL

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1736 Stockton Street, Suite One • San Francisco, CA 94133 • (415) 912-5612 • FAX (415) 912-5611

September 30, 2022

Mr. Joe Correia  
Sr. Real Estate Project Manager  
Housing Finance Real Estate Division  
San Diego Housing Commission  
1122 Broadway, Suite 300  
San Diego, CA 92101

**Re: Cortez Hill Apartments**

Dear Mr. Correia:

The San Diego Housing Commission (the “Commission”) has retained Ross Financial as its independent municipal advisor, in part, to analyze the feasibility of issuing tax-exempt and taxable bonds (the “Bonds”) for the Cortez Hill Apartments development (the “Development”).

This feasibility analysis reviews the following items:

- Overview of the Development
- Proposed financing approach
- Benefits and risks to Commission
- Public purpose
- Recommendations

Ross Financial has based its analysis of the Development’s financial feasibility on materials provided by Community HousingWorks (“CHW”), which has created the borrower entity (the “Borrower”) for the Development. The materials include: (1) the joint application to the California Debt Limit Allocation Committee (“CDLAC”) and California Tax Credit Allocation Committee (“CTCAC”), (2) the financing commitment from Banner Bank (the “Lender”), (3) the market study performed by CBRE in support of the application to CDLAC and CTCAC, and (4) CHW’s pro forma financial schedules for the Development. Ross Financial has not visited the site of the proposed Development and had no role in the selection of the Lender or in developing the overall financing structure.

## OVERVIEW OF THE DEVELOPMENT

**Development Summary.** The Development is a new construction multifamily rental housing development that will contain 87 affordable 1-bedroom and 2-bedroom units and one unrestricted 2-bedroom manager’s unit housed in one five-story building that is serviced by two elevators. The Development will provide affordable apartments and resident services to seniors, working families, veterans and households experiencing chronic homelessness. Of the 87 units, 14 will be reserved for permanent supportive housing (PSH), with supportive services being provided by People Assisting The Homeless. As the Development is located within a Transit Priority Area (one-half mile of a major existing or planned transit stop), it contains no onsite parking.

The Development will consist of four levels of Type V-A wood frame construction over a Type I-A concrete podium. It will be designed to achieve a Green Point Gold Rated Certification. The Development will utilize energy-star appliances energy-efficient dual-pane windows, domestic solar hot water heating and high-efficiency lighting. Low-flow plumbing fixtures will reduce water use as will the use of drought tolerant native and naturalized plants.

Site amenities include a state-of-the-art community room, computer learning centers and an outdoor community space to encourage greater social and economic stability. The community space will provide for resident services and programs, including a separate interview/meeting room for Supportive Housing Case Management. The community area also will include a kitchen, restrooms, bike storage, computer lab, and meeting and gathering spaces. The laundry is close to the children’s play area and accessed by the courtyard.

The Development will contain mobility features in 10% of the units (9 units) and 5% of the units (5 units) will have communication features.

Construction of the Development is expect to start in December 2022 and be complete in October 2024.

**Unit and Affordability Mix.** The Development is subject to multiple rent restrictions depending on funding source. The unit mix and various affordability restrictions for Development are as follows:

		CTCAC	San Diego	Housing Commission	
Cortez	Unit Mix	30% AMI	30% AMI**	30% AMI**	40% AMI**
1 Bedroom/1 Bath	79	79	79	50	29
2 Bedroom/1 Bath	9*	8	8	4	4
<b>Total Units</b>	<b>88</b>	<b>87</b>	<b>87</b>	<b>54</b>	<b>33</b>

\*Includes 1 non-rental manager’s unit in these unit types

\*\* AMI = Area Median Income

All restricted units will be supported by 14 PSH and 73 non-PSH Project-Based Vouchers.

***Description of Project Site.*** The Development is to be constructed on a 0.41 acre parcel site that is located at 915 Beech Street in the Cortez Hill neighborhood of San Diego – with frontage along 9<sup>th</sup> Avenue and Beech Street. The site is currently owned by CHW, which acquired it from the City of San Diego following the City’s declaration that site constituted surplus land. The site is currently improved with 48 units of transitional housing, originally constructed as a hotel in 1970, for families experiencing homelessness. San Diego YWCA had operated the site for approximately 20 years and was succeeded by Alpha Project as operator. Alpha Project vacated the site in 2020 due to deteriorating property conditions and the onset of COVID-19. The site is currently vacant. Demolition of the existing improvements commenced in August 2022 and is expected to be complete by the end of September.

As previously noted, the site is located within a City-defined Transit Priority Area with high accessibility to transit options, including the Fifth Avenue Trolley Station, 10<sup>th</sup> Avenue & A bus stop and the Fifth Avenue & Beech bus stop. The site is within ½ to ¾ miles of grocery stores and a drug store/pharmacy.

Surrounding land uses are as follows:

- To the north: two small rental buildings and an SRO hotel
- To the south: a small 12-unit apartment complex and the 137-unit Aria condominium building
- To the west: the Discovery at Cortez Hill condominiums
- To the east: Highway 163 offramp.

***Ownership of the Development/Borrower.*** The ownership entity for the Development will be Beech Street Housing Associates, L.P., a single asset California limited partnership consisting of: (a) CHW Beech Street LLC, created by CHW, which will serve as Managing General Partner and (b) a tax credit limited partnership entity created by Raymond James Tax Credit Funds.

**CHW Experience.** Established in 1988, CHW has 34 years of experience in financing, developing and/or rehabilitating multifamily rental housing. This experience encompasses more than 3,801 apartments in 44 communities statewide. CHW’s recent activity with the Housing Commission includes:

- North Park Seniors Apartments, a 76-unit new construction project serving LGBTQIA+ and formerly homeless seniors, located in the Hillcrest neighborhood and completed in November 2017.

- Keeler Court Apartments, a 71-unit new construction permanent supportive housing project, located in the Southcrest neighborhood and completed in October 2021.
- Ulric I (Amanecer) Apartments, a 96-unit new construction multi-family housing project, located in the Linda Vista neighborhood, with completion expected in Fall 2022.
- Ulric II Apartments, a 60-unit new construction project serving seniors and chronically homeless individuals, located in the Linda Vista neighborhood, with completion expected in October 2023.
- Navajo Apartments, a 99-unit new construction multi-family housing project serving large families and families who are experiencing homelessness, located in the Otay Mesa-Nestor neighborhood, with completion estimated in 2025.

**CDLAC/CTCAC.** On March 15, 2022, the Housing Commission filed a joint application to CDLAC and CTCAC requesting a private activity bond allocation of \$19,305,000 for the Development, along with a reservation of 4% Federal tax credits. On June 15, 2022, CDLAC awarded a private activity bond allocation in the requested amount and CTCAC reserved the requested 4% Federal tax credits.

In connection with the CDLAC/CTCAC application process, on July 16, 2021, the Housing Commission adopted a resolution of intent to issue tax-exempt obligations for the Development and authorized the submission of an application to CDLAC. On July 9, 2021, a TEFRA hearing, duly noticed, was held before the Housing Commission. Because TEFRA approvals expire after one year, a new TEFRA hearing will be held in conjunction with the Housing Commission's approval of the financing on October 14, 2022.

## **PROPOSED FINANCING**

***Project Costs and Funding.*** According to the most recent projections provided by CHW, the total costs of the Development, including construction and all soft costs, are estimated at \$41,224,577. The estimated sources of funds will differ during the construction period and following construction and lease-up ("at permanent"), as shown in the following table based on the most recent projections:

Sources of Funds	Construction	Permanent
Tax-Exempt Bond Proceeds	\$19,305,000	\$15,872,000
Taxable Bond Proceeds	9,099,173	--
Tax Equity – Federal	1,646,697	16,466,974
SDHC Loan	4,500,000	5,000,000
SDHC Loan Accrued Interest	192,361	192,361
City of San Diego Loan	1,260,000	1,400,000
City of San Diego Loan Accrued Interest	45,051	45,051
Deferred Costs	3,676,295	
Deferred Developer Fee	1,500,000	1,500,000
GP Contribution (Developer Fee)	--	748,191
<b>Total</b>	<b>\$41,224,577</b>	<b>\$41,224,557</b>
Uses of Funds		
Acquisition Costs + Land	\$41,593	\$41,593
Construction Costs	23,835,297	23,835,297
Architectural & Engineering	1,547,182	1,547,182
Contingency Costs (Hard and Soft)	1,694,473	1,694,473
Impact Fees and Permits	2,029,432	2,029,432
Construction Interest	2,236,768	2,236,768
Financing Costs	1,232,482	1,232,482
Misc. Soft Costs	2,181,055	2,181,055
Reserves	1,678,104	1,678,104
Developer Fee*	4,748,191	4,748,191
<b>Total</b>	<b>\$41,224,577</b>	<b>\$41,224,557</b>

\*Cash developer fee is \$2,500,000 with \$1,500,000 deferred and \$748,191 contributed back to the Development

**Description of Financing.** The expectation (based on the most recent pro forma) is that the Housing Authority will issue the Bonds in two series: (a) a tax-exempt series in the estimated amount of \$19,305,000 and (b) a taxable series in the estimated amount of \$9,099,173 (but not to exceed \$13,000,000).

The Bonds will have the following features:

- Both series of Bonds will be purchased by Banner Bank (“Banner”);
- The Bonds will be issued on a draw down basis, with interest payable only on the amounts drawn;
- Following construction completion and lease-up (expected in approximately 30 months subject to one 6-month extension)(“Conversion”), the taxable Bond will be repaid in full and the tax-exempt Bond will be paid down to a permanent estimated par of \$15,872,000. The primary source of repayment will be Federal low income housing tax credits.
- Prior to Conversion, the Bonds will bear a variable interest rate equal to 1 month adjusted SOFR + 1.90% for the tax-exempt Bonds and 1 month adjusted SOFR + 2.20% for the taxable Bonds, with a SOFR index floor set at 0.50%. The

- Borrower's proforma assumes a tax-exempt rate of 5.77% and a taxable rate of 6.07% during the construction period. At Conversion, the tax-exempt Bond will convert to a fixed rate that will be set at Closing. The rate will be established by reference to a formula (80% of 10-year US Treasury rate plus a spread of 3.00%). The Borrower's proforma assumes a permanent loan rate of 6.03%.
- The tax-exempt Bond will have a term of 17 years from Closing (i.e., in 2039). Following Conversion, the tax-exempt Bond will amortize on a 30-year basis. The taxable Bond is expected to have a stated maturity of approximately 3 to 4 years from Closing and will be repaid in full at Conversion as noted above.
  - The Bonds are expected to close in early December 2022.

Banner will execute a document representing that it has sufficient knowledge and experience to evaluate the risks and merits associated with making the loans evidenced by the Bonds and its intention to hold the Bonds for its account. Unless the Bonds are rated "A" or higher by Moody's or Standard & Poor's, Banner may transfer all or a portion of the Bonds only to transferees that execute a document with similar representations.

***Housing Commission Financial Involvement.*** On July 9, 2021, the Housing Commission approved a loan (the "Commission Loan") of up to \$5,000,000 for the Development, with \$4,500,000 available during construction and the remainder at permanent. The sources of funding are anticipated to consist of: (1) the Department of Housing and Urban Development HOME Investment Partnership Program (HOME) funds; (2) the Housing Commission's HTF-RHF Fund; and (3) the Housing Commission's LHTF Fund. A final determination of Housing Commission funding sources will be made by the Housing Commission's Interim President & CEO, or designee, contingent upon budget availability.

The Commission Loan will be payable from the Development's residual receipts subject to the following basic terms:

- Interest Rate: 4% simple interest
- Payments: 50% of residual cash flow plus \$10,000 fixed annual payment.
- Term: 55 years
- Affordability: 1 Bedroom units: 50 units at 30% San Diego AMI; 29 units at 40% San Diego AMI;  
2 Bedroom units: 4 units at San Diego 30% AMI; 4 units at San Diego 40% AMI
- Purchase Option: The Housing Commission will have an option to purchase the Development at the end of the 15-year tax credit compliance period

***Affordability Restrictions.*** The Development will be subject to the following regulatory restrictions and terms:



- Tax-Exempt Bond and Bond Regulatory Agreement requirements (including voluntary elections made to CDLAC) for a 55-year term;
- Tax Credit Regulatory Agreement requirements under which all units must be affordable at 60% AMI for a 55-year term to remain eligible for tax credits (subject to a further requirement of 30% for the Development);
- Housing Commission’s Declaration of Covenants, Conditions and Restrictions (the “Declaration”) under which the units will be restricted for 55 years with the affordability restrictions noted above; and
- The City’s Restrictive Covenants and Regulatory Agreement (the “City Regulatory Agreement) under which units must be affordable to households with incomes that do not exceed 30% AMI per CTCAC.

**Cash Flow for the Development.** The Borrower provided pro forma cash flows for the Development. The following table summarizes key elements of the most recent proforma:

<b>Assumptions</b>	
Vacancy	7.0%
Revenue Escalation	2.0%
Operating Expense Escalation	3.0%
<b>Cash Flow and Coverage</b>	
Stabilized Net Income – First Full Year	\$2,299,884
Operating Expenses <sup>1</sup>	(835,557)
Other Expenses <sup>2</sup>	(79,890)
Net Operating Income	\$1,384,378
Tax-Exempt Bond Debt Service <sup>3</sup>	(1,145,604)
Housing Commission Loan Payment	(10,000)
Debt Service Coverage <sup>4</sup>	1.20x
<b>Net Project Cash Flow after Debt Service</b>	<b>\$228,774</b>
LP Fees	(5,150)
Deferred Developer Fee	(223,624)
Available for Residual Receipts	0

<sup>1</sup> Operating Expenses consist of variable operating expenses escalated at 3.0% per year

<sup>2</sup> Other Expenses include taxes, replacement reserves, compliance monitoring fee and Bond monitoring fee

<sup>3</sup> Assumes an initial permanent Bond par of \$15,872,000 amortized on a 30-year basis at a rate of 6.03%

<sup>4</sup> Net operating income divided by sum of Bond Debt Service + SDHC fixed loan payment of \$10,000

The following table shows the Borrower’s most recent projected cash flow for the Development during first full five years following stabilized occupancy:

Escalation	Revenues	Year				
		1	2	3	4	5
2.00%	Gross Potential Tenant Rental Income	567,801	579,157	590,740	602,555	614,606
2.00%	Rental Subsidy	1,896,576	1,934,508	1,973,198	2,012,662	2,052,915
2.00%	Miscellaneous Income	8,617	8,789	8,965	9,144	9,327
	<b>less 7% vacancy</b>	<b>(173,110)</b>	<b>(176,572)</b>	<b>(180,103)</b>	<b>(183,705)</b>	<b>(187,379)</b>
	<b>Total Net Income</b>	<b>2,299,884</b>	<b>2,345,882</b>	<b>2,392,800</b>	<b>2,440,656</b>	<b>2,489,469</b>
	<b>Expenses</b>					
3.00%	Operating Expenses	(835,557)	(864,801)	(895,070)	(926,397)	(958,821)
	Replacement Reserves	(44,000)	(44,000)	(44,000)	(44,000)	(44,000)
2.00%	Taxes	(3,060)	(3,121)	(3,184)	(3,247)	(3,312)
	Bond Monitoring Fee	(19,840)	(19,840)	(19,840)	(19,840)	(19,840)
	SDHC Loan Monitoring Fee	(13,050)	(13,050)	(13,050)	(13,050)	(13,050)
	<b>Total Expenses + Reserves</b>	<b>(915,507)</b>	<b>(944,813)</b>	<b>(975,143)</b>	<b>(1,006,534)</b>	<b>(1,039,023)</b>
	<b>Net Operating Income</b>	<b>1,384,377</b>	<b>1,401,069</b>	<b>1,417,657</b>	<b>1,434,121</b>	<b>1,450,446</b>
	Annual Bond Debt Service	(1,145,604)	(1,145,604)	(1,145,604)	(1,145,604)	(1,145,604)
	SDHC Loan Payment	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
	<b>Debt Service Coverage</b>	<b>1.20x</b>	<b>1.21x</b>	<b>1.23x</b>	<b>1.24x</b>	<b>1.26x</b>
	<b>Available Cash Flow after Permanent Loan Debt Service</b>	<b>228,773</b>	<b>245,465</b>	<b>262,053</b>	<b>278,517</b>	<b>294,842</b>
3.00%	LP Investor Services Fee	(5,000)	(5,150)	(5,305)	(5,464)	(5,628)
	Deferred Developer Fee	(223,773)	(240,315)	(256,748)	(273,054)	(289,214)
	<b>Project Cash Flow Available for Residual Receipts Payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## PUBLIC PURPOSE

The Bonds are expected to result in the long-term affordability of 87 one-bedroom and two-bedroom units in the City of San Diego, restricted and affordable to households earning 30% AMI per the most restrictive funding source. Of these units, 14 will be restricted for permanent supportive housing. One two-bedroom unit will be occupied by a resident manager and will be unrestricted.

The Bond Regulatory Agreement, the Tax Credit Regulatory, the Commission's Declaration and the City Regulatory Agreement will require that affordability levels be maintained for a period of 55 years.

## BENEFITS AND RISKS TO THE COMMISSION

The Bonds provide a vehicle for financing a portion of the construction costs of the Development. As proposed, the Bonds will result in the long-term affordability of 87 one-bedroom and two-bedroom units in the City of San Diego with units restricted to income levels described in "Public Purpose" above.

The Bonds do not pose undue financial risk to the Housing Authority. The Bonds are not direct obligations of the Housing Authority or the City of San Diego. The Bonds will be purchased by Banner, which has indicated its intention to hold the Bonds for its own account. The Bonds are expected to be paid down to \$15,872,000 following conversion.

The primary risk is construction and lease-up risk – that the Development is not completed and/or leased up in a timely fashion. Given the development and project management experience of CHW, the target tenant population, the availability of 87 PSH and non-PSH PBVs and the demand for affordable units, this risk seems remote. This risk is borne entirely by the Banner and CHW.

If the Housing Authority issues the Bonds, the Commission would receive an issuer fee at Bond closing of \$71,010: equal to 0.25% times the initial aggregate par amount of the tax-exempt and taxable Bonds (\$28,404,173).

In addition, the Commission also would receive estimated annual fees of:

- \$35,505 to monitor the Bonds during the construction period (based on an aggregate initial par of \$28,404,173 for the Bonds times 0.125%), and
- \$19,840 to monitor the tax-exempt Bonds after conversion (assuming an estimated permanent tax-exempt Bond of \$15,872,000 times 0.125%) plus (b) a per unit monitor fee of \$150/unit or \$13,050 in the first year).
- A minimum of \$10,000 following repayment of the Bonds through the end of the 55-year CDLAC compliance period.

Costs of issuance will be funded by the Borrower from low income housing tax credit proceeds and/or other funds. The Borrower has agreed to indemnify the Housing Authority and Housing Commission as to matters relating to the Bonds. However, the Borrower is a single purpose entity with no significant assets or source of income other than the Development and is generally not required to make up any cash flow shortfalls. Accordingly, CHW will be providing its indemnification.

## **RECOMMENDATIONS**

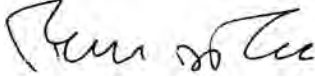
Ross Financial recommends that the Housing Authority proceed with the issuance of the Bonds based on the following findings:

- The Bonds will achieve a public purpose by providing an aggregate of 87 affordable units, with all units restricted to income levels at 30% AMI per the most restrictive funding source.
- The Bonds will evidence tax-exempt and taxable loans funded by a well-established, highly capitalized bank that is active in affordable housing lending. The Bonds will be subject to restrictive transfer limitations at all times.
- The Borrower has agreed to indemnify the Housing Authority and the Commission regarding matters relating to the financing. The Borrower will pay issuance costs from sources other than Bond proceeds.
- Based on estimates provided by CHW on behalf of the Borrower, there should be sufficient funds to complete the Development and the Development provides adequate cash flow to cover permanent loan debt service on the Bonds.

Mr. Joe Correia  
Re: Cortez Hill Apartments  
September 30, 2022  
Page 10 of 10

If there is any additional information you require concerning the Development, Ross Financial will be pleased to provide a supplemental analysis.

Very truly yours,

A handwritten signature in black ink, appearing to read "Peter J. Ross". The signature is written in a cursive style with a large initial "P" and "R".

Peter J. Ross  
Principal

# ATTACHMENT 7 - DEVELOPER'S 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) 795-1159
  4. Name of Principal Contact for CONTRACTOR: Mary Jane Jagodzinski, Sr. Vice President
  5. Federal Identification Number or Social Security Number of CONTRACTOR: 33-0317950
  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% 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%. (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.

A new slate of officers was elected January 27th, 2022.

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.

It is not anticipated that the board makeup will change within the next 12 months.

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% interest in the CONTRACTOR (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the CONTRACTOR or more than 50% of the stock in the corporation which holds 20% 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 whatever 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 years 2020 and 2021.

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 pro forma Sources and Uses.

16. Provide sources and amount of cash available to CONTRACTOR to meet equity requirements of the proposed undertaking:

- a. In banks/savings and loans: \*Community HousingWorks will provide a complete list of these sources and the amount of cash available to meet proposed equity requirements at a later date.\*  
 Name:  
 Address:  
 Amount: \$

b. By loans from affiliated or associated corporations or firms:

Name:

Address:

Amount: \$

c. 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.

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.



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 the San Diego Housing Commission ("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 the 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:

24. 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

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

Yes  No

If yes, explain:

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)]

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)]
- d. Professional Liability (Errors and Omissions) [Attach certificate of insurance showing the amount of coverage and coverage period(s)]
- e. Excess Liability [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]
- f. Other (Specify) [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]

- 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 the SDHC setting forth the provisions of this nondiscrimination clause.
- 28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the SDHC, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the 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 the SDHC, the AUTHORITY and/or the CITY, no member of the governing body of the locality in which the PROJECT is situated, no member of the government body in which the 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,

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	B20040136721	1/1/2022	Current	No

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 the 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 the SDHC.

**Community HousingWorks has a proud history of successful contract administration that will assure its successful operation of this project. We have developed both new construction & acquisition rehab projects in the City of San Diego. We currently own and operate 7 of these apartment communities and have met all of our loan obligations to date.**

35. List all CONTRACTS with, DEVELOPMENTS for or with, LOANS with, PROJECTS with, GRANTS from, SALES of Real Property to, the 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
	*Please 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:

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:

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

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.

\*See attached Developer Qualifications\*

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

Name	Experience
Rob Northrup	<p>Rob Northrup has 28 years of design, development and construction experience in supervisory roles specializing in Multifamily Residential and Special Purpose Facility Construction.</p> <p>Rob is a skilled superintendent and an expert in residential multifamily quality construction, complex site improvements, amenity spaces, all with accelerated schedules at the lowest cost. Rob doesn't just manage the work, he controls the work.</p> <p>Relevant Experience (partial list):</p> <ul style="list-style-type: none"> <li>- Valencia Pointe; 102 multifamily units</li> <li>- Breeze Hill, 88 multifamily units</li> <li>- The Broadway, 62 multifamily units</li> <li>- Monaco, 74 condo units</li> <li>- Ocean Heights, 32 hill side homes</li> </ul>


**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 26 day of September, 20 22, at San Diego, California.

CONTRACTOR  
By:   
Signature  
SENIOR VICE PRESIDENT  
Title



**CERTIFICATION**

The CONTRACTOR, COMMUNITY HOUSING, 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: Mary Jane Jagodzinski By: \_\_\_\_\_  
Title: SENIOR VICE PRESIDENT Title: \_\_\_\_\_  
Dated: SEPTEMBER 26, 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 26th day of September, 20 22  
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.



Kaelyn Emery  
Signature of Notary

SEAL

**CALIFORNIA ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }  
County of San Diego

On September 26, 2022 before me, Kaelyn Emery, Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared Mary Jane Jagodzinski  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Kaelyn Emery  
Signature of Notary Public

Place Notary Seal and/or Stamp Above

**OPTIONAL**

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: Certification disclosure - contractor  
Document Date: 9-26-22 Number of Pages: 2  
Signer(s) Other Than Named Above: N/A

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: Mary Jane Jagodzinski Signer's Name: \_\_\_\_\_  
 Corporate Officer – Title(s): Senior VP  Corporate Officer – Title(s): \_\_\_\_\_  
 Partner –  Limited  General  Partner –  Limited  General  
 Individual  Attorney in Fact  Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  Other: \_\_\_\_\_  
Signer is Representing: \_\_\_\_\_ Signer is Representing: \_\_\_\_\_

**San Diego Housing Commission Developer Disclosure Statement  
Community HousingWorks  
List of Attachments**

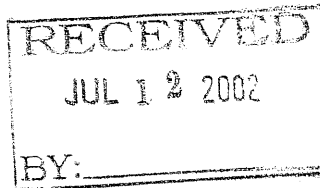
<u>Question #</u>	<u>Attachment</u>
6.	Articles of Incorporation and Nonprofit Status
8. & 12.	Board Roster of Community HousingWorks
14.	2019 and 2020 Consolidated Financial Statements of Community HousingWorks
15.	Pro Forma
17.	Bank References
20.	List of Previous Undertakings
22. & 39.	CHW Developer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

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

# LUCE FORWARD

ATTORNEYS AT LAW • FOUNDED 1873  
LUCE, FORWARD, HAMILTON & SCRIPPS LLP

NANCY CRANE, PARALEGAL  
DIRECT DIAL NUMBER 619.699.5473  
DIRECT FAX NUMBER 619.645.5333  
EMAIL ADDRESS NCRANE@LUCE.COM



600 West Broadway  
Suite 2600  
San Diego, CA 92101  
619.236.1414  
619.232.8311 fax  
www.luce.com

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,

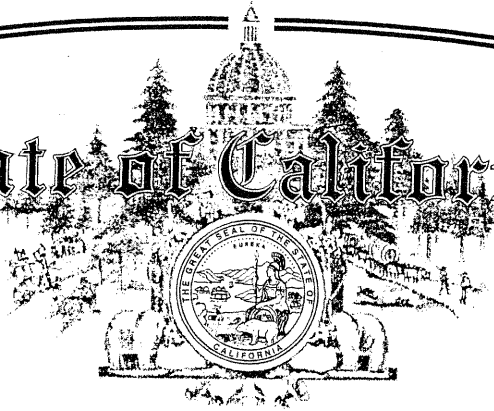
A handwritten signature in cursive script that reads "Nancy Crane". The signature is written in dark ink and extends across the width of the page.

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

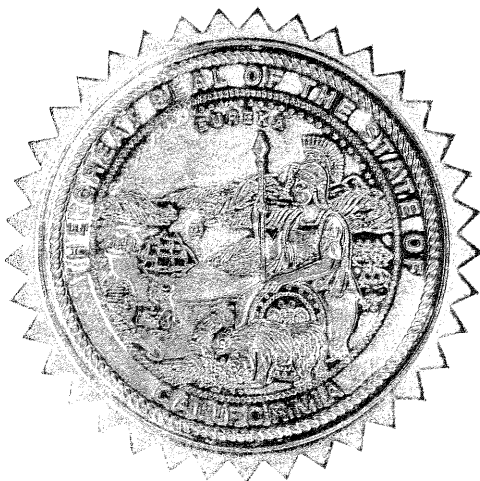
That no record exists in this office of a certificate of dissolution of said corporation nor of a court order declaring dissolution thereof, nor of a merger or consolidation which terminated its existence; and

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.

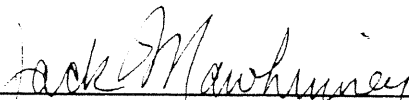
ARTICLE V

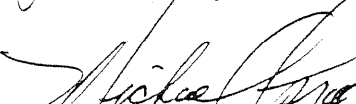
Dedication of Assets. The property of the corporation is irrevocably dedicated to charitable purposes. No part of the net assets or income of the corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon dissolution or liquidation, 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.

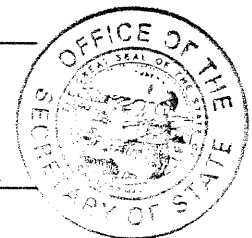
3. The foregoing amended and restated Articles of Incorporation have been duly approved by the board of directors.
4. The corporation has no members.

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





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

# LUCE FORWARD

ATTORNEYS AT LAW • FOUNDED 1873

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DENNIS J. DOUCETTE, PARTNER  
DIRECT DIAL NUMBER 858.720.6322  
DIRECT FAX NUMBER 858.523.4305  
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

**8. & 12. Board Roster of Community HousingWorks**



## 2022 Board of Directors

<p>Don Ambrose <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>Roberto Garcia <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>Christie Ault <i>Secretary</i> <i>Chair, Governance Committee</i> Community Development Coordinator Pacific Premier Bank <b>3050 Rue D'Orleans #426</b> San Diego, CA 92110 (858) 729-7701 - Office <a href="mailto:cault@ppbi.com">cault@ppbi.com</a> 03/2019</p>
<p>Robert Gottlieb <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>Silvia Calzada 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 tc

**14. 2020 and 2021 Consolidated Financial Statements of Community HousingWorks**



**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2021 AND 2020**



**Leaf & Cole, LLP**  
*Certified Public Accountants*



**COMMUNITY HOUSINGWORKS  
CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

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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 Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the accompanying consolidated financial statements of Community HousingWorks (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, 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.

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, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Community HousingWorks and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community HousingWorks' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Community HousingWorks' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community HousingWorks' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Supplementary 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 67 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, 2022, 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, 2022

**COMMUNITY HOUSINGWORKS**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2021 AND 2020**

	<b>ASSETS</b>	
	<u>2021</u>	<u>2020</u>
<b><u>Current Assets:</u></b> (Notes 2, 4, 5 and 6)		
Cash and cash equivalents	\$ 25,684,607	\$ 28,260,721
Investments	11,194,260	9,637,536
Security deposits	659,412	653,784
Grants and contracts receivable	142,188	60,771
Accounts receivable - related parties	15,474,227	16,865,273
Accounts receivable - other, net	4,651,797	193,645
Prepaid expenses	238,205	142,656
Total Current Assets	<u>58,044,696</u>	<u>55,814,386</u>
<b><u>Noncurrent Assets:</u></b> (Notes 2, 4, 6 and 7 thru 10)		
Restricted reserves	8,455,110	8,009,509
Loans receivable, net	233,493	315,772
Notes receivable - related parties, net	64,840,246	65,976,195
Interest receivable	3,269,558	2,375,308
Property and equipment, net	75,987,470	73,963,162
Investments in limited partnerships	17,921,497	14,520,897
Deposits	174,574	274,574
Other assets, net	40,068	41,621
Total Noncurrent Assets	<u>170,922,016</u>	<u>165,477,038</u>
<b>TOTAL ASSETS</b>	<u>\$ 228,966,712</u>	<u>\$ 221,291,424</u>

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

**COMMUNITY HOUSINGWORKS**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**DECEMBER 31, 2021 AND 2020**

**LIABILITIES AND NET ASSETS**

	<u>2021</u>	<u>2020</u>
<b><u>Current Liabilities:</u></b> (Notes 2 and 12)		
Accounts payable and accrued expenses	\$ 1,747,330	\$ 1,677,633
Security deposits	665,404	653,778
Deferred revenue	155,006	148,805
Current portion of noncurrent liabilities	938,153	1,873,307
Total Current Liabilities	<u>3,505,893</u>	<u>4,353,523</u>
<b><u>Noncurrent Liabilities:</u></b> (Notes 2, 12 and 13)		
Deferred revenue	112,350	155,302
Deferred lease liability	282,236	281,170
Notes payable - amortized debt , net	34,847,001	33,399,632
Notes payable - residual receipts debt, net	30,791,167	31,909,119
Interest payable - residual receipts debt	15,755,153	15,153,644
Less: Current portion	(938,153)	(1,873,307)
Total Noncurrent Liabilities	<u>80,849,754</u>	<u>79,025,560</u>
Total Liabilities	<u>84,355,647</u>	<u>83,379,083</u>
<b><u>Obligation Under Interest Rate Swap</u></b> (Notes 2 and 14)	<u>17,680</u>	<u>989,513</u>
<b><u>Commitments and Contingencies</u></b> (Notes 11 and 16)		
<b><u>Net Assets:</u></b> (Notes 2 and 15)		
Without donor restrictions	144,058,658	136,016,048
With donor restrictions:		
Time and purpose restrictions	<u>534,727</u>	<u>906,780</u>
Total Net Assets	<u>144,593,385</u>	<u>136,922,828</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 228,966,712</u>	<u>\$ 221,291,424</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, 2021 AND 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support:</b>						
Contributions	\$ 566,750	\$ 921,117	\$ 1,487,867	\$ 736,009	\$ 366,740	\$ 1,102,749
Developer fees	12,877,934	-	12,877,934	18,096,560	-	18,096,560
Grants	2,215,052	235,560	2,450,612	1,628,956	261,579	1,890,535
Loan interest and investment income	2,556,053	-	2,556,053	2,908,044	1,203	2,909,247
Management fees	752,070	-	752,070	813,923	-	813,923
Other income	1,527,654	-	1,527,654	1,024,693	-	1,024,693
Program income	773,543	-	773,543	837,618	-	837,618
Rental income	11,337,120	-	11,337,120	10,850,630	-	10,850,630
Net assets released from restrictions	1,528,730	(1,528,730)	-	1,143,519	(1,143,519)	-
Total Revenue and Support	<u>34,134,906</u>	<u>(372,053)</u>	<u>33,762,853</u>	<u>38,039,952</u>	<u>(513,997)</u>	<u>37,525,955</u>
<b>Expenses:</b>						
<b>Program Services:</b>						
Asset management	1,776,763	-	1,776,763	1,389,408	-	1,389,408
Community programs	3,965,228	-	3,965,228	3,494,526	-	3,494,526
Real estate development	3,848,445	-	3,848,445	3,910,951	-	3,910,951
Rental real estate	13,740,650	-	13,740,650	11,701,149	-	11,701,149
Supportive housing programs	453,334	-	453,334	374,096	-	374,096
Total Program Services	<u>23,784,420</u>	<u>-</u>	<u>23,784,420</u>	<u>20,870,130</u>	<u>-</u>	<u>20,870,130</u>
<b>Supporting Services:</b>						
Management and general	1,205,727	-	1,205,727	1,436,003	-	1,436,003
Fundraising	572,108	-	572,108	632,868	-	632,868
Total Supporting Services	<u>1,777,835</u>	<u>-</u>	<u>1,777,835</u>	<u>2,068,871</u>	<u>-</u>	<u>2,068,871</u>
Total Expenses	<u>25,562,255</u>	<u>-</u>	<u>25,562,255</u>	<u>22,939,001</u>	<u>-</u>	<u>22,939,001</u>
Change in Net Assets Before Other Revenue and (Expense)	<u>8,572,651</u>	<u>(372,053)</u>	<u>8,200,598</u>	<u>15,100,951</u>	<u>(513,997)</u>	<u>14,586,954</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, 2021 AND 2020**

	2021			2020		
	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
Loan forgiveness and recovery	1,291,708	-	1,291,708	278,480	-	278,480
Obligation under interest rate swap change	971,833	-	971,833	242,168	-	242,168
Partnership loss	<u>(201,733)</u>	<u>-</u>	<u>(201,733)</u>	<u>(357,734)</u>	<u>-</u>	<u>(357,734)</u>
Total Other Revenue and (Expense)	<u>2,061,808</u>	<u>-</u>	<u>2,061,808</u>	<u>4,673,950</u>	<u>-</u>	<u>4,673,950</u>
Change in Net Assets	10,634,459	(372,053)	10,262,406	19,774,901	(513,997)	19,260,904
Net Assets at Beginning of Year	136,016,048	906,780	136,922,828	113,584,379	1,420,777	115,005,156
Acquisition of Partnership Interest	(2,846,595)	-	(2,846,595)	2,826,153	-	2,826,153
Contributions/(Distributions), net	<u>254,746</u>	<u>-</u>	<u>254,746</u>	<u>(169,385)</u>	<u>-</u>	<u>(169,385)</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 144,058,658</u>	<u>\$ 534,727</u>	<u>\$ 144,593,385</u>	<u>\$ 136,016,048</u>	<u>\$ 906,780</u>	<u>\$ 136,922,828</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, 2021**

	Program Services				Supportive Housing Programs	Supporting Services			Total Expenses
	Asset Management	Resident Services	Real Estate Development	Rental Real Estate		Management and General	Fundraising	Eliminations	
<b><u>Personnel Expenses:</u></b>									
Salaries and wages	\$ 1,292,911	\$ 2,203,187	\$ 2,646,998	\$ -	\$ 37,012	\$ 641,910	\$ 198,963	\$ -	\$ 7,020,981
Payroll taxes	78,037	144,294	197,038	-	2,483	51,611	33,390	-	506,853
Health insurance and other benefits	155,112	358,467	331,534	-	10,904	114,393	55,320	-	1,025,730
Temporary/contract personnel	7,496	16,916	32,411	-	1,153	29,284	27,907	-	115,167
Total Personnel Expenses	<u>1,533,556</u>	<u>2,722,864</u>	<u>3,207,981</u>	<u>-</u>	<u>51,552</u>	<u>837,198</u>	<u>315,580</u>	<u>-</u>	<u>8,668,731</u>
<b><u>Occupancy:</u></b>									
Office rent	88,742	142,252	237,998	-	22,283	77,708	51,203	-	620,186
Telephone/Internet	8,802	16,482	23,962	-	2,206	7,763	5,008	-	64,223
Total Occupancy	<u>97,544</u>	<u>158,734</u>	<u>261,960</u>	<u>-</u>	<u>24,489</u>	<u>85,471</u>	<u>56,211</u>	<u>-</u>	<u>684,409</u>
<b><u>Insurance</u></b>	<u>3,619</u>	<u>11,085</u>	<u>9,277</u>	<u>-</u>	<u>992</u>	<u>4,693</u>	<u>2,053</u>	<u>-</u>	<u>31,719</u>
<b><u>Supplies and Other Administrative Costs</u></b>	<u>68,983</u>	<u>118,043</u>	<u>190,285</u>	<u>-</u>	<u>8,637</u>	<u>85,808</u>	<u>60,438</u>	<u>-</u>	<u>532,194</u>
<b><u>Travel</u></b>	<u>4,019</u>	<u>20,256</u>	<u>8,178</u>	<u>-</u>	<u>108</u>	<u>1,838</u>	<u>505</u>	<u>-</u>	<u>34,904</u>
<b><u>Professional Fees:</u></b>									
Other professional services	15,597	166,072	52,415	-	11,555	57,496	81,559	-	384,694
Equipment/computer services	10,915	49,919	24,592	-	2,223	27,133	9,551	-	124,333
Accounting (Audit)	8,872	10,891	17,973	-	1,067	3,163	2,061	-	44,027
Total Professional Fees	<u>35,384</u>	<u>226,882</u>	<u>94,980</u>	<u>-</u>	<u>14,845</u>	<u>87,792</u>	<u>93,171</u>	<u>-</u>	<u>553,054</u>
<b><u>Program/Project Expenses:</u></b>									
Program/Project related expenses	202	625,926	427	-	179,884	11,871	26,511	-	844,821
Property operation cost	-	-	-	12,786,461	134,674	-	-	(2,853,513)	10,067,622
Total Program/Project Expenses	<u>202</u>	<u>625,926</u>	<u>427</u>	<u>12,786,461</u>	<u>314,558</u>	<u>11,871</u>	<u>26,511</u>	<u>(2,853,513)</u>	<u>10,912,443</u>
<b><u>Other Expenses:</u></b>									
Interest	20,226	52,350	42,832	-	16,820	58,545	11,331	-	202,104
Depreciation and amortization	11,334	24,157	19,765	3,767,511	20,998	27,017	5,229	-	3,876,011
Contributions to others	1,896	4,931	4,014	-	335	5,494	1,079	-	17,749
Property loss	-	-	8,746	-	-	-	-	-	8,746
Total Other Expenses	<u>33,456</u>	<u>81,438</u>	<u>75,357</u>	<u>3,767,511</u>	<u>38,153</u>	<u>91,056</u>	<u>17,639</u>	<u>-</u>	<u>4,104,610</u>
<b><u>Less: Eliminations:</u></b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,853,513)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,853,513</u>	<u>-</u>
<b>TOTAL EXPENSES</b>	<u>\$ 1,776,763</u>	<u>\$ 3,965,228</u>	<u>\$ 3,848,445</u>	<u>\$ 13,700,459</u>	<u>\$ 453,334</u>	<u>\$ 1,205,727</u>	<u>\$ 572,108</u>	<u>\$ -</u>	<u>\$ 25,522,064</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><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>-</u>	<u>36,581</u>	<u>922,977</u>	<u>374,185</u>	<u>-</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>-</u>	<u>23,930</u>	<u>93,083</u>	<u>65,231</u>	<u>-</u>	<u>681,874</u>
<b><u>Insurance</u></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><u>Supplies and Other Administrative Costs</u></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><u>Travel</u></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><u>Professional Fees:</u></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><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	-	-	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><u>Other Expenses:</u></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><u>Less: Eliminations:</u></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 STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b><u>Cash Flows From Operating Activities:</u></b>		
Change in net assets	\$ 10,262,406	\$ 19,260,904
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation	3,911,614	3,819,287
Amortization of other assets	1,553	1,553
Amortization of debt issuance costs	363,364	30,814
Gain on sale of property and equipment	-	(4,511,036)
Net realized and unrealized gains from investments	(161,947)	(410,316)
Loan forgiveness	(839,154)	(24,500)
Partnership loss	201,733	357,734
Change in obligation under interest rate swap	(971,833)	(242,168)
Perpetual restricted net assets released	-	772,840
<b>(Increase) Decrease in:</b>		
Grants and contracts receivable	(81,417)	7,672
Contributions receivable, net	-	750
Accounts receivable, net	(3,067,106)	(10,279,990)
Prepaid expenses	(95,549)	121,898
Interest receivable	(894,250)	(574,244)
Other assets	-	(10,000)
<b>Increase (Decrease) in:</b>		
Accounts payable and accrued expenses	69,697	2,794,178
Security deposits	11,626	(3,329)
Deferred revenue	(36,751)	(40,227)
Deferred lease liability	1,066	27,106
Interest payable	601,509	331,813
Net Cash Provided by Operating Activities	<u>9,276,561</u>	<u>11,430,739</u>
<b><u>Cash Flows From Investing Activities:</u></b>		
Property held for sale	-	(100,773)
Proceeds from sale of property held for sale	-	2,085,000
Investment (purchases) sales, net	(1,394,190)	(525,641)
Loans receivable, net	82,279	152,268
Notes receivable - related parties, net	1,135,949	(121,227)
Proceeds from sale of property and equipment	-	8,589,756
Property and equipment purchases	(5,935,922)	(3,076,121)
Partnership contributions and transfer costs, net	(6,194,182)	(1,876,785)
Refund of (Payment for) deposits	100,000	(99,833)
Net Cash (Used in) Provided by Investing Activities	<u>(12,206,066)</u>	<u>5,026,644</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, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b><u>Cash Flows From Financing Activities:</u></b>		
Line-of-credit (payments) advances	\$ -	\$ (2,000,000)
Proceeds from notes payable	20,000,000	3,938,962
Payments on notes payable	(17,714,189)	(8,784,112)
Payments for debt issuance costs	(1,480,604)	
Perpetual restricted net assets released	-	(772,840)
Net Cash Provided by (Used in) Financing Activities	<u>805,207</u>	<u>(7,617,990)</u>
Net (Decrease) Increase in Cash and Cash Equivalents and Restricted Cash	(2,124,298)	8,839,393
Cash and Cash Equivalents and Restricted Cash at Beginning of Year	<u>36,509,212</u>	<u>27,669,819</u>
<b>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR</b>	<u>\$ 34,384,914</u>	<u>\$ 36,509,212</u>
<b><u>Supplemental Disclosures of Cash Flow Information:</u></b>		
Cash paid for interest, net of capitalized interest (Note 2)	<u>\$ 1,034,501</u>	<u>\$ 1,131,409</u>
<b><u>Supplemental Disclosure of Noncash Investing and Financing Activities:</u></b>		
Acquisition of Fallbrook View Housing Associates, L.P.	<u>\$ -</u>	<u>\$ (2,749,051)</u>
Acquisition of Delta Village Housing Associates, L.P.	<u>\$ -</u>	<u>\$ 285,669</u>

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

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**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, 2021 and 2020, 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 3,741 rental apartments in 43 communities statewide, the Organization proudly served more than 9,800 residents in 2021.

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 has a general partner interest in limited partnerships ranging from .005% to 100%. The general partner interest is owned by CHW or through limited liability companies. CHW is the sole member of the limited liability companies. These entities are summarized in the supplementary schedule of real estate entities.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**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, 2021 or 2020.

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

**Rental Communities**

**Real Estate Development**

CHW develops and owns affordable, attractive and sustainable rental communities across California that people are 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 2021, CHW operated 3,741 rental apartments in 43 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 2021, these services were offered remotely and in a hybrid approach of both on-site and remote services. All residents can also access our comprehensive asset-building programs, including Financial Fitness classes and financial coaching.

**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 98.8% 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.

**COMMUNITY HOUSINGWORKS  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

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

**Rental Communities (Continued)**

**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 115 supportive housing apartments in 14 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+
Keeler Court	San Diego	7	Veterans Affairs Supportive Housing (VASH) Units

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**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, 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). CHW 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 2021, RHSP was placed on hold to address the federal and state eviction moratoriums related to the Covid-19 pandemic. Instead, CHW pivoted to create and implement the Emergency Rental Assistance program, which allowed much needed rent relief, paired with financial counseling. A total of 202 resident households that experienced financial hardship due to the Covid-19 pandemic received CHW Rental Assistance payments. In addition, 187 of these resident households received financial counseling in 2021. RHSP will re-launch in 2022.
- **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 2021, there was a total of 12 workshops and 47 participants. Through our Credit Strengthening Initiative program, there was a total of 45% of households who registered on the new property management platform (APTEXX) to pay their rent and 25% of households are now paying rent online. A total of 21% 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 2021, 17 residents joined a Financial Health Club.



**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**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 2020-2021 school year, there were a total of 220 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 2021, 36 CHW residents from 20 communities won scholarships totaling \$36,000.

**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 2021, CHW provided over 115 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, 2021 AND 2020**

**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, 2021 AND 2020**

**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>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 25,684,607	\$ 28,260,721
Security deposits	659,412	653,784
Restricted reserves	8,040,895	7,594,707
Total Cash and Cash Equivalents and Restricted Cash	<u>\$ 34,384,914</u>	<u>\$ 36,509,212</u>

Certificates of deposit totaling \$101,754 at December 31, 2021 and 2020, included in cash and cash equivalents earn interest at .02% and .01%, mature through November 2022.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**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, 2021 and 2020. The allowance for doubtful accounts receivable-other totaled \$-0- and \$5,248 at December 31, 2021 and 2020, 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 \$26,000 and \$35,000 at December 31, 2021 and 2020, respectively. Collection (recoveries) and losses are recorded as other revenue and expense in the consolidated statement of activities. There were no collection losses for the years ended December 31, 2021 and 2020, 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, 2021 and 2020.

**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, 2021 AND 2020**

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

**Capitalization and Depreciation (Continued)**

Depreciation totaled \$3,911,614 and \$3,819,287 for the years ended December 31, 2021 and 2020, respectively.

Interest totaling \$429,089 and \$332,181 for the years ended December 31, 2021 and 2020, respectively, was capitalized and is included in construction in progress.

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, 2021 and 2020 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, 2021 and 2020. 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 has a general partner interest in limited partnerships ranging from .005% to .01%. The general partner interest is owned by CHW or through limited liability companies. CHW is the sole member of the limited liability companies. These ownership interests are accounted for on the equity method and are summarized in the supplementary schedule of real estate entities.

**Other Assets and Amortization**

Acquisition costs totaling \$71,000 net of accumulated amortization totaling \$30,932 and \$29,379 at December 31, 2021 and 2020, 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 the years ended December 31, 2021 and 2020.

**Compensated Absences**

Accumulated unpaid vacation totaling \$424,749 and \$430,850 at December 31, 2021 and 2020, respectively, is accrued when incurred and included in accounts payable and accrued expenses.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 2 - Significant Accounting Policies: (Continued)**

**Security Deposits**

Security deposits are restricted to the extent of the security deposit liability totaling \$665,404 and \$653,778 at December 31, 2021 and 2020, 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 \$363,364 and \$30,814 for the years ended December 31, 2021 and 2020, respectively.

**Derivative Instrument**

The accounting and reporting standards related to Derivative Instruments 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 14 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, 2021, 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>2021</u>	<u>2020</u>
Balance at Beginning of Year	\$ 989,513	\$ 948,438
Change in Fair Value of Obligation Under Interest Rate Swap	(697,124)	41,075
Payoff of swap contract	<u>(274,709)</u>	<u>-</u>
Balance at End of Year	<u>\$ 17,680</u>	<u>\$ 989,513</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**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**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>2021</u>	<u>2020</u>
Accounts receivable – related parties	\$ 13,675,937	\$ 11,924,297
Notes receivable – related parties	<u>3,111,501</u>	<u>3,737,518</u>
Total Contract Asset	<u>\$ 16,787,438</u>	<u>\$ 15,661,815</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 \$159,303 and \$202,255 at December 31, 2021 and 2020, 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 \$108,053 and \$101,852 at December 31, 2021 and 2020, respectively.

Sales of property and equipment are recognized on the date the sale occurs. 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 \$282,236 and \$281,170 at December 31, 2021 and 2020, respectively.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**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, 2021 and 2020 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, 2021, 2020, 2019 and 2018 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**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

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

**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, 2022, 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.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**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>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 25,684,607	\$ 28,260,721
Investments	11,194,260	9,637,536
Grants and contracts receivable	142,188	60,771
Accounts receivable – related parties	15,474,227	16,865,273
Accounts receivable – other, net	4,651,797	193,645
Total financial assets	<u>57,147,079</u>	<u>55,017,946</u>
Less assets unavailable for general expenditures:		
Cash and investments held for board-designated purposes	<u>(17,220,569)</u>	<u>(10,326,447)</u>
Total financial assets not available to be used within one year	<u>(17,220,569)</u>	<u>(10,326,447)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 39,926,510</u>	<u>\$ 44,691,499</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 11. 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 15. 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**  
**DECEMBER 31, 2021 AND 2020**

**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:

	2021			
	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, 2021
<b>Investments:</b>				
Fixed income funds	\$ 3,610,980	\$ -	\$ -	\$ 3,610,980
Equity funds	2,041,737	-	-	2,041,737
Equities	718,136	-	-	718,136
U.S. Treasury bills	-	4,823,407	-	4,823,407
Total Investments	<u>6,370,853</u>	<u>4,823,407</u>	<u>-</u>	<u>11,194,260</u>
<b>Restricted Reserves: (Note 6)</b>				
Equity funds	195,425	-	-	195,425
Corporate bonds	-	218,790	-	218,790
Total Restricted Reserves	<u>195,425</u>	<u>218,790</u>	<u>-</u>	<u>414,215</u>
	<u>\$ 6,566,278</u>	<u>\$ 5,042,197</u>	<u>\$ -</u>	<u>\$ 11,608,475</u>
	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 6)</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>

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**Note 4 – Investments and Fair Value Measurements: (Continued)**

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

	<u>2021</u>	<u>2020</u>
Interest income from lending	\$ 2,236,305	\$ 2,326,262
Interest and dividend income from investments and reserves	201,276	212,009
Net realized and unrealized gains from investments	161,947	410,316
Investment fees	<u>(43,475)</u>	<u>(39,340)</u>
Total Loan Interest and Investment Income	<u>\$ 2,556,053</u>	<u>\$ 2,909,247</u>

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**Note 5 - 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>2021</u>	<u>2020</u>
15 <sup>th</sup> Avenue Housing Cooperative	\$ 6,541	\$ 7,616
Alabama Manor Housing Associates, L.P.	92,771	107,852
Arden Way Housing Associates, L.P.	81,424	217,239
Cedar Nettleton Housing Associates, L.P.	16,148	16,093
Community Road Housing Associates, L.P.	175,649	191,958
Cypress Cove Housing Associates, L.P.	143,274	180,503
East Mountain Housing Associates, L.P.	104,702	69,534
El Norte Housing Associates, L.P.	42,617	43,074
Florida Street Housing Associates, L.P.	59,119	58,807
Foothill Oak Housing Associates, L.P.	32,256	74,593
Fruit Avenue Housing Associates, L.P.	24,661	136,816
Keeler Court Housing Associates, L.P.	3,232,323	4,486,593
Kimball Tower Housing Associates, L.P.	204,006	200,800
Las Haciendas Housing Associates, L.P.	445,913	-
Linda Vista Housing Associates, L.P.	224	-
Lindo Housing Associates, L.P.	65,179	63,549
Mission Cove Seniors Housing Associates, L.P.	150,735	158,220
Monument Boulevard Housing Associates, LP	81,943	52,819
Morgan Tower Housing Associates, L.P.	239,023	4,947,356
Mountain View Housing Associates, L.P.	98,708	63,183
North Santa Fe Housing Associates, L.P.	18,075	18,549
Oak Knoll Housing Associates, L.P.	41,066	39,884
Paradise Creek Housing Partners, L.P.	6,780	23,021
Paradise Creek II Housing Partners, L.P.	2,434	25,043
Poway Villas Housing Associates, L.P.	415	800
Poway Villas Community Housing Association	20	18,000
South Santa Fe Housing Associates, L.P.	631,326	290,223
Texas Street Senior Housing, L.P.	130,678	232,776
Tripp Avenue Housing Associates, L.P.	7,826,361	2,341,710
Turnagain Arms Community Housing Association	-	260
Turnagain Renaissance Housing Associates, L.P.	610	800
Ulric Street Housing Associates, L.P.	1,124,605	1,824,685
Windsor Gardens Housing Associates, L.P.	278,939	860,354
Woodcroft Street Housing Associates, L.P.	115,702	112,563
Total Accounts Receivable - Related Parties	<u>\$ 15,474,227</u>	<u>\$ 16,865,273</u>

**COMMUNITY HOUSINGWORKS**  
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**Note 6 - 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>2021</u>	<u>2020</u>
Bandar Salaam Apartments	\$ 482,289	\$ 446,716
Daybreak/Sunrise Place	300,821	295,929
Delta Village	232,634	200,183
Esperanza Garden Apartments	438,298	432,903
Eucalyptus View	156,668	149,133
Fallbrook View	865,080	825,193
Haley Ranch Estates	1,983,903	1,923,365
Hillside Village	697,713	651,863
La Costa Paloma	1,116,560	1,020,090
Marisol Apartments	267,677	271,631
Old Grove Apartments	377,938	342,977
Orange Place Apartments	513,018	490,939
Parkside Terrace Apartments	<u>1,022,511</u>	<u>958,587</u>
Total Restricted Reserves	<u>\$ 8,455,110</u>	<u>\$ 8,009,509</u>

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

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 8,040,895	\$ 7,594,707
Investments	<u>414,215</u>	<u>414,802</u>
Total Restricted Reserves	<u>\$ 8,455,110</u>	<u>\$ 8,009,509</u>

**COMMUNITY HOUSINGWORKS**  
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**Note 7 - 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>2021</u>	<u>2020</u>
CDGB Revolving Loan Fund	3.00%-6.00%	20 years	\$ -	\$ 40,000
Neighborhood Reinvestment Corporation	3.00%-6.50%	10 years	33,396	72,643
HSF/WM	5.00%-6.50%	30 years	-	1,104
Neighborhood Housing Services of America - Community Development Financial Institutions	5.95%-6.50%	10 to 30 years	12,751	15,471
First Mortgage	6.25%	30 years	<u>213,346</u>	<u>221,554</u>
Total Loans Receivable			259,493	350,772
Less: Allowance for Collection Losses			<u>(26,000)</u>	<u>(35,000)</u>
Loans Receivable, Net			<u>\$ 233,493</u>	<u>\$ 315,772</u>

Accrued interest on loans receivable totaled \$79 and \$16,146 at December 31, 2021 and 2020, respectively.

**Note 8 - Notes Receivable - Related Parties:**

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

	<u>2021</u>	<u>2020</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 \$99,862 and \$186,734 at December 31, 2021 and 2020, respectively.	2,731,129	2,731,129

(Continued)

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**Note 8 - Notes Receivable - Related Parties: (Continued)**

	<u>2021</u>	<u>2020</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 \$106,246 and \$83,743 at December 31, 2021 and 2020, 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 \$4,689 and \$19,095 at December 31, 2021 and 2020, respectively.	8,866	250,571
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 \$63,724 and \$114,398 at December 31, 2021 and 2020, 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 \$30,126 and \$32,518 at December 31, 2021 and 2020, 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 \$3,293 and \$2,908 at December 31, 2021 and 2020, respectively.	6,000	6,000
The deferred developer fee from Fruit Avenue Housing Associates, LP bears interest at 1.53% annually. Accrued interest totaled \$1,195 and \$57,351 at December 31, 2021 and 2020, respectively.	3,167,851	3,545,414

(Continued)



**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**Note 8 - Notes Receivable - Related Parties: (Continued)**

	<u>2021</u>	<u>2020</u>
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 \$984,671 and \$780,544 at December 31, 2021 and 2020, 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.	700,000	700,000
The note receivable from Keeler Court Housing Associates, L.P. in the original amount of \$940,000 bears interest at 3%. Accrued interest totaled \$33,302 and \$-0- at December 31, 2021 and 2020, respectively. Principal is payable from residual receipts determined on an annual basis. Principal is due no later than December 1, 2076.	940,000	735,030
The deferred developer fee from Keeler Court Housing Associates, L.P. in the amount of \$178,573 is noninterest-bearing.	178,573	-
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 \$81,857 and \$102,474 at December 31, 2021 and 2020, respectively.	2,133,540	2,133,540
The deferred developer fee from Monument Boulevard Housing L.P. in the amount of \$3,093,853 is noninterest-bearing.	1,278,552	1,904,569
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 \$235,343 and \$15,256 at December 31, 2021 and 2020, respectively.	8,515,249	8,515,249
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 \$26,272 and \$26,064 December 31, 2021 and 2020, respectively.	370,120	370,120

(Continued)

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 8 - Notes Receivable - Related Parties: (Continued)**

	<u>2021</u>	<u>2020</u>
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	\$ 195,469
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 \$99,306 and \$53,070 at December 31, 2021 and 2020, 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 \$95,922 and \$77,438 at December 31, 2021 and 2020, 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 \$1,224,624 and \$621,083 at December 31, 2021 and 2020, 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 \$113,503 and \$104,864 at December 31, 2021 and 2020, respectively.	200,000	200,000
The deferred developer fee from Windsor Gardens Housing Associates, L.P. in the amount of \$1,832,949 is noninterest-bearing.	1,832,949	1,832,949

(Continued)

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**Note 8 - Notes Receivable - Related Parties: (Continued)**

	<u>2021</u>	<u>2020</u>
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 \$9,771 and \$26,035 at December 31, 2021 and 2020, respectively.		
Total Notes Receivable - Related Parties	\$ 64,840,246	\$ 65,976,195

There are no required payments due in the next five years. Accrued interest totaled \$3,269,479 and \$2,359,162 at December 31, 2021 and 2020, respectively.

**Note 9 - Property and Equipment:**

Property and equipment consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Land	\$ 17,234,075	\$ 21,284,075
Buildings and improvements	107,222,520	107,163,442
Equipment	38,148	38,148
Furniture and fixtures	6,079,764	5,881,896
Vehicles and trailer	3,483	3,483
Construction in progress	12,666,025	2,937,049
Subtotal	143,244,015	137,308,093
Less: Accumulated depreciation	(67,256,545)	(63,344,931)
Property and Equipment, Net	\$ 75,987,470	\$ 73,963,162

**COMMUNITY HOUSINGWORKS**  
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**Note 10 - 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>2021</u>	<u>2020</u>
Alabama Manor Housing Associates, L.P. (.01%)	\$ (362)	\$ (347)
Arden Way Housing Associates, L.P. (.01%)	1,284,915	1,284,915
Cedar Nettleton Housing Associates, L.P. (.01%)	30,164	30,190
Community Road Housing Associates, L.P. (.01%)	(569)	(533)
Cypress Cove Housing Associates, L.P. (.01%)	131,492	131,442
East Mountain Housing Associates, L.P. (.01%)	26,296	26,332
El Norte Housing Associates, L.P. (.01%)	249,727	249,764
Florida Street Housing Associates, L.P. (.01%)	943,973	944,030
Foothill Oak Housing Associates, L.P. (.01%)	(250)	(201)
Fruit Avenue Housing Associates, L.P. (.01%)	74,548	74,709
Keeler Court Housing Associates, L.P. (.01%)	100	100
Kimball Tower Housing Associates, L.P. (.005%)	3,267,715	3,438,373
Lindo Housing Associates, L.P. (.01%)	473,922	473,951
Mission Cove Seniors Housing Associates, L.P. (.01%)	(78,903)	(24,206)
Monument Boulevard Housing Associates, L.P. (.01%)	776,743	776,787
Morgan Tower Housing Associates, L.P. (.005%)	3,841,027	(133)
Mountain View Housing Associates, L.P. (.01%)	576,950	576,995
North Santa Fe Housing Associates, L.P. (.01%)	(475)	(429)
Oak Knoll Housing Associates, L.P. (.01%)	229,899	300,189
Paradise Creek Housing Partners, L.P. (.005%)	(319)	(281)
Paradise Creek II Housing Partners, L.P. (.005%)	4,549,828	4,549,878
Poway Villas Housing Associates, L.P. (.01%)	(3,489)	(3,492)
Solutions Family Center, L.P. (1%)	(13,206)	(13,206)
South Santa Fe Housing Associates (.01%)	100	100
Texas Street Senior Housing, L.P. (.01%)	1,556,402	1,556,462
Tripp Avenue Housing Associates, L.P. (.01%)	(18,256)	125,898
Turnagain Renaissance Housing Associates, L.P. (.01%)	2,035	2,083
Ulric Street Housing Associates, L.P. (0.0090%)	100	100
Windsor Gardens Housing Associates, L.P. (0.0001%)	277,999	278,000
Woodcroft Street Housing Associates, L.P. (.01%)	(256,609)	(256,573)
	<u>\$ 17,921,497</u>	<u>\$ 14,520,897</u>

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 10 - 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:

	2021		
	Management Fees	Other Services	Developer Fees
Alabama Manor Housing Associates, L.P.	\$ 23,356	\$ 63,300	\$ -
Arden Way Housing Associates, L.P.	-	-	570,920
Cedar Nettleton Housing Associates, L.P.	14,069	41,010	-
Community Road Housing Associates, L.P.	40,466	32,050	-
Cypress Cove Housing Associates, L.P.	28,982	112,550	-
East Mountain Housing Associates, L.P.	35,823	34,778	-
El Norte Housing Associates, L.P.	24,368	30,900	-
Florida Street Housing Associates, L.P.	16,464	51,660	-
Foothill Oak Housing Associates, L.P.	31,730	-	-
Fruit Housing Associates, L.P.	5,515	-	-
Keeler Court Housing Associates, L.P.	-	-	1,237,489
Kimball Tower Housing Associates, L.P.	26,522	-	-
Las Haciendas Housing Associates, L.P.	-	-	880,000
Lindo Housing Associates, L.P.	29,854	52,167	-
Mission Cove Seniors Housing Associates, L.P.	85,687	53,845	-
Monument Boulevard Housing Associates, L.P.	27,319	-	-
Morgan Tower Housing Associates, L.P.	26,523	-	-
Mountain View Housing Associates, L.P.	64,491	35,203	-
North Santa Fe Housing Associates, L.P.	17,395	46,093	-
Oak Knoll Housing Associates, L.P.	31,280	15,640	-
Paradise Creek Housing Partners, L.P.	14,069	67,530	-
Paradise Creek II Housing Partners, L.P.	47,692	65,563	-
Poway Villas Housing Associates, L.P.	22,467	-	-
South Santa Fe Housing Associates	-	-	340,000
Texas Street Senior Housing, L.P.	16,391	58,212	-
Tripp Avenue Housing Associates, L.P.	25,750	-	9,849,525
Turnagain Renaissance Housing Associates, L.P.	22,486	-	-
Windsor Gardens Housing Associates, L.P.	18,025	(46,667)	-
Woodcroft Street Housing Associates, L.P.	55,346	59,709	-
	<u>\$ 752,070</u>	<u>\$ 773,543</u>	<u>\$ 12,877,934</u>

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 10 - Investments in Limited Partnerships: (Continued)**

	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>

In addition, the Organization earned interest on advances and notes receivable to related entities totaling \$2,361,093 and \$2,416,823 for the years ended December 31, 2021 and 2020, respectively.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 11 – 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% at December 31, 2021 and 2020). Interest is payable monthly. The line-of-credit note expires April 1, 2023. The outstanding balance on the line-of-credit totaled \$-0- at December 31, 2021 and 2020.

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, 2023. There was no outstanding balance on the line-of-credit at December 31, 2021 and 2020.

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 April 12, 2023. There was no outstanding balance on the line-of-credit at December 31, 2021 and 2020.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 12 - Notes Payable – Amortized Debt**

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

<u>Community HousingWorks</u>	<u>2021</u>	<u>2020</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	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. Paid in full.	-	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, 2023. 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. Paid in full.	-	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
The note payable, which was originated on July 13, 2021, is held by the U.S. BanCorp Community Development Corporation in the original amount of \$2,000,000, and bears interest at 3% per annum. Interest is payable quarterly and principal payments are due quarterly beginning July 2024 through the maturity date of July 2028. Unsecured.	<u>2,000,000</u>	<u>-</u>
Total Community HousingWorks	<u>9,650,000</u>	<u>8,650,000</u>

(Continued)



**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**Note 12 - Notes Payable – Amortized Debt: (Continued)**

<b><u>Esperanza Housing and Community Development Corporation</u></b>	<u>2021</u>	<u>2020</u>
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.	\$ 1,004,993	\$ 1,053,960
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.	594,302	627,100
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.	92,645	133,287
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.	31,509	43,944
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.	255,352	291,712
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.	929,870	1,024,240

(Continued)

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**Note 12 - Notes Payable – Amortized Debt: (Continued)**

<b><u>Esperanza Housing and Community Development Corporation</u></b>	<u>2021</u>	<u>2020</u>
<b><u>(Continued)</u></b>		
<p>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.</p>	\$ 592,212	\$ 628,631
<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). The note payable was repaid in full.</p>	-	12,215,000
<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. The note payable was repaid in full.</p>	-	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- advanced at December 31, 2021 and 2020), 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. The note payable was repaid in full.</p>	-	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>	505,333	573,010

(Continued)

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**Note 12 - Notes Payable – Amortized Debt: (Continued)**

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

2021

2020

The note payable which was originated on December 30, 2021 is held by Citibank, N.A., serviced by Berkadia Commercial Mortgage LLC in the original amount of \$18,000,000. Monthly principal and interest payments of \$75,792 are due with interest at 2.99%.

Principal and interest are due January 2029. Secured by a deed of trust on La Costa Paloma Apartments.

\$ 18,000,000      \$ -

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% which expired on January 1, 2022 and was not renewed. Secured by a deed of trust on Delta Village Apartments.

\$ 4,900,000      \$ 5,100,000

Total Esperanza Housing and Community Development Corporation

26,906,216      25,341,337

Less: Unamortized debt issuance costs

(1,709,215)      (591,705)

Total Esperanza Housing and Community Development Corporation, Net

25,197,001      24,749,632

Total Notes Payable – Amortized Debt, Net

\$ 34,847,001      \$ 33,399,632

Debt issuance costs total \$2,060,733 and \$1,145,075, less accumulated amortization of \$352,518 and \$553,370 at December 31, 2021 and 2020, respectively.

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

Years Ended  
December 31

2022	\$ 938,153
2023	2,747,834
2024	983,823
2025	6,515,871
2026	3,554,931
Thereafter	21,815,604
Less: Unamortized debt issuance costs	<u>(1,709,215)</u>
Total	<u>\$ 34,847,001</u>

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**Note 13 - 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, less accumulated amortization of \$8,040 and \$7,770 at December 31, 2021 and 2020, respectively.

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

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

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

	<u>Property</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>2021</u>		<u>2020</u>	
				<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
<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	124,868	182,355	119,427	182,355
City of Escondido	Las Casitas Maple	3%	September 27, 2073	7,760	139,000	3,590	139,000
City of Escondido	Las Casitas Washington	3%	March 2, 2039	83,550	122,000	79,910	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	-	24,500	-	49,000
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	1,205,317	2,100,000	1,187,864	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	588,717	846,000	596,138	846,000
City of Escondido	Daybreak Grove/Sunrise	3%	December 4, 2021	387,537	502,407	391,666	502,407
San Diego Housing Commission	Delta Village	3%	June 1, 2036	2,723,651	6,100,000	2,579,682	6,100,000
City of Escondido	Eucalyptus View	3%	October 2055	13,194	125,000	45,156	125,000
City of Escondido	Eucalyptus View	3%	October 2055	305,511	480,945	268,544	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	799,668	1,400,000	757,668	1,400,000
SD Dept. of Housing and Community Development	Fallbrook View	3%	October 24, 2057	725,121	1,263,000	687,231	1,263,000
Poway Housing Authority	Hillside Village	3%	June 2058	1,743,884	3,930,370	1,657,584	3,930,370
JPMorgan Chase Bank (AHP)	Hillside Village	0%	December 1, 2021	-	-	-	280,000
Real Estate Collateral Management Company	La Costa Paloma	0%	April 1, 2060	-	-	-	279,068
County of San Diego	Marisol Apartments	3%	January 15, 2052	180,906	249,746	176,572	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	264,264	400,000	262,529	400,000
SD Dept. of Housing and Community Development	Old Grove Apartments	3%	September 1, 2058	120,000	200,000	114,000	200,000
City of Oceanside	Old Grove Apartments	3%	August 2058	610,297	1,385,000	610,897	1,385,000
Bank of America (AHP)	Old Grove Apartments	0%	December 1, 2019	-	-	-	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	900,124	2,490,000	835,882	2,490,000
City of Escondido	Orange Place	3%	July 20, 2050	248,681	400,000	243,941	400,000
City of Escondido	Orange Place	3%	February 11, 2051	470,926	763,516	461,879	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	3,678,804	3,708,006	3,521,111	3,708,006
<b>Escondido Family Housing Corporation:</b>							
CA Dept. of Housing and Community Development	Esperanza Gardens	3%	May, 2035	572,373	1,000,000	552,373	1,000,000
Total Notes Payable - Residual Receipts Debt				15,755,153	30,793,894	15,153,644	31,912,116
Less: Unamortized debt issuance costs				-	(2,727)	-	(2,997)
Total Notes Payable - Residual Receipts Debt, Net				\$ 15,755,153	\$ 30,791,167	\$ 15,153,644	\$ 31,909,119

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**Note 14 - Interest Rate Swap Contracts:**

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 agreement was terminated on December 30, 2021.

The bonds payable for Delta Village to the Housing Authority of the City of San Diego bear interest at a variable rate determined weekly. To minimize the effect of changes in the prime rate, the Partnership entered into an interest rate swap contract (swap) under which it pays interest at a fixed rate of 4.14%, beginning on the effective date of the swap through the termination date of January 1, 2022.

The swaps were issued at market terms so they had no fair value at its inception. The carrying amount of the swaps have been adjusted to their fair value at the end of the year. The obligations are classified as noncurrent since management does not intend to settle it during the year ended December 31, 2022. The obligation under interest rate swaps totaled \$17,680 and \$989,513 at December 31, 2021 and 2020, respectively. The change in obligation under interest rate swaps totaled \$971,833 and \$242,168 for the years ended December 31, 2021 and 2020, respectively.

**Note 15 - 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 \$32,355,999 of which CHW has committed \$17,205,999 of unrestricted resources and \$15,150,000 available through various financing instruments. The HFF has outstanding investments of \$16,100,553 and \$9,528,171 at December 31, 2021 and 2020, respectively. The HFF has \$10,755,446 and \$21,452,828 and available at December 31, 2021 and 2020, respectively, including \$5,500,000 available through debt financing for the years ended December 31, 2021 and 2020.

**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 \$6,620,016 and \$6,298,276 at December 31, 2021 and 2020, respectively.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**Note 15 - 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, 2021 and 2020. Net assets with donor restrictions are summarized as follows at December 31:

	<u>2021</u>	<u>2020</u>
<b>Subject to Expenditure for Specified Purpose:</b>		
Rental Assistance	\$ 185,930	\$ 154,735
Financial Well-being	116,750	212,500
Other	73,500	-
After School Program	57,917	100,000
Portfolio Strengthening	49,630	96,020
Loan loss reserve (NRC)	26,000	35,000
North Park Seniors	25,000	25,000
CDBG Revolving Loan Fund	-	120,015
Resident services	-	93,510
COVID Support	-	50,000
Operating costs - Parks at Fig Garden Apts	-	20,000
Total Subject to Expenditure for Specified Purpose	<u>534,727</u>	<u>906,780</u>
<b>Total Net Assets with Donor Restrictions</b>	<u>\$ 534,727</u>	<u>\$ 906,780</u>

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>2021</u>	<u>2020</u>
<b>Purpose Restrictions Accomplished:</b>		
Portfolio Strengthening	\$ 786,205	\$ 53,980
Financial Well-being	255,917	234,292
After School Program	159,583	30,000
CDBG Revolving Loan Fund	120,015	-
Resident services	93,510	6,490
COVID Support	50,000	-
Other	24,500	-
Operating costs - Parks at Fig Garden Apts	20,000	-
Rental Assistance	10,000	27,916
Loan loss reserve (NRC)	9,000	17,000
The Neighborhood Reinvestment Corporation Revolving Loan and Capital Projects (NRC)	-	772,841
<b>Time Restrictions Fulfilled</b>	-	1,000
	<u>\$ 1,528,730</u>	<u>\$ 1,143,519</u>

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**Note 16 - 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</u>	<u>December 31</u>		
2022		\$	629,100
2023			657,156
2024			687,204
2025			<u>717,264</u>
Total		\$	<u>2,690,724</u>

Rent, common area and maintenance expense net of the sublease rental income totaled \$599,952 and \$600,122 for the years ended December 31, 2021 and 2020, 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 \$213,269 and \$197,139 for the years ended December 31, 2021 and 2020, 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 (\$-0- and \$12,215,000 at December 31, 2021 and 2020, 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 was terminated on December 30, 2021.



**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**Note 16 - 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, 2021 and 2020.

**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, 2021 and 2020. 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 \$14,536,474 and \$27,380 and \$14,652,523 and \$27,599 at December 31, 2021 and 2020, respectively. Payments on the note receivable and interest totaled \$146,399 and \$149,384 for the years ended December 31, 2021 and 2020, 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 \$5,107,945 and \$5,172,113 at December 31, 2021 and 2020, respectively. Payments on the note receivable totaled \$61,538 and \$62,793 for the years ended December 31, 2021 and 2020, 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 \$14,786,615 and \$27,851 and \$14,859,347 and \$27,988, respectively, at December 31, 2021 and 2020, respectively. Payments on the note receivable and interest totaled \$109,172 and \$117,847 for the years ended December 31, 2021 and 2020, respectively.

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**Note 16 - 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 \$3,938,906 and \$3,968,382 and payments on the note receivable totaled \$29,290 and \$31,618 for the years ended December 31, 2021 and 2020, 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 \$428,696 and \$1,745,723 and \$306,496 at December 31, 2021 and 2020, respectively. There were no grant advances totaling recorded as grant revenue for the years ended December 31, 2021 and 2020, 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>2021</u>	<u>2020</u>
Notes receivable	\$ 40,115,663	\$ 40,398,088
Less: Allowance for uncollectible	(40,115,663)	(40,398,088)
Notes Receivable, Net	<u>\$ -</u>	<u>\$ -</u>
Interest receivable	\$ 483,927	\$ 362,083
Less: Allowance for uncollectible	(428,696)	(306,496)
Interest Receivable, Net	<u>\$ 55,231</u>	<u>\$ 55,587</u>
Interest income	\$ 177,432	\$ 196,553
Less: Allowance for uncollectible	(122,201)	(122,586)
Interest Income, Net	<u>\$ 55,231</u>	<u>\$ 73,967</u>

**COMMUNITY HOUSINGWORKS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**Note 16 - 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 17 - Acquisitions and Dispositions of Partnership Interests:**

During 2021, the Organization, 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.

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, 2021.

**COMMUNITY HOUSINGWORKS**  
**SUPPLEMENTARY SCHEDULE OF REAL ESTATE ENTITIES - CONSOLIDATED**  
**DECEMBER 31, 2021**

<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>
Breihan Housing Associates, L.P.	Hillside Village	71	Poway	N/A	0.0100%	99.9900%	-	Consolidated
Cedar Road Housing Associates	<i>Sold December 14, 2016</i>	-	-	N/A	1.0000%	99.0000%	-	Consolidated
CHW Arden Way Development LLC	<i>Development</i>	-	-	N/A	0.0000%	100.0000%	-	Consolidated
CHW Las Haciendas Development, LLC	<i>Development</i>	-	-	N/A	0.0000%	100.0000%	-	Consolidated
CHW Ulric Street Development, L.P.	Ulric Apartments	36	San Diego	N/A	1.0000%	99.0000%	-	Consolidated
Concord Sun Ridge, LLC	N/A	-	-	N/A	0.0000%	100.0000%	-	Consolidated
D Avenue Housing Associates, L.P.	<i>Development</i>	-	-	CHW D Avenue LLC	99.0000%	1.0000%	-	Consolidated
Daybreak Housing Associates	Daybreak Grove / Sunrise Place	21	Escondido	N/A	0.0000%	99.0000%	1.000%	Consolidated
Delta Village Housing Associates, L.P.	Las Serenas	108	San Diego	N/A	0.0100%	99.9900%	-	Consolidated
Dove Family Housing Associates, L.P.	La Costa Paloma	180	Carlsbad	N/A	0.0050%	99.9900%	-	Consolidated
Esperanza Gardens Apartments, L.P.	Esperanza Garden Apartments	10	Encinitas	N/A	0.0000%	1.0000%	99.00%	Consolidated
Eucalyptus View Cooperative Housing Associates, L.P.	Eucalyptus View	24	Escondido	N/A	0.0100%	99.9900%	-	Consolidated
Fallbrook View Housing Associates, L.P.	Fallbrook View Apartments	80	Fallbrook	N/A	0.0100%	99.9900%	-	Consolidated
Haley Ranch Estates Housing Associates, L.P.	Haley Ranch Estates	65	Poway	N/A	1.0000%	99.0000%	-	Consolidated
Highland Avenue Development Holding Company, LLC	<i>Development</i>	-	-	N/A	0.0000%	100.0000%	-	Consolidated
Kalmia Street Housing Associates, L.P.	Keeler Court <i>Sold December 19, 2019</i>	-	-	N/A	99.0000%	1.0000%	-	Consolidated
Keeler Court AHSC LLC	<i>Development</i>	-	-	N/A	0.0000%	100.0000%	-	Consolidated
Las Haciendas Housing Associates, L.P.	<i>Development</i>	-	-	CHW Las Haciendas, LLC	0.0100%	99.9900%	-	<i>Deconsolidated 12/2021</i>
Linda Vista Housing Associates, L.P.	<i>Development</i>	-	-	CHW Linda Vista LLC	0.1000%	99.9000%	-	Consolidated
Mission Grove Housing Associates, L.P.	Old Grove Apartments	56	Oceanside	N/A	0.0100%	99.9900%	-	Consolidated
Morningside Housing Associates, L.P.	206 Cedar <i>Sold January 22, 2020</i>	-	-	West Vista Alliance, LLC	99.0000%	1.0000%	-	Consolidated
Navajo Road Development Holding Company, LLC	<i>Development</i>	-	-	N/A	0.0000%	100.0000%	-	Consolidated
Navajo Road Housing Associates, L.P.	<i>Development</i>	-	-	CHW Navajo Road, LLC	0.0100%	99.9900%	-	Consolidated
Nettleton Road Housing Associates	<i>Sold December 14, 2016</i>	-	-	N/A	1.0000%	99.0000%	-	Consolidated
Orange Place Housing Associates	Orange Place Apartments	32	Escondido	N/A	1.0000%	99.0000%	-	Consolidated
Parks at Fig, LLC	<i>Sold December 16, 2016</i>	-	-	N/A	100.0000%	0.0000%	-	Consolidated
Portola Senior Housing Associates, L.P.	<i>Development</i>	-	-	Lake Forest Housing Opportunities, LLC	0.0100%	99.9900%	-	Consolidated
Royal Oaks Housing Associates, L.P.	<i>Development</i>	-	-	CHW Royal Oaks LLC	0.1000%	99.9000%	-	Consolidated
The Bowron Road Group Limited Partnership	Parkview Terrace	92	Poway	N/A	0.0020%	99.9800%	-	Consolidated
Tremont Street Apartments Limited Partnership	Marisol Apartments	22	Oceanside	N/A	1.0000%	99.0000%	-	Consolidated
Winona Gardens Housing Associates, L.P.	Bandar Salaam Apartments	68	San Diego	N/A	0.0100%	99.9900%	-	Consolidated
Wooster Ave, LLC	<i>Sold to Tripp ( December 2019)</i>	-	-	N/A	0.0000%	100.0000%	-	Consolidated
15th Avenue Housing Cooperative	15th Avenue Apartments	16	Escondido	N/A	0.0000%	0.0000%	-	Operated by CHW
	Las Casitas Apartments	14	San Diego	N/A	100.0000%	0.0000%	-	CHW

(Continued)

**COMMUNITY HOUSINGWORKS**  
**SUPPLEMENTARY SCHEDULE OF REAL ESTATE ENTITIES - EQUITY**  
**DECEMBER 31, 2021**

<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%	-	-	Equity
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	71	San Diego	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., LL	0.0050%	-	-	Equity
Paradise Creek II Housing Partners, L.P.	Paradise Creek II	92	National City	CHW Paradise Creek II Development Co., I	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%	-	-	Equity
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%	-	-	Equity
Windsor Gardens Housing Associates, L.P.	Windsor Gardens Apartments	132	Escondido	CHW Windsor Gardens LLC	0.0001%	-	-	Equity
Woodcroft Street Housing Associates, L.P.	Azusa Apartments	88	Azusa	Big Dalton Wash LLC	0.0100%	-	-	Equity
		3,741						

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

<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., LL	0.0050%	-	-	Equity
Paradise Creek II Housing Partners, L.P.	Paradise Creek II	92	National City	CHW Paradise Creek II Development Co., I	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 CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2021**

	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	\$ 23,099,224	\$ 111,094	\$ 2,373,000	\$ 101,289	\$ -	\$ 25,684,607
Investments	11,194,260	-	-	-	-	11,194,260
Security deposits	7,000	-	641,300	11,112	-	659,412
Grants and contracts receivable	142,188	-	-	-	-	142,188
Accounts receivable - related parties	15,474,227	-	-	-	-	15,474,227
Accounts receivable - other, net	4,450,808	-	200,989	-	-	4,651,797
Intercompany accounts receivable	10,699,502	-	-	-	(10,699,502)	-
Prepaid expenses	117,730	-	119,688	787	-	238,205
Total Current Assets	<u>65,184,939</u>	<u>111,094</u>	<u>3,334,977</u>	<u>113,188</u>	<u>(10,699,502)</u>	<u>58,044,696</u>
<b>Noncurrent Assets:</b>						
Restricted reserves	-	-	8,016,812	438,298	-	8,455,110
Loans receivable, net	233,493	-	-	-	-	233,493
Intercompany notes receivable	1,718,782	-	-	-	(1,718,782)	-
Notes receivable - related parties, net	16,572,571	8,251,620	40,016,055	-	-	64,840,246
Interest receivable	618,632	984,671	1,666,255	-	-	3,269,558
Property and equipment, net	4,786,405	-	70,770,620	430,445	-	75,987,470
Investments in limited partnerships	24,858,101	2,385,858	190,878	(2,933)	(9,510,407)	17,921,497
Deposits	65,749	-	107,825	1,000	-	174,574
Other assets, net	-	-	40,068	-	-	40,068
Total Noncurrent Assets	<u>48,853,733</u>	<u>11,622,149</u>	<u>120,808,513</u>	<u>866,810</u>	<u>(11,229,189)</u>	<u>170,922,016</u>
<b>TOTAL ASSETS</b>	<u>\$ 114,038,672</u>	<u>\$ 11,733,243</u>	<u>\$ 124,143,490</u>	<u>\$ 979,998</u>	<u>\$ (21,928,691)</u>	<u>\$ 228,966,712</u>



**COMMUNITY HOUSINGWORKS**  
**SUPPLEMENTARY CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**DECEMBER 31, 2021**

	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	\$ 1,327,117	\$ -	\$ 414,558	\$ 5,655	\$ -	\$ 1,747,330
Security deposits	7,000	-	647,292	11,112	-	665,404
Intercompany payables	98,376	20	10,667,510	31,945	(10,797,851)	-
Deferred revenue	46,953	-	107,213	840	-	155,006
Current portion of noncurrent liabilities	-	-	938,153	-	-	938,153
Total Current Liabilities	<u>1,479,446</u>	<u>20</u>	<u>12,774,726</u>	<u>49,552</u>	<u>(10,797,851)</u>	<u>3,505,893</u>
<b><u>Noncurrent Liabilities:</u></b>						
Deferred revenue	112,350	-	-	-	-	112,350
Deferred lease liability	282,236	-	-	-	-	282,236
Intercompany notes payable	-	-	1,718,782	-	(1,718,782)	-
Notes payable - amortized debt, net	9,650,000	-	25,197,001	-	-	34,847,001
Notes payable - residual receipts debt, net	2,087,855	-	27,706,039	997,273	-	30,791,167
Interest payable - residual receipts debt	216,178	-	14,966,602	572,373	-	15,755,153
Less: Current portion	-	-	(938,153)	-	-	(938,153)
Total Noncurrent Liabilities	<u>12,348,619</u>	<u>-</u>	<u>68,650,271</u>	<u>1,569,646</u>	<u>(1,718,782)</u>	<u>80,849,754</u>
Total Liabilities	<u>13,828,065</u>	<u>20</u>	<u>81,424,997</u>	<u>1,619,198</u>	<u>(12,516,633)</u>	<u>84,355,647</u>
<b><u>Obligation Under Interest Rate Swap</u></b>	<u>-</u>	<u>-</u>	<u>17,680</u>	<u>-</u>	<u>-</u>	<u>17,680</u>
<b><u>Net Assets:</u></b>						
Without donor restrictions	99,675,880	11,733,223	42,700,813	(639,200)	(9,412,058)	144,058,658
With donor restrictions:						
Time and purpose restrictions	534,727	-	-	-	-	534,727
Total Net Assets	<u>100,210,607</u>	<u>11,733,223</u>	<u>42,700,813</u>	<u>(639,200)</u>	<u>(9,412,058)</u>	<u>144,593,385</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 114,038,672</u>	<u>\$ 11,733,243</u>	<u>\$ 124,143,490</u>	<u>\$ 979,998</u>	<u>\$ (21,928,691)</u>	<u>\$ 228,966,712</u>

**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><u>Current Assets:</u></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><u>Noncurrent Assets:</u></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 ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	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>Revenues and Support:</u></b>						
Contributions	\$ 1,842,675	\$ -	\$ -	\$ -	\$ (1,275,925)	\$ 566,750
Developer fees	12,877,934	-	-	-	-	12,877,934
Grants	2,172,098	-	42,954	-	-	2,215,052
Loan interest and investment income	1,454,911	204,127	969,114	102	(72,201)	2,556,053
Management fees	1,338,327	34,558	4,538	-	(625,353)	752,070
Other income	1,325,559	-	198,843	3,252	-	1,527,654
Program income	1,613,386	-	-	-	(839,843)	773,543
Rental income	-	-	11,180,400	156,720	-	11,337,120
Net assets released from restrictions	1,528,730	-	-	-	-	1,528,730
Total Revenues and Support	<u>24,153,620</u>	<u>238,685</u>	<u>12,395,849</u>	<u>160,074</u>	<u>(2,813,322)</u>	<u>34,134,906</u>
<b><u>Expenses:</u></b>						
<b><u>Program Services:</u></b>						
Asset management	1,776,763	-	-	-	-	1,776,763
Community programs	3,965,228	-	-	-	-	3,965,228
Real estate development	3,848,445	-	-	-	-	3,848,445
Rental real estate	-	3,910	16,358,441	191,621	(2,813,322)	13,740,650
Supportive housing programs	453,334	-	-	-	-	453,334
Total Program Services	<u>10,043,770</u>	<u>3,910</u>	<u>16,358,441</u>	<u>191,621</u>	<u>(2,813,322)</u>	<u>23,784,420</u>
<b><u>Supporting Services:</u></b>						
Management and general	1,203,283	-	2,444	-	-	1,205,727
Fundraising	572,108	-	-	-	-	572,108
Total Supporting Services	<u>1,775,391</u>	<u>-</u>	<u>2,444</u>	<u>-</u>	<u>-</u>	<u>1,777,835</u>
Total Expenses	<u>11,819,161</u>	<u>3,910</u>	<u>16,360,885</u>	<u>191,621</u>	<u>(2,813,322)</u>	<u>25,562,255</u>
Change in Net Assets Without Donor Restrictions Before Other Revenue and (Expenses)	<u>12,334,459</u>	<u>234,775</u>	<u>(3,965,036)</u>	<u>(31,547)</u>	<u>-</u>	<u>8,572,651</u>

(Continued)

**COMMUNITY HOUSINGWORKS**  
**SUPPLEMENTARY CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	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>						
Loan forgiveness and recovery	\$ 477,054	\$ -	\$ 814,654	\$ -	\$ -	\$ 1,291,708
Obligation under interest rate swap change	-	-	971,833	-	-	971,833
Partnership income (loss)	33,071	(202,219)	(320)	(541)	(31,724)	(201,733)
Total Other Revenue and (Expenses)	<u>510,125</u>	<u>(202,219)</u>	<u>1,786,167</u>	<u>(541)</u>	<u>(31,724)</u>	<u>2,061,808</u>
<b>Change in Net Assets Without Donor Restrictions</b>	<u>12,844,584</u>	<u>32,556</u>	<u>(2,178,869)</u>	<u>(32,088)</u>	<u>(31,724)</u>	<u>10,634,459</u>
<b><u>Net Assets With Donor Restrictions:</u></b>						
Contributions	921,117	-	-	-	-	921,117
Grants	235,560	-	-	-	-	235,560
Net assets released from restrictions	(1,528,730)	-	-	-	-	(1,528,730)
<b>Change in Net Assets With Donor Restrictions</b>	<u>(372,053)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(372,053)</u>
Change in Net Assets	12,472,531	32,556	(2,178,869)	(32,088)	(31,724)	10,262,406
Net Assets at Beginning of Year	90,584,671	11,722,500	47,558,675	(593,777)	(12,349,241)	136,922,828
Acquisition of Partnership Interest	(2,846,595)	100	-	-	-	(2,846,495)
Contributions/(Distributions), net	-	(21,933)	(2,678,993)	(13,335)	2,968,907	254,646
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 100,210,607</u>	<u>\$ 11,733,223</u>	<u>\$ 42,700,813</u>	<u>\$ (639,200)</u>	<u>\$ (9,412,058)</u>	<u>\$ 144,593,385</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	(1,143,519)	-	-	-	-	(1,143,519)
<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	-	1,333,085	(340,605)	(16,996)	(1,144,869)	(169,385)
<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 SCHEDULE OF FUNCTIONAL EXPENSES -  
COMMUNITY HOUSINGWORKS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Program Services			Supportive Housing Programs	Supporting Services		Total Expenses
	Asset Management	Resident Services	Real Estate Development		Management and General	Fundraising	
<b><u>Personnel Expenses:</u></b>							
Salaries and wages	\$ 1,292,911	\$ 2,203,187	\$ 2,646,998	\$ 37,012	\$ 641,910	\$ 198,963	\$ 7,020,981
Payroll taxes	78,037	144,294	197,038	2,483	51,611	33,390	506,853
Health insurance and other benefits	155,112	358,467	331,534	10,904	114,393	55,320	1,025,730
Temporary and contract personnel	7,496	16,916	32,411	1,153	29,284	27,907	115,167
Total Personnel Expenses	<u>1,533,556</u>	<u>2,722,864</u>	<u>3,207,981</u>	<u>51,552</u>	<u>837,198</u>	<u>315,580</u>	<u>8,668,731</u>
<b><u>Occupancy:</u></b>							
Office rent	88,742	142,252	237,998	22,283	77,708	51,203	620,186
Telephone/Internet	8,802	16,482	23,962	2,206	7,763	5,008	64,223
Total Occupancy	<u>97,544</u>	<u>158,734</u>	<u>261,960</u>	<u>24,489</u>	<u>85,471</u>	<u>56,211</u>	<u>684,409</u>
<b><u>Insurance</u></b>	<u>3,619</u>	<u>11,085</u>	<u>9,277</u>	<u>992</u>	<u>4,693</u>	<u>2,053</u>	<u>31,719</u>
<b><u>Supplies and Other Administrative Costs</u></b>	<u>68,983</u>	<u>118,043</u>	<u>190,285</u>	<u>8,637</u>	<u>85,808</u>	<u>60,438</u>	<u>532,194</u>
<b><u>Travel</u></b>	<u>4,019</u>	<u>20,256</u>	<u>8,178</u>	<u>108</u>	<u>1,838</u>	<u>505</u>	<u>34,904</u>
<b><u>Professional Fees:</u></b>							
Other professional services	15,597	166,072	52,415	11,555	55,052	81,559	382,250
Equipment and computer services	10,915	49,919	24,592	2,223	27,133	9,551	124,333
Accounting (audit)	8,872	10,891	17,973	1,067	3,163	2,061	44,027
Total Professional Fees	<u>35,384</u>	<u>226,882</u>	<u>94,980</u>	<u>14,845</u>	<u>85,348</u>	<u>93,171</u>	<u>550,610</u>
<b><u>Program/Project Expenses:</u></b>							
Program/Project related expenses	202	625,926	427	179,884	11,871	26,511	844,821
Property operation cost	-	-	-	134,674	-	-	134,674
Total Program/Project Expenses	<u>202</u>	<u>625,926</u>	<u>427</u>	<u>314,558</u>	<u>11,871</u>	<u>26,511</u>	<u>979,495</u>
<b><u>Other Expenses:</u></b>							
Interest	20,226	52,350	42,832	16,820	58,545	11,331	202,104
Depreciation and amortization	11,334	24,157	19,765	20,998	27,017	5,229	108,500
Contributions to others	1,896	4,931	4,014	335	5,494	1,079	17,749
Property loss	-	-	8,746	-	-	-	8,746
Total Other Expenses	<u>33,456</u>	<u>81,438</u>	<u>75,357</u>	<u>38,153</u>	<u>91,056</u>	<u>17,639</u>	<u>337,099</u>
<b>TOTAL EXPENSES</b>	<b>\$ 1,776,763</b>	<b>\$ 3,965,228</b>	<b>\$ 3,848,445</b>	<b>\$ 453,334</b>	<b>\$ 1,203,283</b>	<b>\$ 572,108</b>	<b>\$ 11,819,161</b>



**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 SCHEDULES OF FUNCTIONAL EXPENSES -  
PARTNERSHIP AND LIMITED LIABILITY COMPANIES  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021			2020
	Parks at Fig Garden	Kalmia Street Housing	Total	Parks at Fig Garden
Administrative	\$ 2,505	\$ -	\$ 2,505	\$ 2,688
Operating expenses	-	540	540	3,163
Taxes and insurance	865	-	865	700
<b>TOTAL EXPENSES</b>	<b>\$ 3,370</b>	<b>\$ 540</b>	<b>\$ 3,910</b>	<b>\$ 6,551</b>

**COMMUNITY HOUSINGWORKS  
SUPPLEMENTARY SCHEDULES OF FUNCTIONAL EXPENSES -  
ESPERANZA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

Program Services - 2021																		
	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 2021
Administrative	\$ 146,497	\$ 47,588	\$ 335,667	\$ 9,064	\$ 104,739	\$ 182,428	\$ 205,894	\$ 166,672	\$ 447,470	\$ 89,345	\$ 129,399	\$ 46,900	\$ 199	\$ 237,487	\$ 5,936	\$ 71,921	\$ -	\$ 2,227,206
Amortization	-	-	-	-	-	-	1,000	-	-	-	-	-	-	553	-	-	-	1,553
Depreciation	229,661	73,390	407,159	415,714	119,999	473,596	237,680	378,862	671,874	31,790	263,427	155,557	-	307,249	-	-	-	3,765,958
Grant to Community HousingWorks	-	-	-	1,199,036	-	-	-	-	-	-	-	-	-	-	-	-	-	1,199,036
Marketing and leasing	2,086	-	2,087	-	560	-	891	692	3,098	902	-	273	-	459	-	-	-	11,048
Mortgage interest - amortized debt	54,195	2,600	273,255	-	-	6,360	-	81,156	945,012	-	35,546	14,507	-	83,069	-	114,848	-	1,610,548
Mortgage interest - residual receipts debt	80,413	40,514	182,492	-	21,700	79,890	-	117,911	-	20,053	107,429	34,905	-	203,940	-	-	-	889,247
Operating and maintenance	232,556	63,936	389,007	-	65,270	285,553	229,272	201,238	597,400	58,515	206,711	137,725	-	175,034	-	33,318	-	2,675,535
Partnership management fee	36,124	29,240	130,381	-	9,032	-	32,101	70,771	60,000	20,328	58,013	25,634	-	75,383	-	-	-	547,007
Taxes, insurance and other financial	62,154	19,353	119,624	-	29,100	81,488	106,244	74,921	1,471,172	15,478	78,283	40,117	4,216	83,164	300	77,396	-	2,263,010
Utilities	162,394	27,422	152,898	-	41,197	137,567	26,366	92,494	248,863	18,928	64,918	84,717	-	92,176	-	20,797	-	1,170,737
<b>TOTAL EXPENSES</b>	<b>\$ 1,006,080</b>	<b>\$ 304,043</b>	<b>\$ 1,992,570</b>	<b>\$ 1,623,814</b>	<b>\$ 391,597</b>	<b>\$ 1,246,882</b>	<b>\$ 839,448</b>	<b>\$ 1,184,717</b>	<b>\$ 4,444,889</b>	<b>\$ 255,339</b>	<b>\$ 943,726</b>	<b>\$ 540,335</b>	<b>\$ 4,415</b>	<b>\$ 1,258,514</b>	<b>\$ 6,236</b>	<b>\$ 318,280</b>	<b>\$ -</b>	<b>\$ 16,360,885</b>
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>

**COMMUNITY HOUSINGWORKS  
SUPPLEMENTARY SCHEDULES OF FUNCTIONAL EXPENSES -  
ESCONDIDO FAMILY HOUSING CORPORATION  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
	Esperanza Garden Apartments	Esperanza Garden Apartments
	<u>                    </u>	<u>                    </u>
Administrative	\$ 23,133	\$ 26,229
Depreciation	37,156	37,625
Mortgage interest - residual receipts debt	30,270	30,270
Operating and maintenance	44,841	50,723
Partnership management fee	31,866	27,461
Taxes and insurance	11,482	9,958
Utilities	12,873	13,871
	<u>                    </u>	<u>                    </u>
<b>TOTAL EXPENSES</b>	<b>\$ 191,621</b>	<b>\$ 196,137</b>

**COMMUNITY HOUSINGWORKS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

Federal Grants/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing 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	CA0709L9D011912 / CA0709L9D011913	\$ 70,892	\$ -	\$ 70,892	\$ 70,892
Total Direct Program			<u>70,892</u>	<u>-</u>	<u>70,892</u>	<u>70,892</u>
<b>Pass-Through Programs From:</b>						
Supportive Housing Program:	14.235					
County of San Diego Department of Community Development (Loan)		N/A	-	-	49,000	49,000
HOME Investment Partnerships Program:	14.239					
City of Escondido (Loan)		N/A	-	-	139,000	139,000
City of Escondido (Loan)		N/A	-	-	182,355	182,355
Total HOME Investment Partnerships Program			<u>-</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		CA1025L9D011905 / CA1025L9D012006	125,213		125,213	125,213
Total Pass-Through Programs			<u>125,213</u>	<u>-</u>	<u>495,568</u>	<u>495,568</u>
Total U.S. Department of Housing and Urban Development			<u>196,105</u>	<u>-</u>	<u>566,460</u>	<u>566,460</u>
<b>Neighborhood Reinvestment Corporation:</b>						
<b>Direct Programs:</b>						
Expendable Grant	99.999	N/A	955,715	-	955,715	955,715
Total Direct Programs			<u>955,715</u>	<u>-</u>	<u>955,715</u>	<u>955,715</u>
Total Neighborhood Reinvestment Corporation			<u>955,715</u>	<u>-</u>	<u>955,715</u>	<u>955,715</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 1,151,820</u>	<u>\$ -</u>	<u>\$ 1,522,175</u>	<u>\$ 1,522,175</u>

**COMMUNITY HOUSINGWORKS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**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, 2021. 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, 2021:

Assistance Listing Number	Program Name	Loans Outstanding at December 31, 2020	Loans Awarded for the Year Ended December 31, 2021	Loan Principal Repaid for the Year Ended December 31, 2021	Loans Outstanding at December 31, 2021
14.235	<b>Supportive Housing Program:</b> County of San Diego Department of Community Development	\$ 49,000	\$ -	\$ 24,500	\$ 24,500
14.239	<b>Home Investment Partnerships Program:</b> City of Escondido City of Escondido	182,355 139,000 <u>321,355</u>	- - <u>-</u>	- - <u>-</u>	182,355 139,000 <u>321,355</u>
	<b>Total Loans</b>	<u>\$ 370,355</u>	<u>\$ -</u>	<u>\$ 24,500</u>	<u>\$ 345,855</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, 2021, 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, 2022.

**Report on 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 or significant deficiencies may exist that have not been identified.

## **Report on Internal Control over Financial Reporting**

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Community HousingWorks' 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 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, 2022





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**

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

We have audited Community HousingWorks' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Community HousingWorks' major federal program for the year ended December 31, 2021. Community HousingWorks' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Community HousingWorks complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

***Basis for Opinion on the Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Community HousingWorks and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Community HousingWorks' compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Community HousingWorks' federal program.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Community HousingWorks' compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Community HousingWorks' compliance with the requirements the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Community HousingWorks' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Community HousingWorks' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Community HousingWorks' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2022

**COMMUNITY HOUSINGWORKS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Section I - Summary of Auditor's Results:**

**Financial Statements**

Type of auditor's report issued on whether the consolidated financial statements audited were prepared in accordance with U.S. GAAP:		<u>Unmodified</u>		
Internal control over financial reporting:				
Material weaknesses identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiencies identified?	_____	Yes	_____ <u>X</u> _____	No
Noncompliance material to consolidated financial statements noted?	_____	Yes	_____ <u>X</u> _____	No

**Federal Awards**

Type of auditor's report issued on compliance for the major program:		<u>Unmodified</u>		
Internal control over major program:				
Material weaknesses identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiencies identified?	_____	Yes	_____ <u>X</u> _____	No
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	Yes	_____ <u>X</u> _____	No

Identification of the major program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
99.999	Neighborhood Reinvestment Corporation
Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u>750,000</u>
Auditee qualified as low-risk auditee?	_____ <u>X</u> _____ Yes _____ No

**Section II - Financial Statement Findings:**

None

**Section III - Federal Award Findings and Questioned Costs:**

None

## 15. ProForma

# Cortez Hill

**Prepared For:** Community Housing Works  
**Prepared By:** California Housing Partnership Corporation  
**Version:** 10.00 SLR  
**Revised:** August 25, 2022  
**Notes:**

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## SOURCES OF FUNDS

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PERMANENT	AMOUNT	TOTAL	OID	AMORT	COMMENTS
		INT COST	INT RATE	TERM (Yr)	
Tax-Exempt Permanent Loan	15,872,000	6.03%		30	17 Year Term / 30 Year Amortization
San Diego Housing Commission	5,000,000	4.00%	2.14%	55	
Accrued/Deferred Interest	192,361				
City of San Diego PLHA	1,400,000	3.00%	1.79%	55	Permanent Local Housing Allocation
Accrued/Deferred Interest	45,051				
Deferred Developer Fee	1,500,000	0.00%			
Capital Contributions					
General Partner (Developer Fee)	748,191				Federal Credit Pricing (Gross):
Limited Partner	16,466,975				Credit Rate (Minimum Rate):
					\$0.870
					4.00%
<b>TOTAL SOURCES</b>	<b>41,224,577</b>				
Surplus/(Shortfall)	0				

CONSTRUCTION	AMOUNT	INT RATE	TERM (Mo.)
	Tax-Exempt Construction Loan	19,305,000	5.77%
Taxable Construction Loan	9,099,173	6.07%	24
San Diego Housing Commission	4,500,000	4.00%	24
Accrued/Deferred Interest	192,361		
City of San Diego PLHA	1,260,000	3.00%	24
Accrued/Deferred Interest	45,051		
Costs Deferred Until Conversion	3,676,295		
Deferred Developer Fee	1,500,000		
Capital Contributions			
General Partner (Developer Fee)	0		
Limited Partner	1,646,697		
<b>TOTAL SOURCES</b>	<b>41,224,576</b>		
Surplus/(Shortfall)	(0)		

COSTS DEFERRED UNTIL CONVERSION		DEVELOPER FEE PAY-IN SCHEDULE	
MHP Transition Reserve	0	Construction Closing	1,250,000
Operating Reserve	1,651,704		
Replacement Reserve	26,400		
Legal - Permanent	0	Perm Conversion/Stabilization	748,191 Contributed as GP Equity
Title/Recording/Escrow - Permanent	0	Perm Conversion/Stabilization	1,150,000
Audit/Cost Certification	0	Form 8609	100,000
Developer Fee	1,998,191	Deferred Fee paid from Cash Flow	1,500,000
<b>TOTAL</b>	<b>3,676,295</b>	<b>TOTAL</b>	<b>4,748,191</b>

INTEREST RATE STACK	Tax-Exempt Construction	Taxable Construction	Tax-Exempt Permanent
Index (Term SOFR / 10 Yr Treasury)	2.37%	2.37% <b>1.00% Floor</b>	2.67%
Bank spread	1.90%	2.20%	3.00% Index plus Spread X 80%
Cushion	1.50%	1.50%	1.50%
<b>TOTAL</b>	<b>5.77%</b>	<b>6.07%</b>	<b>6.03%</b>

	100.00% TOTAL		DEPRECIABLE				TAX CREDIT ELIGIBLE		ACQUIS.
	TOTAL	RESIDENTIAL	NON-DEPREC	RESIDENTIAL	NON-RES	EXPENSE	AMORTIZE	CONST/REHAB	
<b>ACQUISITION COSTS</b>									
Land	11,593	11,593	11,593						
Acquisition Costs	30,000	30,000	30,000						0
<b>GENERAL DEVELOPMENT COSTS</b>									
<i>Total Construction Budget</i>	23,835,297								
Residential Construction	18,392,742	18,392,742		18,392,742	0		0	18,392,742	
Demolition	662,653	662,653	662,653					0	
Offsite Work	614,068	614,068	0	614,068				614,068	
Solar Work	219,511	219,511	0	219,511	0		0	219,511	
Site Work/Landscape	383,359	383,359		383,359	0			383,359	
Furnishings included in Personal Property	702,894	702,894		702,894	0			702,894	
Contractor General Requirements	1,200,000	1,200,000	0	1,200,000	0			1,200,000	
Contractor Overhead	555,842	555,842	0	555,842	0			555,842	
Contractor Profit	555,841	555,841	0	555,841	0			555,841	
Contractor Insurance/Bonds	548,387	548,387		548,387	0			548,387	
Construction Contingency (5%)	1,191,765	1,191,765	0	1,191,765	0			1,191,765	
Local Permits/Fees/Utility Fees	265,000	265,000		265,000	0			265,000	
Local Development Impact Fees (less waivers)	1,764,432	1,764,432	0	1,764,432	0			1,764,432	
Environmental /Energy/Other	154,250	154,250		154,250	0			154,250	
Security (during construction)	0	0		0	0			0	
Architecture	963,482	963,482		963,482	0			963,482	
Survey/Engineering	673,700	673,700		673,700	0			673,700	
Appraisal	12,000	12,000		12,000	0		0	12,000	
Market Study	10,000	10,000		0	0		10,000	0	
Predevelopment Loan Interest/Expenses	191,740	191,740	0	191,740	0			191,740	
Construction Period Interest (Tax-Exempt)	1,336,678	1,336,678		1,002,509	0	334,170		1,002,509	
Construction Period Interest (Taxable Loan)	662,784	662,784		497,088	0	165,696		497,088	
Construction Period Interest (SDHC)	192,361	192,361		144,270	0	48,090		144,270	
Construction Period Interest (City of SD)	45,051	45,051		33,788	0	11,263		33,788	
Title/Recording/Escrow - Acquisition	15,000	15,000	15,000	0	0			0	0
Title/Recording/Escrow - Construction	65,000	65,000		65,000	0			65,000	0
Title/Recording/Escrow - Permanent	10,000	10,000					10,000		
Real Estate Taxes During Construction	168	168		168	0	0		168	0
Insurance During Construction	493,012	493,012		493,012	0	0		493,012	0
Soft Cost Contingency	503,708	503,708		503,708	0			503,708	
TCAC Application/Monitoring Fee	75,529	75,529					75,529		
Legal: Acquisition	15,000	15,000	15,000	0				0	0
Construction Closing	77,500	77,500		77,500	0			77,500	0
Permanent Closing	0	0					0		
Organization of Partnership	15,000	15,000					15,000		
Syndication	75,000	75,000	75,000						
Investor Fees	55,000	55,000	55,000						
Syndication Consulting	82,500	82,500	82,500					0	0
Audit/Cost Certification	44,700	44,700		0		44,700	0	0	
Furnishings	100,000	100,000		100,000	0			100,000	
Replacement Reserve	26,400	26,400	26,400			0			
Operating Reserve	1,651,704	1,651,704	1,651,704						
Marketing/Lease-Up/Transitional Costs	250,000	250,000				250,000			
Accounting	18,000	18,000		18,000				18,000	
Prevailing Wage Monitor	170,551	170,551		170,551	0			170,551	
3rd Party Construction Manager	160,000	160,000		160,000	0			160,000	
Developer Fee	4,748,191	4,748,191		4,748,191	0			4,748,191	0
<b>Financing Costs</b>									
Permanent Lender Counsel	71,424	71,424					71,424	0	
Construction Lender Counsel	312,446	312,446		0			312,446	0	
Bond Counsel	50,000	50,000					50,000		
Issuer Financial Advisor	45,000	45,000					45,000		
Construction Lender Expenses/Inspections	18,700	18,700		0			18,700	0	0
Construction Loan Fees	284,042	284,042		0			284,042	0	
Permanent Loan Fees	158,720	158,720					158,720		
Trustee Fee	15,000	15,000					15,000		
CDIAC Fees	5,000	5,000					5,000		
CDLAC Fees	6,757	6,757					6,757		
SDHC Issuer Fee at Closing (0.25%)	48,263	48,263					48,263		
SDHC Issuer Application Fee	13,000	13,000					13,000		
SDHC Issuer Prepaid Annual Fee (0.125%)	24,131	24,131					24,131		
SDHC Issuer Expenses	50,000	50,000					50,000		
SDHC Loan Legal/Cost Review	100,000	100,000					100,000		
City Loan Fee	30,000	30,000					30,000		
<i>Subtotal - Costs of Issuance</i>	1,232,482	1,232,482	0	0	0	0	1,232,482	0	0
<b>TOTAL DEVELOPMENT COSTS</b>	<b>41,224,576</b>	<b>41,224,576</b>	<b>2,624,850</b>	<b>36,402,797</b>	<b>0</b>	<b>853,918</b>	<b>1,343,011</b>	<b>36,402,797</b>	<b>0</b>
<i>Total Development Cost Per Unit</i>	<i>468,461</i>								

TCAC DEVELOPER FEE CALCULATION (4% Project)			
	Construction	Acquisition	Total
Eligible Basis	31,654,606	0	31,654,606
Maximum Potential TCAC Fee (per limits)	N/A	N/A	N/A
Maximum Potential TCAC Fee (per basis)	4,748,191	0	4,748,191
Ratio	100.00%	0.00%	100.00%
Maximum Fee Per TCAC	4,748,191	0	4,748,191
Maximum Fee per HCD			
Maximum Fee per City			
Maximum Fee per TCAC Application			NA
<b>MAXIMUM FEE IN ELIGIBLE BASIS &amp; COSTS</b>	<b>4,748,191</b>	<b>0</b>	<b>4,748,191</b>
Maximum Fee Paid From Development Sources			2,500,000
Contributed as GP Equity and/or Deferred Fee Paid from Cash Flow			2,248,191

MHP Developer Fee Limits (Round 4)		No MHP, Increased Dev. Fee limits to SDHC Loan Terms
Developer Fee Paid From Development Sources		2,500,000
Priority Deferred Fee Paid From Cash Flow		1,500,000
Developer Fee Contributed as GP Equity		748,191
<b>Total Developer Fee</b>		<b>4,748,191</b>

**Cortez Hill**

**Unit Mix & Rental Income**

2022 TCAC Rent Limits

Version: 10.00 SLR

Revised: August 25, 2022

<b>AVERAGE AFFORDABILITY FOR QUALIFIED UNITS (% AMI)</b>	25.0%	<b>UTILITY ALLOWANCES</b>	
		<b>UNIT MIX</b>	
		1 BR	79
		2 BR	114

**RESIDENTIAL INCOME**

TCAC RENT LIMIT		25%	30% RDA		Percentage of Targeted Units: 31.0%			
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
1 Bedrooms	24	559	13,416	25.0%	610	525	12,600	151,200
2 Bedrooms	3	752	2,256	24.7%	722	608	1,824	21,888
<b>TOTAL</b>	<b>27</b>		<b>15,672</b>				<b>14,424</b>	<b>173,088</b>

TCAC RENT LIMIT		25%	55% RDA		Percentage of Targeted Units: 50.6%			
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
1 Bedrooms	40	559	22,360	25.0%	610	525	21,000	252,000
2 Bedrooms	4	752	3,008	25.0%	732	618	2,472	29,664
<b>TOTAL</b>	<b>44</b>		<b>25,368</b>				<b>23,472</b>	<b>281,664</b>

TCAC RENT LIMIT		25%	60% RDA		Percentage of Targeted Units: 18.4%			
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
1 Bedrooms	15	559	8,385	25.0%	610	525	7,875	94,500
2 Bedrooms	1	752	752	25.0%	732	618	618	7,416
<b>TOTAL</b>	<b>16</b>		<b>9,137</b>				<b>8,493</b>	<b>101,916</b>

**MANAGER UNITS**

UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
2 Bedrooms	1	752	752	0.0%	0	0	0	0
<b>TOTAL</b>	<b>1</b>		<b>752</b>				<b>0</b>	<b>0</b>

**SECTION 8 INCOME**

UNIT TYPE	NUMBER	INCOME TIER	PER-UNIT MONTHLY NET RENT	PER UNIT S8 NET RENT	PER-UNIT MONTHLY S8 PREMIUM	TOTAL MONTHLY S8 PREMIUM	TOTAL ANNUAL S8 PREMIUM
1 BR	24	25%	525	2,254	1,729	41,496	497,952
1 BR	40	25%	525	2,254	1,729	69,160	829,920
1 BR	15	25%	525	2,254	1,729	25,935	311,220
2 BR	3	25%	608	2,909	2,301	6,903	82,836
2 BR	4	25%	618	2,909	2,291	9,164	109,968
2 BR	1	25%	618	2,909	2,291	2,291	27,492
<b>TOTAL</b>	<b>87</b>					<b>154,949</b>	<b>1,859,388</b>

<b>SECTION 8 PREMIUM (annual Section 8 income less total annual base rents)</b>	154,949	1,859,388
<b>TOTAL - BASE RENT PLUS SECTION 8 PREMIUM</b>	<b>201,338</b>	<b>2,416,056</b>

**TOTAL RESIDENTIAL INCOME**

	<b>TOTAL UNITS</b>	<b>TOTAL MONTHLY (Net)</b>	<b>TOTAL ANNUAL</b>
	<b>88</b>	<b>201,338</b>	<b>2,416,056</b>
TOTAL SQ FT - TAX CREDIT ELIGIBLE	50,177		
TOTAL SQ FT - NON-TAX CREDIT ELIGIBLE	0		
TOTAL RENTABLE SQ FT	50,177		

**MISCELLANEOUS INCOME**

	PER-UNIT MONTHLY	TOTAL MONTHLY	TOTAL ANNUAL
Laundry/Vending	8.00	704	8,448



**Cortez Hill**

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**Base Year Income & Expense**

Version: 10.00 SLR

Revised: August 25, 2022

<b>INCOME</b>		
Scheduled Gross Income		556,668
Rental Subsidy		1,859,388
Misc. Income		8,448
Vacancy Loss	7.0%	(39,558)
Vacancy Loss - Rental Subsidy	7.0%	(130,157)
<b>EFFECTIVE GROSS INCOME</b>		<b>2,254,789</b>
<b>EXPENSES - RESIDENTIAL</b>		
<b>Administrative</b>		
Advertising	908	
Legal	6,000	
Accounting/Audit	8,000	
Security	60,840	
Admin/Office Expenses	55,843	
<b>Total Administrative</b>		<b>131,591</b>
<b>Management Fee</b>		<b>58,080</b>
<b>Utilities</b>		
Electricity	33,771	
Gas	45,600	
<b>Total Utilities</b>		<b>79,371</b>
<b>Water/Sewer</b>		<b>28,615</b>
<b>Payroll/Payroll Taxes</b>		
On-Site Managers	71,613	
Maintenance/Janitorial Payroll	70,753	
Manager Unit Expense/(Credit)	0	
Payroll Taxes/Benefits	43,097	
<b>Total Payroll/Payroll Taxes</b>		<b>185,463</b>
<b>Insurance</b>		<b>55,000</b>
<b>Real Estate Taxes</b>		<b>3,000</b>
<b>Misc Taxes/Licenses/Permits</b>		<b>0</b>
<b>Maintenance</b>		
Painting/Unit Turnover	7,000	
Repairs	14,200	
Trash Removal	0	
Exterminating	8,600	
Grounds/Landscaping	6,000	
Elevator	6,000	
<b>Total Maintenance</b>		<b>41,800</b>
<b>Replacement Reserve</b>	<i>PUPM: 500</i>	<b>44,000</b>
<b>Operating Reserve</b>		<b>0</b>
<b>Other</b>		
SDHC Loan Monitoring Fee	13,050	
Resident Services	143,300	
SDHC Bond Monitoring Fee	19,840	
Placeholder	88,000	
<b>Total Other</b>		<b>264,190</b>
<b>TOTAL EXPENSES - RESIDENTIAL</b>		<b>891,110</b>
<i>Per Unit Per Year (Total)</i>	<i>10,126</i>	
<i>Per Unit Per Year (w/o Taxes, Reserves, Services, Monitoring Fees)</i>	<i>6,590</i>	
<b>TOTAL EXPENSES - COMMERCIAL</b>		<b>0</b>
<b>NET AVAILABLE INCOME</b>		<b>1,363,679</b>
Debt Service Coverage Ratio		1.18
<b>AVAILABLE FOR DEBT SERVICE</b>		<b>1,155,660</b>

**Cortez Hill**  
**15-Year Cash Flow**

Version: 10.00 SLR  
 Revised: August 25, 2022

ASSUMPTIONS:				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
				2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Rent Increase:	2.00%	Permanent Loan - % Debt Service Year 1	25.0%															
Expenses Increase:	3.00%	Qualified Occupancy In Lease-Up Year 1	41.5%															
Real Estate Tax Increase:	2.00%	Permanent Loan - % Debt Service Year 2	100.0%															
Reserve Increase:	0.00%																	
<b>GROSS POTENTIAL INCOME - RESIDENTIAL</b>																		
Rental Subsidy	2.00%	556,668	230,879	567,801	579,157	590,741	602,555	614,606	626,899	639,437	652,225	665,270	678,575	692,147	705,990	720,109	734,512	
Misc. Income		1,859,388	771,183	1,896,576	1,934,507	1,973,197	2,012,661	2,052,915	2,093,973	2,135,852	2,178,569	2,222,141	2,266,584	2,311,915	2,358,154	2,405,317	2,453,423	
Vacancy Loss - Residential	7.00%	8,448	3,504	8,617	8,789	8,965	9,144	9,327	9,514	9,704	9,898	10,096	10,298	10,504	10,714	10,928	11,147	
Vacancy Loss - Rental Subsidy	7.00%		(16,407)	(40,349)	(41,156)	(41,979)	(42,819)	(43,675)	(44,549)	(45,440)	(46,349)	(47,276)	(48,221)	(49,186)	(50,169)	(51,173)	(52,196)	
			(53,983)	(132,760)	(135,416)	(138,124)	(140,886)	(143,704)	(146,578)	(149,510)	(152,500)	(155,550)	(158,661)	(161,834)	(165,071)	(168,372)	(171,740)	
<b>GROSS EFFECTIVE INCOME</b>			935,176	2,299,884	2,345,882	2,392,800	2,440,656	2,489,469	2,539,258	2,590,043	2,641,844	2,694,681	2,748,575	2,803,546	2,859,617	2,916,810	2,975,146	
Operating Expenses (excl. reserves & taxes)	3.00%	811,220	337,240	835,557	860,623	886,442	913,035	940,426	968,639	997,698	1,027,629	1,058,458	1,090,212	1,122,918	1,156,606	1,191,304	1,227,043	
SDHC Loan Monitoring Fee	0.00%	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	
SDHC Bond Monitoring Fee	0.00%	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840	
Real Estate Taxes	2.00%	3,000	1,247	3,060	3,121	3,184	3,247	3,312	3,378	3,446	3,515	3,585	3,657	3,730	3,805	3,881	3,958	
<b>TOTAL OPERATING EXPENSES</b>		847,110	371,377	871,507	896,634	922,516	949,173	976,629	1,004,908	1,034,034	1,064,034	1,094,933	1,126,759	1,159,538	1,193,300	1,228,075	1,263,891	
<b>NET OPERATING INCOME</b>			563,798	1,428,378	1,449,248	1,470,284	1,491,483	1,512,840	1,534,351	1,556,009	1,577,810	1,599,748	1,621,816	1,644,008	1,666,317	1,688,735	1,711,254	
REPLACEMENT RESERVE		44,000	11,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	
<b>NET INCOME AVAILABLE FOR DEBT SERVICE</b>			552,798	1,384,378	1,405,248	1,426,284	1,447,483	1,468,840	1,490,351	1,512,009	1,533,810	1,555,748	1,577,816	1,600,008	1,622,317	1,644,735	1,667,254	
<b>Tax-Exempt Permanent Loan</b>																		
Principal Balance		15,872,000	15,824,632	15,627,875	15,418,919	15,197,009	14,961,342	14,711,065	14,445,272	14,163,002	13,863,232	13,544,877	13,206,787	12,847,737	12,466,427	12,061,478	11,631,425	
Principal Payment			47,368	196,758	208,956	221,910	235,667	250,277	265,793	282,271	299,770	318,354	338,090	359,050	381,310	404,949	430,053	
Interest Payment			239,033	948,846	936,649	923,694	909,937	895,327	879,811	863,333	845,834	827,250	807,514	786,554	764,295	740,655	715,551	
<b>TOTAL DEBT SERVICE</b>			286,401	1,145,604	1,145,604	1,145,604	1,145,604	1,145,604	1,145,604	1,145,604	1,145,604	1,145,604	1,145,604	1,145,604	1,145,604	1,145,604	1,145,604	
<b>SDHC Loan Payment</b>			10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
<b>NET CASH FLOW</b>			256,397	228,774	249,644	270,680	291,879	313,236	334,747	356,405	378,206	400,144	422,212	444,404	466,713	489,131	511,650	
Debt Service Coverage Ratio			1.865	1.198	1.216	1.234	1.253	1.271	1.290	1.308	1.327	1.346	1.365	1.385	1.404	1.423	1.443	
<b>DISTRIBUTION OF CASH FLOW</b>																		
LP Investor Services Fee - Current		5,000	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563	
LP Investor Services Fee - Deferred			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Deferred Developer Fee		1,500,000	251,397	223,624	244,339	265,216	286,252	229,172	0	0	0	0	0	0	0	0	0	
GP Partnership Management Fee - Current		25,000	0	0	0	0	0	28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815	
GP Partnership Management Fee - Deferred			0	0	0	0	0	49,287	83,442	0	0	0	0	0	0	0	0	
San Diego Housing Commission	39.06%		0	0	0	0	0	0	84,173	124,808	132,892	141,016	149,178	157,374	165,602	173,857	182,138	
City of San Diego PLHA	10.94%		0	0	0	0	0	0	23,568	34,946	37,210	39,484	41,770	44,065	46,368	48,680	50,999	
GP Incentive Management Fee			0	0	0	0	0	0	107,742	159,754	170,101	180,500	190,947	201,438	211,970	222,537	233,136	
General Partners	90.00%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Limited Partner	10.00%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>TCAC MAXIMUM CASH FLOW TEST</b>			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	
Greater of 8% of gross income	8.00%		25.50%	11.70%	9.25%	10.52%	11.12%	12.26%	12.80%	13.31%	13.81%	14.29%	14.74%	15.18%	15.60%	15.99%		
or 1.25 DCR	25.00%		89.52%	19.97%	21.79%	23.63%	25.48%	27.34%	29.22%	31.11%	33.01%	34.93%	36.85%	38.79%	40.74%	42.70%	44.66%	

## 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)**

## 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. 5/2022	\$148,761	Active
Ulric Street Apartments Public Improvements	Public Improvement Bond to build affordable housing	Est. 5/2022	\$114,351	Active
Keeler Court Apartments Public Improvements	Grading and improvement plans to build affordable housing	Est. 8/2021	\$331,240	Active
Paseo Artist Village – Landscaping and Irrigation Bond	Public landscaping and irrigation related to development of affordable housing	Est. 9/2021	\$22,000	Active
Paseo Artist Village – Performance Bond	Site improvement work related to development of affordable housing	Est. 9/2021	\$270,000	Active
Paseo Artist Village – Grading, Drainage and Erosion Control	Site grading and erosion control work related to development of affordable housing	Est. 9/2021	\$363,000	Active
Paseo Artist Village – Payment and Performance Bond	Construction of Water System related to development of affordable housing	Est. 9/2021	\$78,163	Active
Paseo Artist Village – Warranty Bond	Construction of Water System related to development of affordable housing	Est. 9/2021	\$7,816	Active

## **22.& 39. CHW Developer Qualifications**

# Community HousingWorks

## QUALIFICATIONS

### Community HousingWorks

Community HousingWorks (CHW) is a nationally-recognized, 34-year-old 501(c)(3) non-profit organization that believes “opportunity begins with a stable home”. Founded in San Diego County and headquartered there while working across California, Community HousingWorks develops and owns life-changing affordable apartment communities with resident-centered services for working families, seniors, and people with disabilities to forge stronger futures.



North Santa Fe | Vista, CA

CHW has successfully developed new and renovated existing multi-family, affordable rental apartments in urban, suburban and rural communities in California since 1988. With 3,801 rental apartments operating in 44 communities statewide as of September 2022, and with over 600 apartments currently in construction and another 600-800 apartments in predevelopment, CHW proudly serves more than more than 10,000 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 innovative, nationally recognized 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, all of which are critical elements to forging pathways out of poverty. 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.

Community HousingWorks best illustrates our approach with the following graphic of impact on residents:





Kalos | San Diego, CA

## Developer Experience

Since 1988, CHW's multifamily department has established a successful track record as an innovative real estate developer. Our rental developments thrive both in higher income "high opportunity" communities such as Carlsbad and suburban Poway, and also revitalize neighborhoods and change lives in urban core communities.

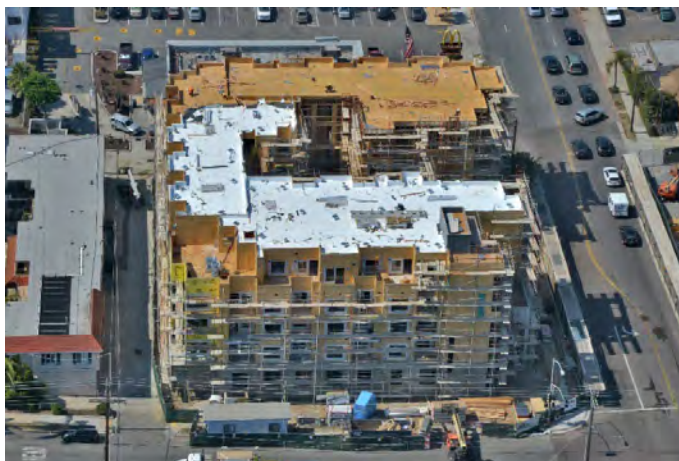
Developments like Kalos (San Diego), North Santa Fe (Vista), Mission Cove (Oceanside), Paradise Creek (National City), La Costa Paloma (Carlsbad), and SOLARA (Poway) illustrate CHW's experience with

large-scale new construction, complex sites, master plans, challenging site conditions from alluvial soils border blue line stream creeks to contaminated soil. We are experienced in construction types including Type V, Type III modified over Type I- the form that is 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. Unlike some affordable housing nonprofits whose portfolio list has thousands of units where they were not the primary developer but only the tax-exempt partner to secure property tax exemptions, CHW has been the sole developer, or the lead partner, in the development of all 4 communities in our portfolio, with the exception of Paradise Creek with Related California where we were a substantial partner.

## Portfolio Overview

In the last several years, CHW grew by over 40 percent, transforming itself into a powerhouse recognized by Affordable Housing Finance Magazine as number 44 of the “Top 50 Affordable Housing Developers” nationwide in 2020 (we were also selected on the list in 2014 and 2016).

Community HousingWorks portfolio across California is valued at nearly \$1 billion. In December 2021, CHW has Unrestricted Net Assets of \$136 million. We maintain a cash position covering at least six months of operations, and derive our income from diverse funding sources including governments, foundations, corporate grants, individual donors, developer fee and asset management fees. The diversity of funding sources and business lines has allowed CHW to be resilient and grow significantly.



North Park Seniors | San Diego, CA

**Project Financing Strength:** CHW has been recognized for innovation including finance, design, resident services programming. Regarding finance, recipient of *Novogradac Journal of Tax Credits* “Developments of Distinction for Innovative HUD Financing” in 2010 highlighted our ability to innovate and create replicable templates for complex financing. We have a successful record of accomplishments obtaining competitive financing from sources including private lenders, Low-Income Housing Tax Credit investors, the U.S. Department of Housing and Urban Development (“HUD”), and the State of California, including awards from the Transit Oriented Development (“TOD”) and Infill Infrastructure (“IIG”) programs, Multi-Family Housing Program (“MHP”), and Affordable Housing Sustainable Communities (“AHSC” or Cap and Trade). Additionally, CHW has successfully won Federal Home Loan Bank (“FHLB”) Affordable Housing Program (“AHP”) multiple times including both the San Francisco and Atlanta districts. CHW has received over 30 tax credit allocations from the California Tax Credit Allocation Committee (“CTCAC”), and has strong access to capital both debt and equity, from internal and third-party sources. Our financial strength and development success recently allowed us to attract an equity investment (not tax credits) of \$13 million to help purchase a community of 198 apartments (NEF/Morgan Stanley Fund) in Concord, California.

### **Profile: Turnagain Apartments: Innovative HUD Finance**

In this acquisition and substantial renovation in Fallbrook, CHW was able to combine an unusual HUD finance program from the 1990s, LIHPHRA, with low income housing tax credits. As essentially the first project to succeed in “cracking” how HUD could do this in order to preserve aging affordable apartments and extend the affordability restrictions, we created new policy at HUD, our counsel’s brief was reviewed and accepted by HUD’s chief counsel in Washington D.C and we were able to obtain income protection vouchers for our residents as well as a new project based Section 8 contract that reflected subsidy rents based on both hard and soft debt. Further, an expected challenge was the melt down of the financial markets, where we closed finance on October 3, 2008, the day that the headlines in the *Wall Street Journal* read “On the edge of an abyss.” Yet we were able to continue with our lender and investor, complete the project on time and on budget, and provide improved homes for the 80 families who live there. After this project, CHW was

able to use this model for two other San Diego County LIHPHRA projects, and paved the way other affordable housing developers to be able to preserve former LIHPHRA projects.

### **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 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.

### **Complex Entitlements and Master Plans**

CHW has tackled creation of master plans and innovation in entitlements in order to maximize feasibility for affordable homes while preserving the sense of place and community.

***Profile: North Park Seniors—Innovative Entitlements and Partnership***

In this land acquisition and new construction completed in 2017, CHW addressed complexity of finance, entitlements, as well as working closely with a community partner. In a market transaction, CHW acquired a site bifurcated by Texas Street and including a nonconforming office building. Innovatively assessing the zoning and density bonus, we were able to provide part of the site for 118 market rate apartments, and transfer the density bonus to the other site for 76 affordable senior apartments. We creatively “cracked” the entitlements within the City of San Diego to transfer the density bonus on the combined sites to a new senior site. North Park Seniors played a substantial part in improving of the City’s Density Bonus law. The senior apartments are open to all, with an affirming and supportive environment for the LGBTQ senior community. The community also shelters formerly homeless seniors in eight permanent supportive housing apartments. The spirit of the project is reflected in the corner art installation, “You Are Home” which embraces the pedestrian landscape and is a landmark of pride and dignity for all the residents. As a result of this project, CHW has creatively reviewed entitlements to achieve more affordable homes, and continues to include permanent supportive homes in most new projects.

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

CHW is committed to sustainability as a benefit both for resident health, mitigation of project operating costs, and as a triple bottom line for climate protection. Nationally noted as an innovator and leader in sustainability, our landmark SOLARA development (2007) exemplifies CHW’s track record in this area.



Solara | Poway, CA

***Profile: Solara – First near Zero Net Energy, Fully Powered by PV, Policy Leader***

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”). In this development, CHW pioneered sustainable design and construction including integration of renewable energy. At that time (completion in 2007), there was no template - we were the first affordable developer to attempt near net zero energy and the first apartment community in California to be fully powered by PV as certified by the California Energy Commission (CEC). The challenges included learning new technology, bringing both our design and construction team up the learning curve, succeeding to be a replicable template that was soon imitated. The successful implementation of this technology moved the California PUC to provide virtual net metering for photovoltaic, making such “work” for multifamily. As a result of this project, every new CHW project is built and operated sustainably.



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 almost 20 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.

### **Strong Community Partner**

Community HousingWorks prides ourselves on being a strong partner of cities, community groups, and good neighbor. We have extensive experience in working with community groups to achieve win-win success. There are several recent examples of this: working with the Cortez Hill neighborhood in downtown San Diego for affordable apartments in an upscale neighborhood; purchasing land in a revitalizing area of Sacramento that borders a high opportunity neighborhood that has previously been opposed to affordable housing and working to achieve their support for Arden Apartments, now in construction in Sacramento; and the work over the last 13 years in National City.

### ***Profile: Paradise Creek Apartments and Park: Community and City Partner to Create Neighborhoods***

Paradise Creek was a 10-year saga from selection of the team by the city in a competitive RFP in November 2008, to completion of Phase II in late 2018. It is an infill, transit-oriented community intended as a bridge and catalyst for renewal for the West Side neighborhood. The project is located less than two blocks from a major transit hub in National City, CA. National City has the lowest incomes in the County of San Diego, and the West Side area of the Paradise Creek project has the lowest incomes in the city.

The story of Paradise involves the evolution and then degradation of a working-class neighborhood over years of contamination by military operations on the Bay, paint and plating shops intermixed with aging single-family homes. It started with resident grass roots fight for empowerment and economic/environmental justice and reflects the effects of community, government and private sector/investment working collaboratively to overcome significant site conditions and financial challenges in order to solve multiple problems—health, housing need, empowerment of a low income largely immigrant community, neighborhood revitalization, creation of a cornerstone that sets the standard for new development. CHW with Related California built a two-phase 201-unit apartment community, and funded the recently completed new city park adjacent to the tidal creek, Paradise Creek. In that, the project completed environmental remediation of the site from years of city public works and bus operations where there were metal street sweepings as

well as soil saturated by VOCs. With support from California DTSC, US EPA and other agencies, and with funding that included the first AHSC loan in the County of San Diego, the success for the 201 families who live at Paradise Creek continues with CHW's life changing resident services.

Designing a project that fits the environment—either natural or urban landscape—results in one that “fits” with all stakeholders. Close and honest communication is critical to success. And finally, holding the vision and mission that the real stakeholders are the residents who will call this their home—that's the mission of CHW.

# Community HousingWorks

## Executive Team

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

## Executive Team

### **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.

### **Sochiata Vutthy**

*Interim Chief Operating Officer*

Sochiata Vutthy was introduced to the affordable housing industry as an intern with the California Coalition for Rural Housing Internship Program. Shortly after she graduated from San Diego State University, she was offered a position as an assistant project manager with Community HousingWorks (CHW). Sochiata quickly moved up the organizational ladder as a project manager, senior asset manager and then director of asset management, all while gaining expertise in real estate finance, housing policy, sustainable building, operations, leadership and strategic planning.



Ms. Vutthy has over 17 years of experience in real estate development and operations. She has successfully lead teams of professionals to meet financial projections, manage the development of affordable multifamily housing from design inception to completion, and implement portfolio wide strategies to maximize value. Ms. Vutthy holds a B.A from San Diego State University in Public Administration and Urban Studies with an emphasis in City Planning and an Executive MBA the from the University of California Los Angeles School of Anderson.

Outside of her work with CHW, Sochiata was appointed to sit on the California Housing Partnership board of directors and have sat on advisory councils that focus on sustainability, renewable and energy efficiency programs, and developing a diverse pipeline of talent for the future of affordable real estate development.



# Community HousingWorks

## Housing and Real Estate Development

### **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 Housing Works, 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 Housing Works 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

## Housing and Real Estate Development

### **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.

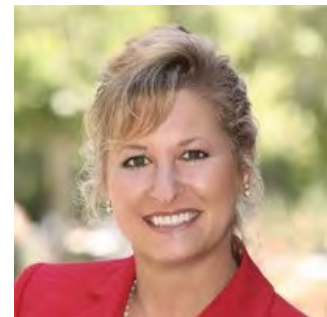
Ms. Selby received her Bachelor of Science from University of California, Berkeley, and Master's Degree in Real Estate Development from the University of Southern California.

### **Anna Slaby**

*Vice President of Development*

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

Ms. Slaby brings nearly three decades of experience in single and multi-family real estate development. Prior to joining Community Housing Works in August 2022, Ms. Slaby worked for non-profit and for-profit affordable housing developers, as well as market rate developers throughout California. Responsible for all aspects of the development life cycle, Ms. Slaby has managed affordable housing developments from conception through construction, lease-up and occupancy. Having developed a number of Southern California's most innovative affordable and supportive housing developments. Ms. Slaby's expertise includes Type I construction, historic rehabilitation/preservation, mixed use as well as moderate to high density residential construction. These developments provided experience in community engagement, underwriting, design, contract management, construction oversight and budget management.



Anna Slaby earned a B.S. in Finance with an emphasis in real estate from San Diego State University.

# Community HousingWorks

## Housing and Real Estate Development

### **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 and is also a CA 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

## Housing and Real Estate Development

### **Gustavo Almarosa**

*Associate Director of Development*

Gustavo Almarosa joined Community Housing Works in 2022 with a strong background in affordable housing project management and finance. His experience developing affordable housing throughout Southern California includes housing homeless veterans, seniors, large families, and formerly homeless individuals from Skid Row in downtown Los Angeles. As Associate Director of Development, he works in support of developing both new projects and existing pipeline projects and reports to the Vice President of Development.



Early in his career, Gustavo worked as a union and community organizer representing LA City and LA County public sector employees and low-income residents advocating for fair pay and safe affordable housing. Prior to CHW, he also worked for a nonprofit affordable housing developer based in the California central coast region, and a statewide for-profit affordable housing developer. His previous work included directing and overseeing all aspects of acquiring project funding, structuring deals, managing local permits & approvals, and leading complex projects to completion. His development work to date has led to the creation of over 600 affordable housing units throughout the west coast with an amassed value of over \$250 million.

Gustavo holds a Bachelor of Arts in Psychology and a Master's of Urban and Regional Planning from the University of California Los Angeles (UCLA). He is also a CA Licensed Real Estate Agent.

# Community HousingWorks

## Housing and Real Estate Development

### **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 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.

### **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 with an emphasis in Real Estate Finance from Georgetown University.



# Community HousingWorks

## Housing and Real Estate Development

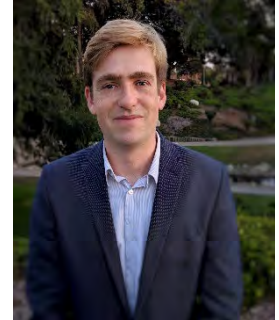
### **John Witkowski**

*Project Manager*

John Witkowski joined Community HousingWorks in 2022 and reports to the Vice President of Development. He 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 a statewide nonprofit 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 closing and constructing approximately 225 units of affordable apartments through a wide variety of state and local funding sources. He is a U.S. Navy veteran, and has a passion for developing veteran-focused affordable housing communities.

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.



### **Kelly Swanson**

*Senior Project Accountant*

Ms. Swanson is the Senior Project Accountant for the Housing and Real Estate Development Department, reporting 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 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

## Asset, Achieve, and Advancement

### **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.

### **Dr. Tomashu Kenyatta Jones**

*Senior Vice President, Achieve*

Dr. Tomashu “Kenyatta” Jones was born and raised in Los Angeles, CA. In 2006, he graduated from California State University, Sacramento (CSUS) with a Master of Science Degree in Counseling with an emphasis in (School and Community Counseling). Dr. Jones is also a graduate of University of California Los Angeles (UCLA), Graduate School of Education and Information Studies (GSE&IS) with a Doctor of Philosophy Degree in Education with concentrations in Urban Schooling and Education Research.



His areas of specialties are education and health care disparity research. Dr. Jones spent his early academic career and research scholarship focusing on minority male initiatives, specifically: African American, Latino/Mexican American males, and Southeast Asian males. Following this service, Dr. Jones provided his expertise for 10 years+ on State of California Initiatives and projects aiding in the establishment of Federally Qualified Health Clinics (FQHC) and Community Based Adult Day Service (CBAS) programs in high poverty communities. These programs are state designed for ensuring that the most vulnerable populations, developmentally disabled, homeless, and frail elderly seniors 65 and over have an adequate safety net for medical and social services to remain independent and in their respective homes.

Dr. Jones has worked as Vice President of Health and Social Services in Permanent Supportive Housing for homeless and veteran residents in Los Angeles on Skid Row. Serving more than 1700+ residents in 27 properties and involved in the lease up of new supportive housing projects. He has worked closely with Department of Health Services, Department of Health Care Services, Department of Aging, Los Angeles Homeless Services Agency (LAHSA) and other federal, state, and county funders.

# Community HousingWorks

## Asset, Achieve, and Advancement

### **Katherine Griswold**

*Senior Vice President, Achieve*

Katherine Griswold serves Community Housing Works as Vice President of Philanthropy and Community Engagement, overseeing fundraising, marketing and communications for the organization. With more than 15 years of nonprofit development experience, Katherine has spent her career working with organizations that place strong emphasis on public education, programming and policies which impact the health and well-being of the populations served.



Prior to CHW, Katherine served in leadership roles at two national health nonprofits and has a consistent record of revenue growth, strategic planning and staff development. At the Parkinson's Foundation Katherine served as Vice President of Individual Giving where she built the major giving program, launched the organization's first donor affinity group and was instrumental in increasing fundraising revenue by more than 60%. At JDRF International Katherine focused on expanding volunteer involvement and increasing revenue through events, corporate development, grants and major gifts.

Katherine holds a Bachelor of Arts in English from Transylvania University and a Master of Arts in Communication from the University of Texas. She also received a Graduate Certificate in Women in Politics and Public Policy from the University of Massachusetts. She currently sits on the NeighborWorks America Resource Development Advisory Committee.





## Question #26

### CORTEZ HILL APARTMENTS – Insurance Certificates

Please find the attached Insurance Certificates for Community HousingWorks evidence of coverage for General Liability, Automobile Public Liability/Property Damage, Workers Compensation, and Excess Liability.



## General Liability, Auto, and Excess Liability



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/10/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Arthur J. Gallagher & Co. Insurance Brokers of CA., Inc. 595 Market Street Suite 2100 San Francisco CA 94105  License#: 0726293 COMMHOU-04	<b>CONTACT NAME:</b> Drew Holt <b>PHONE (A/C No. Ext):</b> 925-953-5219 <b>E-MAIL ADDRESS:</b> Drew_Holt@ajg.com		<b>FAX (A/C, No):</b> 415-536-8499
	<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
<b>INSURED</b> COMMUNITY HOUSINGWORKS 3111 Camino Del Rio N Ste 800 San Diego, CA 92108	<b>INSURER A:</b> State Compensation Insurance Fund of CA		35076
	<b>INSURER B:</b> Zurich American Insurance Company		16535
	<b>INSURER C:</b> Nonprofits' Insurance Alliance of CA		10023
	<b>INSURER D:</b>		
	<b>INSURER E:</b>		
<b>INSURER F:</b>			

**COVERAGES**

CERTIFICATE NUMBER: 1867852768

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
C	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:			200209045	6/1/2022	6/1/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 20,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 \$
C	<input checked="" type="checkbox"/> <b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			200209045	6/1/2022	6/1/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
C	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ Nil			202209045UMB	6/1/2022	6/1/2023	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$
A B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	9254903(CA) 934449901(TX)	7/1/2021 7/1/2021	7/1/2022 7/1/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 The Producer will endeavor to mail 30 days written notice to the Certificate Holder named on the certificate if any policy listed on the certificate is cancelled prior to the expiration date. Failure to do so shall impose no obligation or liability of any kind upon the Producer or otherwise alter the policy terms.  
 Proof of Coverage

**CERTIFICATE HOLDER****CANCELLATION**

Community HousingWorks 3111 Camino Del Rio N Ste 800 San Diego CA 92108 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## ADDITIONAL INSURED – MORTGAGEE, ASSIGNEE OR RECEIVER

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

Name Of Person(s) Or Organization(s)	Designation Of Premises
Any person or organization acting as mortgagee, assignee, or receiver with respect to locations scheduled on the policy.	
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 their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

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.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** 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.



## Workers Compensation



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/8/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Arthur J. Gallagher & Co. Insurance Brokers of CA Inc. LIC# 0726293 1255 Battery Street #450 San Francisco CA 94111	<b>CONTACT NAME:</b> Drew Holt		<b>FAX (A/C, No):</b> 415-536-8499
	<b>PHONE (A/C, No, Ext):</b> 925-953-5219		<b>E-MAIL ADDRESS:</b> Drew_Holt@ajg.com
<b>INSURER(S) AFFORDING COVERAGE</b>			<b>NAIC #</b>
<b>INSURED</b> COMMUNITY HOUSINGWORKS 3111 Camino Del Rio N Ste 800 San Diego, CA 92108	<b>INSURER A :</b> Berkshire Hathaway Homestate Insurance Company		20044
	<b>INSURER B :</b>		
	<b>INSURER C :</b>		
	<b>INSURER D :</b>		
	<b>INSURER E :</b>		
<b>INSURER F :</b>			

**COVERAGES**

CERTIFICATE NUMBER: 2033227468

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$	
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$	
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$	
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	COWC354193	7/1/2022	7/1/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Waiver of Subrogation applies to certificate holder, as respects Workers Compensation as per attached Waiver of Subrogation Blanket Form  
 All worksite employees working for COMMUNITY HOUSING WORKS, paid under ADP TOTALSOURCE, INC's payroll, are covered under the above stated policy.

**CERTIFICATE HOLDER****CANCELLATION**

Community Housing Works  
 3111 Camino Del Rio N #800  
 San Diego CA 92108  
 USA

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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## 32. Business License

POST IN CONSPICUOUS PLACE OR KEEP ON PERSON

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

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

COMMUNITY HOUSINGWORKS  
ACCOUNTING DEPT  
3111 CAMINO DEL RIO NORTH #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

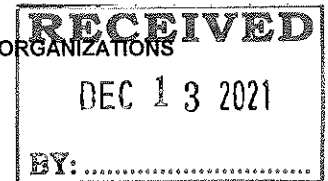
Certificate Number: B2004013671 PIN: TWBA6

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



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.



## 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, SALES of Real Property to, the SDHC, AUTHORITY and/or the CITY within the last five (5) years:

<b>Project</b>	<b>Address</b>	<b>Total Funds</b>	<b>Purpose</b>
Navajo Apartments	(CHW) 3111 Camino del Rio N., #800 San Diego, CA 92106	\$3,379,200	Acquisition, Construction, & Permanent Financing Loan
Cortez Hill Apartments	(CHW) 3111 Camino del Rio N., #800 San Diego, CA 92107	\$5,000,000	Acquisition, Construction, & Permanent Financing Loan
Keeler Court Apartments	(CHW) 3111 Camino del Rio N., #800 San Diego, CA 92108	\$6,814,000	Acquisition, Construction, & Permanent Financing Loan
Ulric II Street Apartments	(CHW) 3111 Camino del Rio N., #800 San Diego, CA 92108	\$4,075,000	Acquisition, Construction, & Permanent Financing Loan
Ulric I Street Apartments	(CHW) 3111 Camino del Rio N., #800 San Diego, CA 92108	\$7,000,000	Acquisition, Construction, & Permanent Financing Loan
Kalos Apartments	(CHW) 3111 Camino del Rio N., #800 San Diego, CA 92108	\$6,965,583	Acquisition, Construction, & Permanent Financing Loan
Alabama Manor	(CHW) 3111 Camino del Rio N., #800 San Diego, CA 92108	\$3,785,075	Acquisition, Construction, & Permanent Financing Loan
Bandar Salam	(CHW) 3111 Camino del Rio N., #800 San Diego, CA 92108	\$2,100,000	Acquisition, Construction, & Permanent Financing Loan
Las Serenas	(CHW) 3111 Camino del Rio N., #800 San Diego, CA 92108	\$6,100,000	Acquisition, Construction, & Permanent Financing Loan
Mayberry Townhomes	(CHW) 3111 Camino del Rio N., #800 San Diego, CA 92108	\$905,648	Acquisition, Construction, & Permanent Financing Loan
North Park Seniors	(CHW) 3111 Camino del Rio N., #800 San Diego, CA 92108	\$7,000,000	Acquisition, Construction, & Permanent Financing Loan

## 38. Local References

## San Diego Housing Commission – Developer Disclosure Statement

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

1. Name: **Luke Watson, Deputy City Manager, City of Temecula**  
Address: **41000 Main Street, Temecula, CA 92590**  
Phone: **951-694-6400**  
Project Name and Description:  
**Las Haciendas (New construction, 77 apts., in Temecula)**
  
2. Name: **Amanda Lee, Assistant 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);  
Morgan Tower (Rehabilitation, 152 apts., in National City); and  
Paradise Creek I-II (New Construction, 201 apts., in National City)**