



ATTACHMENT 5 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: _____
2. Email: _____
2. Address and Zip Code: _____
3. Telephone Number: _____
4. Name of Principal Contact for CONTRACTOR: _____
5. Federal Identification Number or Social Security Number of CONTRACTOR: _____
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 ***(you may copy and paste requested documents of any size into the boxes throughout this form):***

A corporation ***(copy and paste Articles of Incorporation here):***

A nonprofit or charitable institution or corporation ***(copy and paste Articles of Incorporation and documentary evidence verifying current, valid nonprofit or charitable status):***

A partnership known as ***(Name):***

Check one:

General Partnership ***(copy and paste statement of General Partnership):***

Limited Partnership ***(copy and paste Certificate of Limited Partnership):***

A business association or a joint venture known as: ***(copy and paste Joint Venture or Business Association Agreement)***

A Federal, State, or local government or instrumentality thereof

Other (Please explain):



7. If the CONTRACTOR is not an individual or a government agency or instrumentality, list name and date of organization:

[Empty text box for organization name and date]

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)

Text will allow multiple lines

Table with 6 columns: Name/Title (if any), Address, Phone, Email, Percent of Interest & Description of character and extent of interest. Rows 8.1, 8.2, 8.3.

You may also copy and paste your complete list here:

[Empty text box for pasting list]

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.

Yes No

[Empty text box for explanation]



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.

Yes No

[Empty rectangular box for response to item 10]

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):

Text will allow multiple lines

Table with 6 columns: ID, Name/Title, Address, Phone, Email, Percent of Interest & Description of character and extent of interest. Rows 11.1, 11.2, 11.3.

You may also copy and paste your complete list here:

[Empty rectangular box for pasting list for item 11]

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:

Table with 5 columns: ID, Name/Title, Address, Phone, Email. Rows 12.1, 12.2, 12.3.

You may also copy and paste your complete list here:

[Empty rectangular box for pasting list for item 12]



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.

Text will allow multiple lines

Table with 5 columns: ID, Name of affiliated Corporation/Firm/Business Entity, Address, Relationship to CONTRACTOR, List Common Officers/Directors/Trustees by Name. Rows 13.1, 13.2, 13.3.

You may also copy and paste your complete list here:

Empty rectangular box for pasting the complete list.

14. Provide description of 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 financial statements that was requested (attached) as part of the Application, including, but not necessarily limited to, profit and loss statements and statements of financial position:

Empty rectangular box for providing the financial condition description.

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:

Empty rectangular box for providing the financing plan statement.

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

a. In banks/savings and loans:

Name: _____

Address: _____

Amount: \$ _____

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

Name: _____

Address: _____

Amount: \$ _____

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.



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

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

Enter additional information as needed:

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

Text will allow multiple lines

	Bank Name	Bank Address	Bank Contact Name	Bank Contact Phone/Email
17.1				
17.2				
17.3				

You may also copy and paste your complete list of bank references here:

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, provide 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, for each case, provide (1) date, (2) charge, (3) place, (4) court, and (5) action taken. ***You may copy and paste any explanation deemed necessary:***

Case 1:

Case 2:

Case 3:

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

Enter additional information as needed:

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:

	Name	Address	Affiliation
21.a1			
21.a2			
21.a3			



- 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: \$ _____

c.1 General description of such work:

--

c.2 through c.4 Complete one table for each project. Text will allow multiple lines:

Project	C.2 Project Name:	
	Project Location:	
	Project Details:	
Owner	Business Name of Project Owner:	
	Principal Contact of Project Owner:	
	Principal Contact Phone & Email	
Bond	Bonding Company Name & Address:	
	Principal Bond Contact Phone & Email:	
C/O	Change Order Details:	
	Change Order Cost:	
Litigation	Litigation Location/Date:	
	Litigation Details:	
	Litigation Outcome Details:	



c.2 through c.4 Complete one table for each project. Text will allow multiple lines:

Project	C.3 Project Name:	
	Project Location:	
	Project Details:	
Owner	Business Name of Project Owner:	
	Principal Contact of Project Owner:	
	Principal Contact Phone & Email	
Bond	Bonding Company Name & Address:	
	Principal Bond Contact Phone & Email:	
C/O	Change Order Details:	
	Change Order Cost:	
Litigation	Litigation Location/Date:	
	Litigation Details:	
	Ligation Outcome Details:	



c.2 through c.4 Complete one table for each project. Text will allow multiple lines:

Project	C.4 Project Name:	
	Project Location:	
	Project Details:	
Owner	Business Name of Project Owner:	
	Principal Contact of Project Owner:	
	Principal Contact Phone & Email	
Bond	Bonding Company Name & Address:	
	Principal Bond Contact Phone & Email:	
C/O	Change Order Details:	
	Change Order Cost:	
Litigation	Litigation Location/Date:	
	Litigation Details:	
	Litigation Outcome Details:	

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

Identification of Contract or Development	Location	Amount	Date to be Completed



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

Awarding Agency	Amount	Date Opened

Enter additional information as needed:

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:

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 copy and pasted hereto and hereby made a part hereof as follows:



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

Yes

No

If yes, please explain:

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

a. General Liability, including Bodily Injury and Property Damage Insurance ***[copy and paste 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 Hazard

Contractual Insurance

Broad Form Property Damage

Independent Contractors

Personal Injury

b. Automobile Public Liability/Property Damage ***[(copy and paste 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 [*copy and paste certificate of insurance showing the amount of coverage and coverage period(s)*]:

- d. Professional Liability (Errors and Omissions) [*copy and paste certificate of insurance showing the amount of coverage and coverage period(s)*]:

- e. Excess Liability [*copy and paste certificate(s) of insurance showing the amount of coverage and coverage period(s)*]:

- f. Other (Specify) [*copy and paste 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 Entity Making Complaint	Date	Resolution

Enter additional information as needed:

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)

Enter additional information as needed here:



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.

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.

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, et al.)	Status (Current, delinquent, repaid, etc.)	Dollar Amount

Enter additional information as needed:

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, please 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, please explain:

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

1. Name: _____
Address: _____
Phone: _____
Project Name: _____
Description:

2. Name: _____
Address: _____
Phone: _____
Project Name: _____

Description:

3. Name: _____
Address: _____
Phone: _____
Project Name: _____
Description:

39. Provide 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.



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

Name	
Experience	



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 5TH day of MARCH, 20 25, at San Diego, California.

CONTRACTOR

By: 

Signature

Sean Spear

Print Name

President and CEO

Title



SAN DIEGO
HOUSING
COMMISSION

Real Estate Department

CERTIFICATION

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

By: [Signature]
Signature

Print Name: Sean Spear

Title: President and CEO

Dated: MARCH 5TH, 2025

By: _____
Signature

Print Name: _____

Title: _____

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

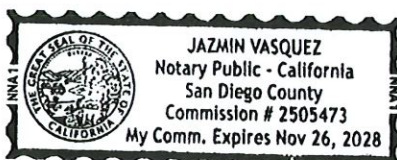
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 5 day of march, 20 25

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

[Signature]
Signature of Notary

SEAL





LIST OF ATTACHMENTS

Question #6	Articles of Incorporation and Nonprofit Status
Question #8 & 12	Board Roster of Community Housing Works
Question #14	2022 and 2023 Consolidated Financial Statements
Question #15	Pro Forma
Question #17	Bank References
Question #20	List of Previous Undertakings
Question #22	CHW Developer Qualifications
Question #25	List of Litigation to Disclose
Question #26	Insurance Certification
Question #32	Business License
Question #35	List of Contracts
Question #38	Local References
Question #40	Construction Manager's Resume



Question #6 - Articles of Incorporation and Nonprofit Status

1617323

ARTICLES OF INCORPORATION

OF

NORTH COUNTY HOUSING FOUNDATION

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

JUN 20 1988

March Fong Eu
MARCH FONG EU, Secretary of State

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

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

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

C. Richard Shanor
1636 Desert Glen
Escondido, California 92026

Margaret Bradley
2182 Montiel Road
San Marcos, California 92069

Bernard Englander
13122 Via Toro
Poway, California 92064

William Hanson
802 Omar Drive
Escondido, California 92025

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

Suzanne S. Pohlman
452 Devonshire Glen
Escondido, California 92027

Father Doug Regin
525 West Vista Way
Vista, California 92083

Ruth Senior
16407 Caminito Vecinos
San Diego, California 92128

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

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

Executed at Escondido, California.

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

INDIVIDUAL ACKNOWLEDGEMENT

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

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

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

DATED: 6/13/88 Bernard Englander
BERNARD ENGLANDER

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

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

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

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

DATED: 6/13/88 Ruth Senior
RUTH SENIOR

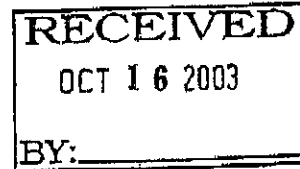
DATED: 6/14/88 Arland M. Wiberg
ARLAND M. WIBERG



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

In reply refer to
755:6 :GRW

October 10, 2003



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

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

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

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

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

Contributions made to you are deductible by donors as provided by

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

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

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

RTF:



IRS Department of the Treasury
Internal Revenue Service

P.O. Box 2508, Room 4010
Cincinnati OH 45201

In reply refer to: 0437847196
Sep. 23, 2008 LTR 4168C E0
33-0317950 000000 00 000 R
00028842
BODC: TE

COMMUNITY HOUSINGWORKS
1820 S ESCONDIDO BLVD STE 101
ESCONDIDO CA 92025



002435

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

Dear Taxpayer:

This is in response to your request of Sep. 12, 2008, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in November 1992, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate 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.

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

Sincerely yours,

Deborah Bingham
Accounts Management I



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2025 Board of Directors

<p>Ken Krug <i>Board Chair</i> <i>Chair, Executive Committee</i> Partner KMO Partners, LLP Kkrug@kmoplw.com 01/2022</p>	<p>Pauline Hassan Burkey <i>Vice-Chair</i> <i>Chair, Strategy, Innovation, and Policy Committee</i> Project Manager PICO California pauline@picocalifornia.org 01/2023</p>	<p>Christie Ault <i>Secretary</i> AVP/ Sr. Community Development Coordinator Pacific Premier Bank cault@ppbi.com 03/2019</p>
<p>Sanat Patel <i>Treasurer</i> <i>Chair, Finance Committee</i> Chief Lending Officer AVANA Companies sanat.patel@avanacompanies.com 01/2023</p>	<p>Angela Nugent <i>Community Representative</i> Real Estate Broker Keller Williams Orange County Coastal Realty teamnugent@gmail.com 08/2017</p>	<p>Don Ambrose <i>Chair, Audit Committee</i> <i>Chair, Governance Committee</i> President Del Mar Healthcare, Inc. don@delmarhc.org 04/2020</p>
<p>Jasmine Ames Vice President US Bank jasmine.ames@usbank.com 01/2025</p>	<p>Antonio Barbosa VP, Community Development Wells Fargo Antonio.barbosa@wellsfargo.com 05/2017</p>	<p>Brandon Black <i>Co-Chair, Fund Development Committee</i> CEO Mission Lane bblack0828@gmail.com 01/2022</p>
<p>Silvia Calzada Community Health Worker Environmental Health Coalition silviamcalzada@gmail.com 06/2020</p>	<p>Eleanor Evans <i>Co-Chair, Fund Development Committee</i> Trustee Oceanside Unified School District eleanor.evans@oside.us 01/2023</p>	<p>Ruby Harris Senior Director, Capital Solutions & Partnerships Enterprise Community Partners rharris@enterprisecommunity.org 10/2024</p>
<p>Maria Hernandez Affordable Housing Advocate & Resident Organizer mehernandez73@icloud.com 04/2023</p>	<p>Noni Ramos Chief Executive Officer Housing Trust Silicon Valley noni@housingtrustsv.org 01/2022</p>	<p>Dinora Reyna Gutierrez Executive Director dinora@sdop.net San Diego Organizing Project 01.2023</p>

Executive Committee in Bold Updated: 2/01/25 tc



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Community HousingWorks and Affiliates

Consolidated Financial Statements with Report of Independent Auditors
December 31, 2023

COMMUNITY HOUSINGWORKS AND AFFILIATES
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

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Report of Independent Auditors

To the Board of Directors of
Community HousingWorks and Affiliates:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Community HousingWorks, a California nonprofit public benefit corporation, and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, based on our audit and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community HousingWorks and Affiliates as of December 31, 2023, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of certain limited partnerships controlled by Community HousingWorks and Affiliates, which statements reflect total assets constituting 7.68% of the consolidated total assets at December 31, 2023 and total revenues constituting 3.53% of the consolidated total revenues for the year then ended. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these limited partnerships, is based solely on the reports of the other auditors.

Emphasis-of-Matter

As further discussed in Note 15, net assets as of December 31, 2022 have been restated to consolidate investments in tax credit limited partnerships based on management's reconsideration of the participating rights held by the limited partners in the tax credit limited partnerships to not overcome the presumption that the general partner has control of the limited partnerships. Our opinion is not modified with respect to this matter.

Basis for Opinion

We conducted our audit 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Community HousingWorks and Affiliates and to meet our other ethical responsibilities in accordance with the 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 audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the accompanying supplementary information, are presented for purposes of additional analysis and are 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 schedule of expenditures of federal awards and the accompanying supplementary 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 a report dated June 24, 2024, on our consideration of Community HousingWorks and Affiliates' internal control over financial reporting and on our tests of their 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 and Affiliates' 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 and Affiliates' internal control over financial reporting and compliance.



Walnut Creek, CA
June 24, 2024

COMMUNITY HOUSINGWORKS AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

ASSETS

<u>Current Assets:</u>	
Cash and cash equivalents	\$ 39,810,202
Investments	11,731,006
Restricted reserves - current portion	2,165,604
Accounts receivable - rent, net	1,467,101
Accounts receivable - other	713,260
Prepaid expenses	2,388,773
Total Current Assets	58,275,946
<u>Noncurrent Assets:</u>	
Restricted reserves	30,913,245
Loans receivable, net	174,627
Property and equipment, net	1,049,643,606
Right of use assets	12,785,740
Derivative financial instruments	3,326,145
Deposits	110,649
Other assets, net	794,470
Total Noncurrent Assets	1,097,748,482
TOTAL ASSETS	\$ 1,156,024,428

LIABILITIES AND NET ASSETS

<u>Current Liabilities:</u>	
Accounts payable and accrued expenses	\$ 5,510,661
Accounts payable - construction	11,986,860
Security deposits	2,633,693
Deferred revenue	548,748
Interest payable - amortized debt	2,031,715
Notes payable - amortized debt	4,939,947
Notes payable - residual receipts debt	3,179,521
Lease liability - current portion	656,856
Total Current Liabilities	31,488,001
<u>Noncurrent Liabilities:</u>	
Lease liability	4,719,688
Interest payable - residual receipts debt	36,045,786
Notes payable - amortized debt, net	375,561,847
Notes payable - residual receipts debt, net	247,296,925
Total Noncurrent Liabilities	663,624,246
Total Liabilities	695,112,247
<u>Net Assets:</u>	
Without donor restrictions	
Controlling interest	193,953,002
Non-controlling interest	263,257,273
With donor restrictions:	
Time and purpose restrictions	3,701,906
Total Net Assets	460,912,181
TOTAL LIABILITIES AND NET ASSETS	\$ 1,156,024,428

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

COMMUNITY HOUSINGWORKS AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Revenue and Support:</u>			
Contributions – Contributed Revenue	\$ 439,899	\$ 1,376,750	\$ 1,816,649
Developer fees	9,667,405	-	9,667,405
Grants	921,973	-	921,973
Loan interest and investment income	2,395,849	-	2,395,849
Other income	6,374,494	-	6,374,494
Program income	301,920	-	301,920
Rental income	64,475,464	-	64,475,464
Net assets released from restrictions	1,042,781	(1,042,781)	-
Total Revenue and Support	<u>85,619,785</u>	<u>333,969</u>	<u>85,953,754</u>
<u>Expenses:</u>			
Program Services:			
Asset management	2,347,035	-	2,347,035
Resident Services	4,641,197	-	4,641,197
Real estate development	4,650,007	-	4,650,007
Rental real estate	91,140,033	-	91,140,033
Supportive housing programs	340,220	-	340,220
Total Program Services	<u>103,118,492</u>	<u>-</u>	<u>103,118,492</u>
Supporting Services:			
Management and general	1,422,187	-	1,422,187
Fundraising	693,741	-	693,741
Total Supporting Services	<u>2,115,928</u>	<u>-</u>	<u>2,115,928</u>
Total Expenses	<u>105,234,420</u>	<u>-</u>	<u>105,234,420</u>
Change in Net Assets Before Other Revenue and (Expense)	<u>(19,614,635)</u>	<u>333,969</u>	<u>(19,280,666)</u>
<u>Other Revenue and (Expense):</u>			
Loan forgiveness and recovery	493,760	-	493,760
Obligation under interest rate swap change	313,080	-	313,080
Total Other Revenue and (Expense)	<u>806,840</u>	<u>-</u>	<u>806,840</u>
Change in Net Assets	(18,807,795)	333,969	(18,473,826)
Net Assets at Beginning of Year, as restated	448,024,725	3,367,937	451,392,662
Contributions/(Distributions), net	<u>27,993,345</u>	<u>-</u>	<u>27,993,345</u>
NET ASSETS AT END OF YEAR	<u>\$ 457,210,275</u>	<u>\$ 3,701,906</u>	<u>\$ 460,912,181</u>

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

COMMUNITY HOUSINGWORKS AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Controlling Interest	Non-controlling Interest	Total
Reconciliation of net assets			
Without donor restriction			
Beginning of year, as previously reported	\$ 147,530,753	\$ -	\$ 147,530,753
Adjustment for consolidation of partnerships with controlling interest	42,826,491	257,667,481	300,493,972
Beginning of year, as restated	190,357,244	257,667,481	448,024,725
Capital contributions, net of distributions & syndication costs	-	27,993,345	27,993,345
Transfers from non-controlling to controlling interests due to buyouts	(2,653,406)	2,653,406	-
Controlling interests in non-profit corporation, limited liability company and limited partnership earnings (losses)	6,249,164	-	6,249,164
Non-controlling interests in limited partnership earnings (losses)	-	(25,056,959)	(25,056,959)
Total net assets without donor restriction	193,953,002	263,257,273	457,210,275
With donor restriction			
Beginning of year	3,367,937	-	3,367,937
Change in net assets with donor restriction	333,969	-	333,969
Total net assets with donor restriction	3,701,906	-	3,701,906
Net assets, end of year	\$ 197,654,908	\$ 263,257,273	\$ 460,912,181

COMMUNITY HOUSINGWORKS AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services				Supporting Services		Total Expenses	
	Asset Management	Real Estate Development	Rental Real Estate	Resident Services	Supportive Housing Programs	Management and General		Fundraising
<u>Personnel Expenses:</u>								
Salaries and wages	\$ 1,664,880	\$ 3,100,831	\$ -	\$ 2,887,236	\$ 12,784	\$ 799,844	\$ 275,545	\$ 8,741,120
Payroll taxes	111,777	221,464	-	184,457	974	71,388	46,850	636,910
Health insurance and other benefits	209,203	337,803	-	365,106	1,785	131,450	87,369	1,132,716
Temporary and contract personnel	48,795	227,991	-	52,847	503	29,973	7,108	367,217
Total Personnel Expenses	<u>2,034,655</u>	<u>3,888,089</u>	<u>-</u>	<u>3,489,646</u>	<u>16,046</u>	<u>1,032,655</u>	<u>416,872</u>	<u>10,877,963</u>
<u>Occupancy:</u>								
Office rent	107,932	251,289	-	186,594	11,248	100,533	70,372	727,968
Telephone/Internet	2,438	6,371	-	6,964	27	2,099	1,606	19,505
Total Occupancy	<u>110,370</u>	<u>257,660</u>	<u>-</u>	<u>193,558</u>	<u>11,275</u>	<u>102,632</u>	<u>71,978</u>	<u>747,473</u>
<u>Insurance</u>	<u>3,759</u>	<u>8,973</u>	<u>-</u>	<u>11,316</u>	<u>40</u>	<u>2,950</u>	<u>1,974</u>	<u>29,012</u>
<u>Supplies and Other Administrative Costs</u>	<u>79,346</u>	<u>213,330</u>	<u>-</u>	<u>204,738</u>	<u>3,008</u>	<u>114,046</u>	<u>90,136</u>	<u>704,604</u>
<u>Travel</u>	<u>59,497</u>	<u>37,437</u>	<u>-</u>	<u>53,970</u>	<u>187</u>	<u>11,940</u>	<u>4,670</u>	<u>167,701</u>
<u>Professional Fees:</u>								
Other professional services	8,417	113,937	-	92,787	3,261	16,018	14,830	249,250
Equipment and computer services	8,440	19,033	-	19,773	247	15,271	4,862	67,626
Accounting (audit)	4,583	13,446	-	14,793	50	3,955	3,077	39,904
Total Professional Fees	<u>21,440</u>	<u>146,416</u>	<u>-</u>	<u>127,353</u>	<u>3,558</u>	<u>35,244</u>	<u>22,769</u>	<u>356,780</u>
<u>Program/Project Expenses:</u>								
Program/Project related expenses	2,488	5,698	-	476,953	83,713	33,142	67,427	669,421
Property operation cost	-	-	60,362,779	-	194,615	-	-	60,557,394
Total Program/Project Expenses	<u>2,488</u>	<u>5,698</u>	<u>60,362,779.00</u>	<u>476,953</u>	<u>278,328</u>	<u>33,142</u>	<u>67,427</u>	<u>61,226,815</u>
<u>Other Expenses:</u>								
Interest	25,822	53,068	-	62,321	14,439	66,727	13,345	235,722
Depreciation and amortization	4,255	7,069	30,777,254	8,302	13,101	8,889	1,778	30,820,648
Contributions to others	5,403	11,104	-	13,040	238	13,962	2,792	46,539
Property loss	-	21,163	-	-	-	-	-	21,163
Total Other Expenses	<u>35,480</u>	<u>92,404</u>	<u>30,777,254</u>	<u>83,663</u>	<u>27,778</u>	<u>89,578</u>	<u>17,915</u>	<u>31,124,072</u>
TOTAL EXPENSES	<u>\$ 2,347,035</u>	<u>\$ 4,650,007</u>	<u>\$ 91,140,033</u>	<u>\$ 4,641,197</u>	<u>\$ 340,220</u>	<u>\$ 1,422,187</u>	<u>\$ 693,741</u>	<u>\$ 105,234,420</u>

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

COMMUNITY HOUSINGWORKS AND AFFILIATES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Cash flows from operating activities:	
Change in net assets	\$ (18,473,826)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Unrealized gains from investments	(782,837)
Unrealized gains on derivative financial instruments	(313,081)
Depreciation and amortization	30,820,648
Amortization of right of use assets	658,214
Amortization of permanent loan costs	758,177
Loan forgiveness and recovery	(493,760)
(Increase) decrease in assets:	
Accounts receivable - rent, net	(11,589)
Prepaid expenses	(485,376)
Loans receivable, net	22,540
Deposits	79,934
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	2,830,162
Security deposits	296,171
Deferred revenue	(69,226)
Interest payable	(776,311)
Lease liability	(596,112)
Net cash provided by operating activities	<u>13,463,728</u>
Cash flows from investing activities:	
Decrease in investments	1,000,000
Purchase of property and equipment	(114,259,142)
Increase in other assets	(101,212)
Net cash used in investing activities	<u>(113,360,354)</u>
Cash flows from financing activities:	
Decrease in accounts receivable - other	3,951,267
Repayments of notes payable	(46,932,938)
Proceeds from notes payable	115,639,695
Payments of permanent loan costs	(2,238,220)
Capital contributions from non-controlling interests	29,198,712
Capital distributions to non-controlling interests	(536,949)
Payments of syndication costs	(668,418)
Net cash provided by financing activities	<u>98,413,149</u>
Net change in cash and restricted cash	(1,483,477)
Cash and restricted cash at beginning of year	<u>74,372,528</u>
Cash and restricted cash at end of year	<u>\$ 72,889,051</u>
Supplementary information:	
Cash paid for interest	<u>\$ 23,424,371</u>
Noncash investing and financing activities:	
Increase in accounts payable - construction and interest payable and increase in property and equipment	<u>\$ 12,574,409</u>
Increase in accounts receivable - other and increase in notes payable	<u>\$ 713,260</u>

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

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 schedule of real estate entities on pages 37-39 for the year ended December 31, 2023, which includes the partnership name, property name and ownership details.

Community HousingWorks

Community HousingWorks (“CHW”) 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, older adults 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, across California and in Texas. With 4,289 rental apartments in 47 communities statewide, the Organization proudly served more than 11,028 residents in 2023.

The Organization delivers onsite programs to give residents the knowledge, tools, and hope to achieve their goals and dreams. CHW's approach is to provide families, older adults 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. During these stages, the partnerships or LLCs are controlled by CHW or its affiliated not-for-profit entities or majority-owned and therefore included in the consolidated financial statements. The first stage typically is a development period during which CHW, or a wholly controlled affiliate, owns 100% of the property. After a development period of time, which may be as much as two years, the property is sold into a limited partnership 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. The compliance and related tax benefit period for these entities lasts for 15 years. After 15 years, the limited partner typically exits and the project enters a third stage. 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.

Partnership and Limited Liability Companies

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

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 Listing of Affiliates.

Escondido Family Housing Corporation

Escondido Family Housing Corporation, a California Nonprofit Corporation (“Escondido”), has partnership interests as summarized in the supplementary Listing of Affiliates which represent 100% of the assets of Escondido.

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1 - Organization: (Continued)

Maplewood/Ashwood

Maplewood/Ashwood, a California Nonprofit Corporation has no assets at December 31, 2023.

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 11,028 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 international Urban Land Institute Award of Excellence for the Americas.

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 99% 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.

Resident Services Programs

Community HousingWorks has long held the core belief that with a safe, stable home, and community support our residents can forge stronger 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 all our apartment communities (subject to funding). CHW is one of the major housing non-profit organizations in the country that enhances project service fees with donations from individual donors and grants to ensure effective programs.

In line with our resident driven approach, we conduct resident opportunity and needs assessments along with a community scan to ensure that our programs are tailored to the needs and context of the residents we serve.

CHW provides services through both onsite staff, partners, and in-kind volunteers, enhancing sustainability and flexibility to adapt services based on needs and available resources. We are committed to evaluating the impact of our core services to consistently enhance results.

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

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1 - Organization: (Continued)

Resident Services Programs (Continued)

1. Financial Well-being

Community HousingWorks' innovative financial well-being programs meet people where they are 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.
- **Financial Security** (*meet day-to-day financial obligations*). Community Housing Works' Family Asset Building class uses a group-coaching model to help residents more effectively manage their money and make positive financial choices to meet self-identified goals.
- **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.

2. Next Generation Success

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

- **Study Stars Afterschool Program.** Community HousingWorks' own Study Stars program focuses on achieving grade level reading for K-8th 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.
- **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.
- **Career Pathways.** Through a comprehensive workforce development strategy, the goal is to help adolescent and young adult residents who are both on a non-traditional and traditional college trajectory develop skills, earn key credentials, explore a full range of post-secondary options, and find employment in high-demand and competitive occupations.

3. Health and Wellness

CHW links residents with community partner programs to enhance the self-sufficiency of older adults and residents with disabilities, encourage healthy living, and empower residents to take charge of their health and well-being.

- **Older Adult Programs.** CHW offers onsite services and activities, to support older adult 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. 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. Some CHW communities are 100% supportive housing. We often include homeless residents as part of larger affordable communities, starting with our innovative integration of homeless families into Cedar Apartments (Vista) in 1994. CHW apartments serve homeless men and women with HIV/AIDS, homeless veterans, homeless and disabled older adults, TAY (Transitional Age Youth) 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. The organization offers secure housing for those in need. CHW operates 115 supportive housing units across 14 communities and 30 community centers.

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1 - Organization: (Continued)

Resident Services Programs (Continued)

3. Health and Wellness (Continued)

Complex	Location	Supportive Units	Supported Residents
Alabama Manor	San Diego	23	Supportive homes to individuals over 55 who are physically disabled or living with HIV/AIDS
Amanecer	San Diego	18	Supportive units for Transition Aged Youth, 8 units, and Veteran Affairs Supportive Housing (VASH), 10 units
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 Washington/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

Note 2 – Significant Accounting Policies

Principles of consolidation

The consolidated financial statements include the accounts of CHW and other not-for-profit entities that are commonly controlled by CHW's officers or board of directors, including those not-for-profit entities that are majority controlled by CHW. Other not-for-profit entities, over which CHW does not exercise majority control, are not included in the consolidated financial statements.

Partnerships or LLCs that are majority-owned, controlled by CHW or its affiliated not-for-profit entities are included in the consolidated financial statements.

The Organization's partnership interests generally range from .005% to 1.0% and are shown as controlling interests in net assets without donor restrictions. Partners' or members' capital interests generally range from 99% to 99.995% and are presented as noncontrolling interests in net assets without donor restrictions.

All material intercompany balances and transactions have been eliminated in the consolidated financial statements.

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 2 – Significant Accounting Policies (Continued)

Accounting Method

The Organization prepares its consolidated financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

- 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.

Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or fewer at the date of acquisition. The Organization considers certificates of deposits that may be redeemed without a significant penalty to be cash and cash equivalents, regardless of the maturity.

Restricted cash (or “Restricted reserves”) is not considered cash and cash equivalents, and includes cash held with financial institutions for funding of operating deficits, repairs or improvements to the buildings that extend their useful lives, annual payments of tax and insurance, debt service payments, payments of tenant service fees, payments of asset management fees, and refunds of tenant security deposits. Restricted cash does not fall under the criteria for net assets with donor restrictions as these funds are held for operational purposes rather than donor-imposed restrictions.

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 statement of cash flows at December 31, 2023:

Cash and cash equivalents	\$ 39,810,202
Restricted reserves	<u>33,078,849</u>
Total cash and cash equivalents and restricted cash	<u>\$ 72,889,051</u>

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 2 – Significant Accounting Policies (Continued)

Allowance for Doubtful Accounts

Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management closely monitors outstanding balances and provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has made reasonable collection efforts are generally written off through a charge to the valuation allowance and a credit to trade accounts receivable. As of December 31, 2023, the balance of the allowance for doubtful accounts was \$734,947.

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, 2023.

Loans Receivable and Credit Losses

Loans receivables 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 receivables are recorded at the lower 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 \$20,000 at December 31, 2023. Collection (recoveries) and losses are recorded as other revenue and expense in the consolidated statement of activities. There were no collection losses for the year ended December 31, 2023. 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, 2023.

Fair Value Measurements

The Organization applies the accounting provisions related to fair value measurements. These provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data. These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows) and the cost approach (cost to replace the service capacity of an asset or replacement cost).

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

- Level 1: Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Inputs other than quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3: Unobservable inputs that reflect the Organization's own assumptions.

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 2 – Significant Accounting Policies (Continued)

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 are depreciated using the straight-line and accelerated methods over the estimated useful asset lives as follows:

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

Interest in the total amount of \$6,378,735 for the year ended December 31, 2023 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, 2023 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 year ended December 31, 2023. Accordingly, the Organization will continue to monitor circumstances and events in future periods to determine whether any impairment is warranted.

Deferred Charges and Amortization

Deferred charges are recorded at cost and amortized on a straight-line basis. Tax credit fees are amortized over the tax credit compliance period.

Debt Issuance Costs

Debt issuance costs are incurred in order to obtain permanent financing. Debt issuance costs are stated at cost and amortized into interest expense over the term of the loan on a straight-line basis, which approximates the effective interest method. Permanent loan costs are reported as a direct deduction from the face amount of the related obligation.

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 2 – Significant Accounting Policies (Continued)

Derivative Instruments

The Organization recognizes all derivatives on the consolidated statement of financial position at fair value. Derivatives that do not qualify for hedge accounting are adjusted to fair value through income. If the derivative is a hedge instrument, depending on the nature of the hedge transaction, the changes in the fair value of derivative instrument are either offset against the earnings of the hedged item or recognized in other revenue (expenses) in net assets until the hedged item is recognized in earnings. The ineffective portion of a derivative hedge instrument is immediately recognized in earnings. The Organization is a party to derivative instruments for the purpose of limiting its exposure to interest rate fluctuations through the use of an interest rate swap. Net amounts received or paid under the swap arrangement are recorded as an offset to interest expense. Derivatives are held only for the purpose of hedging or limiting such risks, not for speculation. As of December 31, 2023, none of the Organization's derivatives qualifies as a hedge instrument.

Revenue 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. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. 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.

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 receivables 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.

The Organization is the lessor of affordable housing projects and accounts for tenant leases as operating leases. The Organization determines if a contract is a lease or contains a lease at inception. At the commencement of an operating lease, no income is recognized; subsequently, lease payments received are recognized on a straight-line basis. Rental revenue attributable to residential leases is recorded when due from residents, generally upon the first day of each month. Leases are for periods of up to one year, with rental payments due monthly. Other revenue includes fees for late payments, cleaning, damages, laundry facilities and other charges and is recorded when earned. Advance receipts of revenue are deferred and classified as liabilities until earned.

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.

Developer fee profits recognized from consolidated affiliates are eliminated as intercompany transactions. The Organization estimates that 83.92% of its developer fees cover related project costs in 2023. Project costs include costs of development, such as allocated internal salaries and benefits, related overhead, service providers, and other non-reimbursed fees that are ordinarily capitalized. For the year ended 2023, 16.08% of developer fees have been eliminated based on its profit margin.

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.

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 year ended December 31, 2023 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 of time incurred and on usage of resources.

Income Taxes

CHW, Esperanza, Escondido, Community Housing Solutions, 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 are not private foundations.

Income taxes on partnership and LLC income are levied on the partners and members in their individual capacity. Accordingly, all profits and losses of the consolidated Partnerships and Limited Liability Companies are recognized by each partner and member on its respective tax return.

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. The Organization has determined whether any tax positions have met the recognition threshold and has measured the Organization's exposure to those tax positions. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. The federal and state income tax returns for the years 2019 through 2022 are subject to examination by regulatory agencies, generally for three years and four years after they were filed for federal and state, respectively.

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.

Leases

The Organization determines if an arrangement is a lease at inception. An arrangement is a lease if the arrangement conveys a right to direct the use of, and obtain substantially all of the economic benefits from, the use of an asset for a period of time in exchange for consideration.

Operating lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of the lease payments over the lease term. The Organization uses the risk-free rate at the commencement date in determining the present value of the lease payments.

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 2 – Significant Accounting Policies (Continued)

Leases (Continued)

The operating lease right-of-use asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The lease agreement does not contain any material residual value guarantee or material restrictive covenants. Lease expense for lease payments is recognized on the straight-line basis over the lease term.

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 24, 2024, 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.

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, 2023:

Cash and cash equivalents	\$ 39,810,202
Investments	11,731,006
Accounts receivable – rent, net	<u>1,467,101</u>
Total financial assets	53,008,309
Less assets unavailable for general expenditures:	
Cash and investments held for board-designated purposes	<u>(35,109,968)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 17,898,341</u></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 9. 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 13. 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 AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 4 – Investments

The following table summarizes the Organization’s investments measured at fair value by classification within the fair value hierarchy at December 31, 2023:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value as of December 31, 2023
Investments:				
Fixed income funds	\$ 6,274,945	\$ -	\$ -	\$ 6,274,945
Equity funds	4,262,614	-	-	4,262,614
U.S. Treasury bills	-	1,193,447	-	1,193,447
 Total	 \$ 10,537,559	 \$ 1,193,447	 \$ -	 \$ 11,731,006

Note 5 – 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:

Impounds	\$ 2,165,604
Replacement reserves	15,444,546
Operating reserves	12,088,969
Resident services reserves	310,336
Tenant security deposits	2,518,881
Other	550,513
Total	33,078,849
Less: current portion	(2,165,604)
Non-current portion	<u>\$ 30,913,245</u>

Impounds

Certain properties are required to make deposits to impound accounts to cover property taxes, insurance premiums, reserve deposits, and mortgage payments in accordance with lenders’ regulatory agreements.

Replacement and Operating Reserves

Certain properties are required to maintain operating reserves as well as replacement and repair reserves for property and equipment in accordance with partnership and lenders’ regulatory agreements.

Resident Services Reserves

Certain properties are required to maintain resident services reserves in accordance with relevant partnership agreements and the lenders’ regulatory agreements. The reserves shall be used to pay for tenant services.

Tenant Security Deposits

Properties are required to hold security deposits in separate bank accounts in the names of the properties.

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 5 – Restricted Reserves (Continued)

Other

Based on various loan and limited partnership agreements, certain properties and the Corporation are required to establish various other reserves for the purpose of debt service, excess income, capital improvements, and maintenance.

Note 6 – 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>2023</u>
Neighborhood Reinvestment Corporation	3.00%-6.50%	10 years	\$ 121
First Mortgage	6.25%	30 years	194,506
Total loans receivable			<u>194,627</u>
Less: Allowance for collection losses			(20,000)
Loans receivable, net			<u>\$ 174,627</u>

Note 7 – Property and Equipment

Property and equipment consist of the following at December 31:

Land	\$ 79,140,541
Land improvements	45,000,901
Buildings and improvements	986,956,579
Equipment	38,148
Furniture and fixtures	31,956,066
Vehicles and trailer	3,483
Construction in progress	143,567,126
Subtotal	1,286,662,844
Less: accumulated depreciation	(237,019,238)
Property and equipment, net	<u>\$ 1,049,643,606</u>

Depreciation expense was \$30,666,485 for the year ended December 31, 2023.

Note 8 – Deferred Charges and Amortization

The Organization's deferred charges consist of the following at December 31, 2023:

Tax credit fees	\$ 2,023,503
Less: accumulated amortization	(1,229,033)
Total deferred charges, net	<u>\$ 794,470</u>

Amortization totaled \$154,163 for the year ended December 31, 2023.

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 9 – 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 (8.50% at December 31, 2023). Interest is payable monthly. The line-of-credit note expires April 1, 2025. There was no outstanding balance on the line-of-credit at December 31, 2023.

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 per annum at a rate equal to the higher of 7% or the index rate plus 0.75%. Interest is payable monthly. The line-of-credit note expired September 15, 2023, and was renewed on November 1, 2023, with an expiration date of September 15, 2025. There was no outstanding balance on the line-of-credit at December 31, 2023.

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 3.632% per annum. Interest is payable monthly. The line-of-credit note expired April 12, 2023, and was renewed on May 8, 2023, with an expiration date of May 8, 2024. As of June 24, 2024, CHW is in negotiation to extend the line of credit maturity date. There was no outstanding balance on the line-of- credit at December 31, 2023.

Note 10 – Notes Payable – Amortized Debt

The Organization obtains financing through notes that are amortized and are payable in monthly installments based on the respectable loan agreements. Interest accrued on these notes based on the stated rate in the note agreement with simple interest rates ranging from 0.80% to 8.76% and variable interest rates ranging from LIBOR rate plus 1.45% and 79% of the LIBOR rate plus 2.5% (LIBOR was used up until the termination of LIBOR in June 2023 at which point SOFR was used). To hedge against the variable interest rates, interest rate swap agreements were executed to convert the variable rates to fixed rates (see Note 12). These notes are each secured by a deed of trust on the property indicated below.

Debt issuance costs total \$11,750,760, less accumulated amortization of \$2,843,149 at December 31, 2023.

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

Year ending December 31,

	2024	\$	4,939,947
	2025		9,217,242
	2026		9,866,282
	2027		6,409,060
	2028		8,099,386
	Thereafter		350,877,488
	Total		389,409,405
Less: Unamortized debt issuance costs			(8,907,611)
Total, Net		\$	380,501,794

The outstanding balances of the construction loans have been excluded from current maturities since the amounts will be paid off with capital contributions from limited partners and with proceeds from other permanent loans.

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 10 – Notes Payable – Amortized Debt (Continued)

Notes payable – amortized debt consists of the following at December 31, 2023:

Lender	Property	Maturity Date	Interest	Principal
Community HousingWorks				
Northern Trust Company	Community HousingWorks	September 12, 2028	\$ -	\$ 1,000,000
Poway Villas Community Housing Association	Community HousingWorks	April 1, 2026	18,750	2,500,000
U.S. Bank, N.A.	Community HousingWorks	March 1, 2025	6,000	3,000,000
Wells Fargo Bank, N.A.	Community HousingWorks	March 5, 2025	5,000	1,000,000
U.S. BanCorp Community Development Corp	Community HousingWorks	July 1, 2028	-	2,000,000
U.S. Bank, N.A.	Community HousingWorks	February 1, 2027	4,219	750,000
Citibank, N.A.	15th Avenue	September 1, 2025	171	46,838
U.S. Bank, N.A.	Amanecer	December 28, 2038	-	498,000
Housing Authority of San Diego	Amanecer	December 28, 2038	-	2,567,070
Pacific Life Insurance Company	Avocado Court	August 1, 2031	5,074	973,262
Red Mortgage Capital	Azusa Apartments	March 1, 2055	51,436	14,442,335
CA Municipal Finance Authority (CMFA)/JP Morgan Chase	Cedar Nettleton	June 1, 2036	15,480	4,064,887
SDHC	Cortez Hill (Development)	April 30, 2080	72,076	3,750,000
Banner Bank	Cortez Hill (Development)	January 1, 2026	-	1,278,759
Bank of America	Highland Kimball (Development)	June 1, 2025	-	22,478,810
The Housing Authority of the City of San Diego (HACSD)	Kalos	July 1, 2043	24,935	4,788,384
HACSD	Keeler Court	March 1, 2039	18,797	4,672,482
CMFA/U.S. Bank, N.A.	Kimball Tower	March 2, 2039	55,599	11,099,691
Wells Fargo	Las Haciendas (Development)	March 17, 2024	-	21,005,741
JPMorgan Chase	Linda Vista (Development)	October 1, 2024	213,887	19,061,983
San Diego Housing Commission (SDHC)	Linda Vista (Development)	December 31, 2078	-	3,667,500
CMFA/U.S. Bank, N.A.	Los Robles	June 1, 2031	17,072	4,313,009
California Statewide Communities Development Authority (CSCDA)	Manzanita	June 1, 2032	71,474	19,052,974
California Housing Finance Agency (CalHFA)	Maplewood	March 1, 2034	17,488	4,302,389
HACSD, held by Banc of America Public Capital Corp	Mayberry	September 1, 2035	22,754	5,705,862
CSCDA	Morgan Tower	December 1, 2037	294,152	19,304,234
CCRC	Mission Cove Seniors	January 1, 2036	25,231	5,627,989
HACSD	North Park Seniors	February 1, 2043	17,390	3,999,806
U.S. Bank, N.A.	North Santa Fe	March 1, 2031	13,383	2,516,739
CFMA	Oak Knoll Villas	November 1, 2040	10,126	1,796,865
U.S. Bank, N.A.	Paradise Creek	June 1, 2032	13,544	2,783,719

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 10 – Notes Payable – Amortized Debt (Continued)

Lender	Property	Maturity Date	Interest	Principal
Community HousingWorks (Continued)				
U.S. Bank, N.A.	Paradise Creek II	January 1, 2054	11,151	3,466,513
CSCDA	Parks at Fig Garden	January 1, 2033	-	18,230,887
CCRC	Paseo Artist Village	November 1, 2037	11,162	3,520,969
Jones Lang LaSalle Multifamily, LLC	Portola Senior Apartments	October 1, 2041	-	10,069,780
Jones Lang LaSalle Multifamily, LLC	Portola Senior Apartments	October 1, 2024	-	1,119,184
U.S. Bank, N.A.	Poway Villas	February 1, 2043	16,659	3,454,235
California Municipal Authority Multifamily	Poway Villas	February 1, 2043	7,463	1,503,008
CSCDA	Parkside Terrace	January 1, 2037	-	32,355,674
CalHFA	Salvator	November 1, 2053	-	13,596,472
Bank of America, N.A.	Salvator	November 1, 2053	40,080	7,287,347
CSCDA	Sun Ridge	September 1, 2033	-	22,537,763
CSCDA	The Groves	December 1, 2033	-	7,026,030
CSCDA	Turnagain Apartments	April 1, 2045	-	2,507,855
CSCDA	Turnagain Apartments	April 1, 2028	-	247,490
U.S. Bank, N.A.	Windsor Gardens	June 1, 2038	11,119	3,609,710
Esperanza				
Hunt Capital Partners, LLC	Alabama Manor	April 1, 2038	2,962	673,244
Bank of America	Bandar Salaam	October 1, 2031	4,033	509,130
CitiCorp	Daybreak/Sunrise	April 1, 2024	75	4,725
CA HCD	Fallbrook View	February 1, 2029	364	367,931
JPMorgan Chase	Hillside Village	December 1, 2033	6,141	894,626
Berkadia Commercial Mortgage LLC	La Costa Paloma	January 1, 2029	45,473	17,281,984
Citibank, N.A.	Las Serenas	October 1, 2029	60,737	14,272,665
CalHFA	Old Grove	May 1, 2034	2,449	523,319
Pacific Life	Orange Place	January 1, 2029	964	176,566
Pacific Life	Park View Terrace	December 1, 2028	5,682	716,212
U.S. Bank, N.A.	Solara	March 1, 2026	11,518	2,036,703
NEF Preservation PB Fund I LP	Park at Woodland Springs	October 31, 2027	799,645	27,370,055
Total			2,031,715	389,409,405
Less: Current portion			(2,031,715)	(4,939,947)
Less: Unamortized debt issuance costs			-	(8,907,611)
Total, Net			\$ -	\$ 375,561,847

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 11 – 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 \$8,580 at December 31, 2023.

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

Lender	Property	Maturity Date	Interest	Principal
Community HousingWorks				
City of Escondido	Las Casitas	February 1, 2039	\$ 135,929	\$ 182,355
City of Escondido	Las Casitas	March 2, 2039	16,115	122,000
City of Escondido	Las Casitas	September 27, 2073	90,930	139,000
City of Escondido	Las Casitas	December 31, 2029	-	170,000
Western Alliance Bank	Community HousingWorks	January 1, 2033	-	750,000
U.S. Bank, N.A.	Community HousingWorks	December 1, 2074	-	700,000
FHLB of Atlanta	Community HousingWorks	June 21, 2076	-	500,000
Citibank	15th Ave	December 6, 2048	335,593	580,000
City of Escondido	15th Ave	December 8, 2033	85,963	160,000
HCD	Amanecer	December 1, 2078	-	18,599,804
SDHC	Amanecer	October 15, 2075	558,696	7,000,000
County of San Diego - IHTF	Amanecer	September 30, 2077	604,282	7,000,000
Torrey Pines Bank	Avocado Court	May 1, 2035	256,113	1,000,000
City of Escondido	Avocado Court	September 1, 2058	-	200,000
City of Escondido	Avocado Court	March 1, 2067	-	350,000
City of Escondido	Avocado Court	March 7, 2067	142,696	477,111
City of San Diego	Cortez Hill (Development)	January 1, 2026	-	1,260,000
National City	Highland Kimball (Development)	55 years after CoO	534,974	10,482,000
National City	Highland Kimball (Development)	November 17, 2075	90,000	3,000,000
SDHC	Kalos	February 23, 2064	2,782,793	6,965,583
City of San Diego	Kalos	July 18, 2066	1,777,872	4,816,660
City of San Diego	Keeler Court	November 1, 2076	543,669	5,693,400
HCD	Keeler Court	August 30, 2077	232,000	7,188,481
CDC - City of National City	Kimball Tower	March 25, 2074	598,477	18,914,536
Pacific Premier Bank	Kimball Tower	April 1, 2076	-	1,490,000
City of Temecula	Las Haciendas (Development)	December 8, 2076	497,198	8,666,229
Los Robles Community Housing Association	Los Robles	December 31, 2068	1,017,218	5,674,977
City of Escondido	Manzanita	May 15, 2071	32,737	1,091,218
County of San Diego	Maplewood	May 28, 2054	472,233	1,376,364

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 11 – Notes Payable - Residual Receipts Debt (Continued)

Lender	Property	Maturity Date	Interest	Principal
Community HousingWorks (Continued)				
Poway Villas Community Housing Association	Mayberry	December 31, 2070	210,467	866,491
SDHC	Mayberry	December 31, 2071	115,909	905,648
City of San Diego	Mayberry	December 1, 2062	198,667	799,370
City of San Diego	Mayberry	December 1, 2062	91,254	799,957
City of Oceanside	Mission Cove Seniors	June 1, 2073	64,517	1,490,289
City of Oceanside	Mission Cove Seniors	June 1, 2073	-	8,280,000
CDC - City of National City	Morgan Tower	March 1, 2074	95,035	14,124,356
Pacific Premier Bank	Morgan Tower	April 1, 2076	-	1,500,000
SDHC	North Park Seniors	July 31, 2073	1,654,479	7,000,000
Poway Housing Authority	Oak Knoll Villas	February 1, 2063	40,537	8,151,749
CDC - City of National City	Paradise Creek	November 19, 2069	10,877	5,774,604
HCD	Paradise Creek II	November 10, 2071	267,927	3,760,617
CDC of the City of Vista	Paseo Artist Village	March 17, 2077	746,340	7,975,000
CDC of the City of Vista	Paseo Artist Village	March 17, 2107	-	5,080,000
County of San Diego HCD	Paseo Artist Village	December 31, 2076	64,771	625,000
SRC-PH Investments	Portola Senior Apartments	March 1, 2024	-	3,179,521
SRC-PH Investments	Portola Senior Apartments	April 16, 2078	245,262	3,448,998
Poway Villas Community Housing Association	Poway Villas	December 31, 2066	839,149	5,163,717
Column Financial, Inc.	Sun Ridge	August 31, 2072	-	3,000,000
Turnagain Arms Community Housing Association	Turnagain Apartments	December 31, 2064	1,841,337	6,388,767
City of Escondido	Windsor Gardens	September 24, 2074	873,252	10,800,000
City of Escondido	Windsor Gardens	August 7, 2074	51,370	785,600
Esperanza				
San Diego Housing Commission	Alabama Manor	December 31, 2063	-	3,740,662
CA HCD	Alabama Manor	November 1, 2063	964,379	2,650,000
San Diego Housing Commission	Bandar Salaam	July 1, 2055	1,272,139	2,100,000
CA HCD	Daybreak/Sunrise	February 1, 2054	599,987	846,000

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 11 – Notes Payable - Residual Receipts Debt (Continued)

Lender	Property	Maturity Date	Interest	Principal
Esperanza (Continued)				
City of Escondido	Daybreak/Sunrise	December 4, 2021 ⁽¹⁾	393,278	502,407
CalHFA	Eucalyptus View	November 1, 2056	-	63,092
City of Escondido	Eucalyptus View	October 1, 2055	16,848	125,000
City of Escondido	Eucalyptus View	October 1, 2055	334,367	480,945
San Diego HCD	Fallbrook View	October 24, 2057	800,901	1,263,000
CA HCD	Fallbrook View	October 24, 2042	883,773	1,400,000
Poway Housing Authority	Hillside Village	June 1, 2058	1,941,526	3,930,370
SDHC	Las Serenas	June 1, 2036	2,366,194	6,100,000
County of San Diego	Marisol	January 15, 2052	272,748	249,746
City of Oceanside	Marisol	February 20, 2052	-	310,797
City of Oceanside	Marisol	August 19, 2036	-	70,000
County of San Diego	Marisol	February 20, 2052	191,116	400,000
City of Oceanside	Old Grove	August 1, 2058	693,397	1,385,000
CalHFA	Old Grove	May 1, 2059	-	96,160
San Diego HCD	Old Grove	September 1, 2058	132,000	200,000
CA HCD	Old Grove	May 1, 2059	1,017,579	2,490,000
City of Escondido	Orange Place	February 20, 2052	215,970	400,000
City of Escondido	Orange Place	February 11, 2051	488,982	763,516
City of Escondido	Orange Place	December 31, 2049	-	250,000
SDCF Charitable Real Estate Fund	Park View Terrace	March 15, 2039	3,932,110	3,708,006
Bank of America Community Development Bank	Park View Terrace	October 1, 2054	-	90,000
Poway Housing Authority	Solara	February 1, 2062	314,286	564,763
San Diego HCD	Solara	February 1, 2061	375,195	849,767
Escondido				
CA HCD	Esperanza Garden	May 1, 2035	622,373	1,000,000
Total			36,045,786	250,478,633
Less: Current portion			-	(3,179,521)
Less: Unamortized debt issuance costs			-	(2,187)
Total, Net			<u>\$ 36,045,786</u>	<u>\$ 247,296,925</u>

⁽¹⁾ The City of Escondido is in the process of approving an extension as of December 31, 2023.

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 12 – Derivative Financial Instruments

Certain limited partnerships entered into interest rate swap agreements to potentially minimize the effect of changes in the variable interest rates of construction and permanent loans. The counterparty to the swap has estimated the fair value of the swap agreements by discounting an estimate of the amounts of interest to be paid and an estimate of the amounts of interest to be received, net interest payable, during the swap agreement periods. Based on information obtained from the swap counterparty regarding marketability of these interest rate swap contracts, management believes that the contracts qualify as derivative financial instruments in accordance with GAAP. At December 31, 2023, derivative financial instruments were \$3,326,145.

Details of interest rate swap transactions are as follows:

Effective date	2013 through 2021
Termination date	2030 through 2038
Variable interest rate	SOFR
Fixed interest rate	3.52% to 6.05%

Unrealized gain on derivative financial instruments totaled \$313,080 for the year ended December 31, 2023.

Note 13 – 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 \$39,526,000, of which CHW has committed \$20,926,000 of unrestricted resources and \$15,750,000 available through various financing instruments. The HFF has outstanding investments of \$30,072,409 at December 31, 2023. The HFF has \$9,453,591 available at December 31, 2023, including \$5,500,000 available through debt financing for the year ended December 31, 2023.

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 \$10,537,559 at December 31, 2023.

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, 2023. Net assets with donor restrictions are summarized as follows at December 31, 2023:

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 13 – Net Assets (Continued)

Net Assets with Donor Restrictions (Continued)

Subject to expenditures for specified purposes:	
Resident estate development	\$ 80,000
Portfolio Strengthening	13,387
Financial Well-being	136,666
After School Program	360,000
Resident services	2,500
North Park Seniors	25,000
Loan loss reserve (NRC)	20,000
Various	64,353
Total subject to expenditure for specified purposes	<u>701,906</u>
Subject to expenditures for a specified time:	
Capital Magnet Fund	<u>3,000,000</u>
Total subject to expenditures for a specified time	<u>3,000,000</u>
Total net assets with donor restrictions	<u>\$ 3,701,906</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 year ended December 31, 2023:

Purpose restrictions accomplished:	
Portfolio Strengthening	\$ 153,992
Financial Well-being	42,917
Resident estate development	474,066
Other:	
After School Program	136,167
Resident services	65,242
Loan loss reserve (NRC)	3,000
Various	167,397
Total net assets released from restrictions	<u>\$ 1,042,781</u>

Note 14 – Commitments and Contingencies

Operating Leases

The Organization entered into a lease agreement for office space through December 31, 2025. The Organization also has ground leases for properties in California which expire through December 2115. The lease agreements do not contain any material residual value guarantees.

The following summarizes the line items on the consolidated statement of financial position for the operating leases at December 31, 2023:

<u>Description</u>	
Operating lease right-of-use assets	<u>\$ 12,785,740</u>
Operating lease liabilities – current portion	656,856
Operating lease liabilities – noncurrent	<u>4,719,688</u>
Total lease liabilities	<u>\$ 5,376,544</u>

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 14 – Commitments and Contingencies (Continued)

Operating Leases (Continued)

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended December 31, 2023:

<u>Description</u>	
Operating lease cost	\$ 791,919
Variable lease expense	7,703

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2023:

<u>Description</u>	
Weighted-average remaining lease term – operating leases	65 years
Weighted-average discount rate – operating leases	2.51

The following summarizes cash flow information related to leases for the year ended December 31, 2023:

Operating cash flows from operating leases	<u>\$ 732,156</u>
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The following is a schedule of future minimum lease payments under the lease:

Year ending December 31,

2024	\$ 656,856
2025	792,264
2026	75,000
2027	75,000
2028	75,000
Thereafter	<u>9,191,973</u>
Total lease payments	10,866,093
Less: interest	<u>(5,489,549)</u>
Present value of lease liabilities	<u>\$ 5,376,544</u>

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 \$202,659 for the year ended December 31, 2023.

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, 2023.

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 14 – Commitments and Contingencies (Continued)

Tax Benefit Guarantees

As the sponsor or the developer of certain properties financed in part by federal and/or state tax credit allocations, CHW has made certain guarantees to investors as to the tax credits and other benefits to be derived from the properties. These guarantees generally cover the tax compliance periods of fifteen years after initial lease-up. A payment under such a guarantee could result in a cash distribution from an affiliate's operating cash flow to the investor limited partner. In the opinion of management, compliance with tax regulations and careful monitoring of the properties should preclude these contingent liabilities from materializing. To date, CHW has not experienced any calls on these guarantees.

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.

Note 15 – Prior period adjustment

In 2023, management re-evaluated the consolidation of its investments in limited partnerships in the consolidated financial statements of CHW. Management considered the participating rights held by the limited partners in the tax credit limited partnerships to not overcome the presumption that the general partner has control of the limited partnerships. This updated interpretation of the relevant GAAP guidance led CHW to consolidate its investments in tax credit limited partnerships as of January 1, 2023. Management re-evaluated the consolidation of its investments in limited partnerships in order to present a fuller, more accurate picture of CHW and its affiliates' financial assets, liabilities and related operational activities. The effect of the restatement of net assets as of January 1, 2023 is an increase of \$300,493,972.

SUPPLEMENTARY INFORMATION

COMMUNITY HOUSINGWORKS AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
DECEMBER 31, 2023

	Community HousingWorks	Partnerships and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Housing Corporation	Eliminations	Consolidated
Current Assets:						
Cash and cash equivalents	\$ 18,719,027	\$ 13,964,089	\$ 7,065,533	\$ 61,553	\$ -	\$ 39,810,202
Investments	11,731,006	-	-	-	-	11,731,006
Restricted reserves - current portion	-	1,473,406	692,198	-	-	2,165,604
Accounts receivable - related parties	40,033,526	-	58,021	-	(40,091,547)	-
Accounts receivable - rent, net	90,893	1,094,151	281,057	1,000	-	1,467,101
Accounts receivable - other	-	713,260	-	-	-	713,260
Prepaid expenses	143,903	1,543,338	764,975	3,954	(67,397)	2,388,773
Total Current Assets	<u>70,718,355</u>	<u>18,788,244</u>	<u>8,861,784</u>	<u>66,507</u>	<u>(40,158,944)</u>	<u>58,275,946</u>
Noncurrent Assets:						
Restricted reserves	6,000	19,377,973	11,096,482	432,790	-	30,913,245
Loans receivable, net	174,627	-	-	-	-	174,627
Notes receivable - related parties, net	29,837,149	-	48,197,249	-	(78,034,398)	-
Interest receivable - related parties	992,109	-	4,662,708	-	(5,654,817)	-
Property and equipment, net	1,061,399	941,120,608	111,574,705	386,329	(4,499,435)	1,049,643,606
Right of use assets	1,150,411	11,635,329	-	-	-	12,785,740
Investments in limited partnerships	26,344,487	-	189,945	-	(26,534,432)	-
Derivative financial instruments	-	3,326,145	-	-	-	3,326,145
Deposits	65,749	-	44,900	-	-	110,649
Other assets, net	-	757,508	36,962	-	-	794,470
Total Noncurrent Assets	<u>59,631,931</u>	<u>976,217,563</u>	<u>175,802,951</u>	<u>819,119</u>	<u>(114,723,082)</u>	<u>1,097,748,482</u>
TOTAL ASSETS	<u>\$ 130,350,286</u>	<u>\$ 995,005,807</u>	<u>\$ 184,664,735</u>	<u>\$ 885,626</u>	<u>\$ (154,882,026)</u>	<u>\$ 1,156,024,428</u>

see report of independent auditors

COMMUNITY HOUSINGWORKS AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2023

	Community HousingWorks	Partnerships and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Housing Corporation	Eliminations	Consolidated
<u>Current Liabilities:</u>						
Accounts payable and accrued expenses	\$ 963,424	\$ 3,594,738	\$ 1,178,275	\$ 2,197	\$ (227,973)	\$ 5,510,661
Accounts payable - construction	-	11,986,860	-	-	-	11,986,860
Security deposits	7,000	1,832,529	783,052	11,112	-	2,633,693
Due to related party	-	20,962,369	1,772,744	23,712	(22,758,825)	-
Deferred revenue	46,953	479,466	68,977	305	(46,953)	548,748
Interest payable - amortized debt	33,969	1,057,703	940,043	-	-	2,031,715
Notes payable - amortized debt	-	3,934,374	1,005,573	-	-	4,939,947
Notes payable - residual receipts debt	-	3,179,521	-	-	-	3,179,521
Lease liability - current portion	656,856	-	-	-	-	656,856
Total Current Liabilities	<u>1,708,202</u>	<u>47,027,560</u>	<u>5,748,664</u>	<u>37,326</u>	<u>(23,033,751)</u>	<u>31,488,001</u>
<u>Noncurrent Liabilities:</u>						
Deferred revenue	20,444	-	-	-	(20,444)	-
Lease liability	707,495	4,012,193	-	-	-	4,719,688
Due to related party	-	125,197,959	18,285,181	-	(143,483,140)	-
Interest payable - residual receipts debt	242,974	17,973,664	17,206,775	622,373	-	36,045,786
Notes payable - amortized debt, net	10,250,000	304,044,607	61,267,240	-	-	375,561,847
Notes payable - residual receipts debt, net	2,563,355	208,706,526	35,029,231	997,813	-	247,296,925
Total Noncurrent Liabilities	<u>13,784,268</u>	<u>659,934,949</u>	<u>131,788,427</u>	<u>1,620,186</u>	<u>(143,503,584)</u>	<u>663,624,246</u>
Total Liabilities	<u>15,492,470</u>	<u>706,962,509</u>	<u>137,537,091</u>	<u>1,657,512</u>	<u>(166,537,335)</u>	<u>695,112,247</u>
<u>Net Assets:</u>						
Without donor restrictions						
Controlling interest	111,155,910	24,786,025	47,127,644	(771,886)	11,655,309	193,953,002
Non-controlling interest	-	263,257,273	-	-	-	263,257,273
With donor restrictions:						
Time and purpose restrictions	3,701,906	-	-	-	-	3,701,906
Total Net Assets	<u>114,857,816</u>	<u>288,043,298</u>	<u>47,127,644</u>	<u>(771,886)</u>	<u>11,655,309</u>	<u>460,912,181</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 130,350,286</u>	<u>\$ 995,005,807</u>	<u>\$ 184,664,735</u>	<u>\$ 885,626</u>	<u>\$ (154,882,026)</u>	<u>\$ 1,156,024,428</u>

see report of independent auditors

COMMUNITY HOUSINGWORKS AND AFFILIATES
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Community HousingWorks	Partnerships and Limited Liability Companies	Esperanza Housing and Development Corporation	Escondido Housing Corporation	Eliminations	Consolidated
<u>Net Assets Without Donor Restrictions:</u>						
<u>Revenues and Support:</u>						
Contributions – Contributed Revenue	\$ 439,899	\$ -	\$ -	\$ -	\$ -	\$ 439,899
Contributions – Real Estate	1,252,133	-	-	-	(1,252,133)	-
Developer fees	11,519,570	-	-	-	(1,852,165)	9,667,405
Grants	921,973	-	-	-	-	921,973
Loan interest and investment income	4,855,266	277,081	1,449,208	11,908	(4,197,614)	2,395,849
Management fees	1,442,427	-	44,960	-	(1,487,387)	-
Other income	5,223,167	1,006,439	370,584	3,203	(228,899)	6,374,494
Program income	1,913,583	-	-	-	(1,611,663)	301,920
Rental income	-	46,815,933	17,493,463	166,068	-	64,475,464
Net assets released from restrictions	1,042,781	-	-	-	-	1,042,781
Total Revenues and Support	<u>28,610,799</u>	<u>48,099,453</u>	<u>19,358,215</u>	<u>181,179</u>	<u>(10,629,861)</u>	<u>85,619,785</u>
<u>Expenses:</u>						
<u>Program Services:</u>						
Asset management	2,347,035	-	-	-	-	2,347,035
Real estate development	4,650,007	-	-	-	-	4,650,007
Rental real estate	-	74,053,022	23,162,402	223,903	(6,299,294)	91,140,033
Resident Services	4,641,197	-	-	-	-	4,641,197
Supportive housing programs	340,220	-	-	-	-	340,220
Total Program Services	<u>11,978,459</u>	<u>74,053,022</u>	<u>23,162,402</u>	<u>223,903</u>	<u>(6,299,294)</u>	<u>103,118,492</u>
<u>Supporting Services:</u>						
Management and general	1,422,187	-	-	-	-	1,422,187
Fundraising	693,741	-	-	-	-	693,741
Total Supporting Services	<u>2,115,928</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,115,928</u>
Total Expenses	<u>14,094,387</u>	<u>74,053,022</u>	<u>23,162,402</u>	<u>223,903</u>	<u>(6,299,294)</u>	<u>105,234,420</u>
Change in Net Assets Without Donor Restrictions Before Other Revenue and (Expenses)	<u>14,516,412</u>	<u>(25,953,569)</u>	<u>(3,804,187)</u>	<u>(42,724)</u>	<u>(4,330,567)</u>	<u>(19,614,635)</u>

see report of independent auditors

COMMUNITY HOUSINGWORKS AND AFFILIATES
CONSOLIDATING SCHEDULE OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Community HousingWorks	Partnerships and Limited Liability Companies	Esperanza Housing and Development Corporation	Escondido Housing Corporation	Eliminations	Consolidated
<u>Other Revenue and (Expenses):</u>						
Loan forgiveness and recovery	137,386	-	482,000	-	(125,626)	493,760
Obligation under interest rate swap change	-	313,080	-	-	-	313,080
Partnership income (loss)	37,443	-	(4)	-	(37,439)	-
Total Other Revenue and (Expenses)	<u>174,829</u>	<u>313,080</u>	<u>481,996</u>	<u>-</u>	<u>(163,065)</u>	<u>806,840</u>
Change in Net Assets Without Donor Restrictions	<u>14,691,241</u>	<u>(25,640,489)</u>	<u>(3,322,191)</u>	<u>(42,724)</u>	<u>(4,493,632)</u>	<u>(18,807,795)</u>
<u>Net Assets With Donor Restrictions:</u>						
Contributions	1,376,750	-	-	-	-	1,376,750
Net assets released from restrictions	<u>(1,042,781)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,042,781)</u>
Change in Net Assets With Donor Restrictions	<u>333,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>333,969</u>
Change in Net Assets	15,025,210	(25,640,489)	(3,322,191)	(42,724)	(4,493,632)	(18,473,826)
Net Assets at Beginning of Year, as restated	99,832,606	281,706,317	50,449,835	(729,162)	20,133,066	451,392,662
Capital contributions, net of distributions and syndication costs						
Controlling	-	3,984,125	-	-	(3,984,125)	-
Noncontrolling	<u>-</u>	<u>27,993,345</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,993,345</u>
NET ASSETS AT END OF YEAR	<u>\$ 114,857,816</u>	<u>\$ 288,043,298</u>	<u>\$ 47,127,644</u>	<u>\$ (771,886)</u>	<u>\$ 11,655,309</u>	<u>\$ 460,912,181</u>

see report of independent auditors

COMMUNITY HOUSINGWORKS AND AFFILIATES
SCHEDULE OF FUNCTIONAL EXPENSES – COMMUNITY HOUSINGWORKS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services				Supporting Services		Total Expenses
	Asset Management	Real Estate Development	Resident Services	Supportive Housing Programs	Management and General	Fundraising	
<u>Personnel Expenses:</u>							
Salaries and wages	\$ 1,664,880	\$ 3,100,831	\$ 2,887,236	\$ 12,784	\$ 799,844	\$ 275,545	\$ 8,741,120
Payroll taxes	111,777	221,464	184,457	974	71,388	46,850	636,910
Health insurance and other benefits	209,203	337,803	365,106	1,785	131,450	87,369	1,132,716
Temporary and contract personnel	48,795	227,991	52,847	503	29,973	7,108	367,217
Total Personnel Expenses	<u>2,034,655</u>	<u>3,888,089</u>	<u>3,489,646</u>	<u>16,046</u>	<u>1,032,655</u>	<u>416,872</u>	<u>10,877,963</u>
<u>Occupancy:</u>							
Office rent	107,932	251,289	186,594	11,248	100,533	70,372	727,968
Telephone/Internet	2,438	6,371	6,964	27	2,099	1,606	19,505
Total Occupancy	<u>110,370</u>	<u>257,660</u>	<u>193,558</u>	<u>11,275</u>	<u>102,632</u>	<u>71,978</u>	<u>747,473</u>
<u>Insurance</u>	3,759	8,973	11,316	40	2,950	1,974	29,012
<u>Supplies and Other Administrative Costs</u>	79,346	213,330	204,738	3,008	114,046	90,136	704,604
<u>Travel</u>	59,497	37,437	53,970	187	11,940	4,670	167,701
<u>Professional Fees:</u>							
Other professional services	8,417	113,937	92,787	3,261	16,018	14,830	249,250
Equipment and computer services	8,440	19,033	19,773	247	15,271	4,862	67,626
Accounting (audit)	4,583	13,446	14,793	50	3,955	3,077	39,904
Total Professional Fees	<u>21,440</u>	<u>146,416</u>	<u>127,353</u>	<u>3,558</u>	<u>35,244</u>	<u>22,769</u>	<u>356,780</u>
<u>Program/Project Expenses:</u>							
Program/Project related expenses	2,488	5,698	476,953	83,713	33,142	67,427	669,421
Property operation cost	-	-	-	194,615	-	-	194,615
Total Program/Project Expenses	<u>2,488</u>	<u>5,698</u>	<u>476,953</u>	<u>278,328</u>	<u>33,142</u>	<u>67,427</u>	<u>864,036</u>
<u>Other Expenses:</u>							
Interest	25,822	53,068	62,321	14,439	66,727	13,345	235,722
Depreciation and amortization	4,255	7,069	8,302	13,101	8,889	1,778	43,394
Contributions to others	5,403	11,104	13,040	238	13,962	2,792	46,539
Property loss	-	21,163	-	-	-	-	21,163
Total Other Expenses	<u>35,480</u>	<u>92,404</u>	<u>83,663</u>	<u>27,778</u>	<u>89,578</u>	<u>17,915</u>	<u>346,818</u>
TOTAL EXPENSES	<u>\$ 2,347,035</u>	<u>\$ 4,650,007</u>	<u>\$ 4,641,197</u>	<u>\$ 340,220</u>	<u>\$ 1,422,187</u>	<u>\$ 693,741</u>	<u>\$ 14,094,387</u>

see report of independent auditors

COMMUNITY HOUSINGWORKS AND AFFILIATES

LIST OF AFFILIATES

DECEMBER 31, 2023

Limited partnerships with single-member limited liability companies holding controlling general partner interests:

Partnership Name	Property Name	Units	Location	CHW Equity Owned Through LLC	CHW Equity
15th Avenue Housing Cooperative	15th Avenue Apartments	16	Escondido	N/A	-
Arden Way Housing Associates, L.P.	Salvator (CofO achieved 5/26/23)	120	Outside CA	Boxwood Street Housing LLC	0.01%
Beech Street Housing Associates, L.P.	<i>Development</i>	-	-	CHW Beech Street, LLC	0.01%
Cedar Nettleton Housing Associates, L.P.	Cedar Nettleton Apartments	68	Vista	Vista Lilac LLC	0.01%
Cypress Cove Housing Associates, L.P.	Manzanita Apartments	200	Escondido	Mission Manzanita, LLC	0.01%
D Avenue Housing Associates, L.P.	<i>Development</i>	-	-	CHW D Avenue LLC	0.01%
East Mountain Housing Associates, L.P.	The Groves Apartments	44	Pasadena	Northwest Manor LLC	0.01%
El Norte Housing Associates, L.P.	Avocado Court Apartments	36	Escondido	El Norte Housing Opportunities LLC	0.01%
Florida Street Housing Associates, L.P.	Kalos Apartments	83	San Diego	Another Nurturing Neighborhood LLC	0.01%
Foothill Oak Housing Associates, L.P.	Los Robles Apartments	76	Vista	Foothill Oak Housing Opportunities LLC	0.01%
Fruit Avenue Housing Associates, L.P.	Parks at Fig Garden	366	Fresno	Ashlan Ave Housing, LLC	0.01%
Keeler Court Housing Associates, L.P.	Keeler Court Apartments	71	San Diego	Las Conchas Housing Opportunities LLC	0.01%
Kimball Tower Housing Associates, L.P.	Kimball Tower	151	National City	CHW Kimball Development, LLC	0.005%
Las Haciendas Housing Associates, L.P.	<i>Development</i>	-	-	CHW Las Haciendas, LLC	0.01%
Linda Vista Housing Associates, L.P.	<i>Development</i>	-	-	CHW Linda Vista LLC	0.009%
Lindo Housing Associates, L.P.	Maplewood Apartments	79	Lakeside	Lakeside Family Housing LLC	0.01%
Mission Cove Seniors Housing Associates, L.P.	Mission Cove Seniors	138	Oceanside	Carolyn Compass Rose, LLC	0.01%
Monument Boulevard Housing Associates, L.P.	Sun Ridge Apartments	198	Concord	Concord Victory Lane, LLC	0.01%
Morgan Tower Housing Associates, L.P.	Morgan Tower	152	National City	CHW Morgan Development, LLC	0.005%
Mountain View Housing Associates, L.P.	Mayberry Townhomes	70	San Diego	Alta Vista Townhomes, LLC	0.01%
North Santa Fe Housing Associates, L.P.	North Santa Fe Apartments	68	Vista	Buena Vista Alliance LLC	0.01%
Oak Knoll Housing Associates, L.P.	Oak Knoll Villas	52	Poway	Fallbrook Renaissance LLC	0.01%
Paradise Creek Housing Partners, L.P.	Paradise Creek	109	National City	CHW Paradise Creek Development Co., LLC	0.005%
Paradise Creek II Housing Partners, L.P.	Paradise Creek II	92	National City	CHW Paradise Creek II Development Co., LLC	0.005%
Portola Senior Housing Associates, L.P.	Portola (TofO achieved 9/22/23)	58	-	Lake Forest Housing Opportunities, LLC	0.01%
Poway Villas Housing Associates, L.P.	Poway Villas	60	Poway	CHW Civic Center LLC	0.01%
Solutions Family Center, L.P.	Solutions	33	Vista	N/A	0.01%
South Santa Fe Housing Associates, L.P.	Paseo Artist Village (Construction 60 units)	60	-	Paseo Artist Village LLC	0.01%
Texas Street Senior Housing, L.P.	North Park Seniors	76	San Diego	Howard Avenue Senior Housing LLC	0.01%
Tripp Avenue Housing Associates, L.P.	Parkside Terrace Apartments	201	San Jose	CHW Parkside Terrace LLC	0.01%
Turnagain Renaissance Housing Associates, L.P.	Turnagain Arms	80	Fallbrook	Fallbrook Renaissance LLC	0.01%
Ulric Street Housing Associates, L.P.	Amanecer	96	San Diego	Ulric Street Housing Opportunities LLC	0.009%
Windsor Gardens Housing Associates, L.P.	Windsor Gardens Apartments	132	Escondido	CHW Windsor Gardens LLC	0.0001%
Woodcroft Street Housing Associates, L.P.	Azusa Apartments	88	Azusa	Big Dalton Wash LLC	0.01%
		<u>3,073</u>			

see report of independent auditors

COMMUNITY HOUSINGWORKS AND AFFILIATES

LIST OF AFFILIATES (CONTINUED)

DECEMBER 31, 2023

Limited partnerships and limited liability companies that are wholly owned by CHW and affiliated entities:

Partnership Name	Property Name	Units	CHW Equity Owned Through LLC	CHW %	Esperanza %	Escondido %
Alabama Manor Housing Associates, L.P.	Alabama Manor Apartments	67	N/A	0.01%	99.99%	-
Breihan Housing Associates, L.P.	Hillside Village	71	N/A	0.01%	99.99%	-
Cambern Avenue Development Holding Company, LLC	<i>Development</i>	-	N/A	-	100%	-
Cambern Avenue Housing Associates, L.P.	<i>Development</i>	-	CHW Cambern Avenue, LLC	99%	1%	-
Cedar Road Housing Associates	N/A	-	N/A	1%	99%	-
CHW Beech Street Development, LLC (<i>dissolved 11/15/2023</i>)	N/A	-	N/A	-	100%	-
CHW Las Haciendas Development, LLC (<i>dissolved 12/31/2023</i>)	N/A	-	N/A	-	100%	-
CHW Ulric Street Development, L.P.	N/A	-	N/A	1%	99%	-
Community Road Housing Associates, L.P.	Solara	56	N/A	0.01%	99.99%	-
Concord Sunridge, LLC (<i>dissolved 12/31/2023</i>)	N/A	-	N/A	-	100%	-
Daybreak Housing Associates	Daybreak Grove / Sunrise Place	21	N/A	-	99%	1%
Delta Village Housing Associates, L.P.	Las Serenas	108	N/A	0.01%	99.99%	-
Dove Family Housing Associates, L.P.	La Costa Paloma	180	N/A	0.01%	99.99%	-
Esperanza Gardens Apartments, L.P.	Esperanza Garden Apartments	10	N/A	-	1%	99%
Eucalyptus View Cooperative Housing Associates, L.P.	Eucalyptus View	24	N/A	0.01%	99.99%	-
Fallbrook View Housing Associates, L.P.	Fallbrook View Apartments	80	N/A	0.01%	99.99%	-
Haley Ranch Estates Housing Associates, L.P.	Haley Ranch Estates	65	N/A	1%	99%	-
Highland Avenue Development Holding Company, LLC	<i>Development</i>	-	N/A	-	100%	-
I Street Development Holding Company, LLC	<i>Development</i>	-	N/A	-	100%	-
I Street Housing Associates, L.P.	<i>Development</i>	-	CHW I Street, LLC	99%	1%	-
Kalmia Street Housing Associates, L.P.	N/A	-	N/A	99%	1%	-
Keeler Court AHSC LLC	<i>Development</i>	-	N/A	-	100%	-
Mission Grove Housing Associates, L.P.	Old Grove Apartments	56	N/A	0.01%	99.99%	-
Navajo Road Development Holding Company, LLC	<i>Development</i>	-	N/A	-	100%	-
Navajo Road Housing Associates, L.P.	<i>Development</i>	-	CHW Navajo Road, LLC	0.01%	99.99%	-
Nettleton Road Housing Associates	N/A	-	N/A	1%	99%	-
Orange Place Housing Associates	Orange Place Apartments	32	N/A	1%	99%	-
Pacific Street Development Holding Company, LLC	<i>Development</i>	-	N/A	-	100%	-
Pacific Street Housing Associates Four, L.P.	<i>Development</i>	-	N/A	99%	1%	-
Pacific Street Housing Associates Nine, L.P.	<i>Development</i>	-	N/A	99%	1%	-
Parks at Fig, LLC (<i>dissolved 12/31/2023</i>)	N/A	-	N/A	100%	-	-
Richards Road Development Holding Company, LLC	Parks at Woodland Springs	250	N/A	-	100%	-

see report of independent auditors

COMMUNITY HOUSINGWORKS AND AFFILIATES

LIST OF AFFILIATES (CONTINUED)

DECEMBER 31, 2023

Limited partnerships and limited liability companies that are wholly owned by CHW and affiliated entities: (continued)

Partnership Name	Property Name	Units	CHW Equity Owned Through LLC	CHW %	Esperanza %	Escondido %
Q Street Development Holding Company, LLC	<i>Development</i>	-	N/A	-	100%	-
Q Street Housing Associates, L.P.	<i>Development</i>	-	CHW Q Street, LLC	1%	99%	-
Swift Avenue Development Holding Company, LLC	<i>Development</i>	-	N/A	-	100%	-
Swift Avenue Housing Associates, L.P.	<i>Development</i>	-	CHW Swift Avenue, LLC	99%	1%	-
The Bowron Road Group Limited Partnership	Parkview Terrace	92	N/A	0.02%	99.98%	-
Tremont Street Apartments Limited Partnership	Marisol Apartments	22	N/A	1%	99%	-
Winona Avenue Housing Associates, L.P.	<i>Development</i>	-	CHW Winona Avenue, LLC	99.99%	0.01%	-
Winona Gardens Housing Associates, L.P.	Bandar Salaam Apartments	68	N/A	0.01%	99.99%	-
Wooster Avenue, LLC	N/A	-	N/A	-	100%	-
Xenia Avenue Development Holding Company, LLC	<i>Development</i>	-	N/A	-	100%	-
Xenia Avenue Housing Associates, L.P.	<i>Development</i>	-	CHW Xenia Avenue, LLC	99%	1%	-
N/A	Las Casitas Apartments ⁽¹⁾	14	N/A	100%	-	-
		<u>1,216</u>				
		Total units	<u><u>4,289</u></u>			

⁽¹⁾ Assets are recorded under Community HousingWorks.

COMMUNITY HOUSINGWORKS AND AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

<i>Federal Grantor/Pass-Through Grantor/Program Title</i>	<i>Assistance Listing Number</i>	<i>Federal Expenditures</i>
<u>Department of Housing and Urban Development</u>		
HOME Investment Partnerships Program:		
Prior year loans that require continuing compliance (pass-through programs):		
City of Escondido	14.239	\$ 321,355
Total		<u>321,355</u>
Continuum of Care Program:		
Direct grant	14.267	48,061
Pass-through program:		
County of San Diego Department of Community Development	14.267	136,691
Total		<u>184,752</u>
Section 4 Capacity Building for Community Development and Affordable Housing:		
Pass-through program:		
Enterprise Community	14.252	39,323
Total		<u>39,323</u>
Total Department of Housing and Urban Development		<u>545,430</u>
<u>Neighborhood Reinvestment Corporation</u>		
Expendable Grant	99.999	591,750
Total		<u>591,750</u>
<u>Department of the Treasury</u>		
Community Development Financial Institutions Program		
- Capital Magnet Fund	21.011	3,000,000
Total		<u>3,000,000</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 4,137,180</u>

see report of independent auditors and accompanying notes to
Schedule of Expenditures of Federal Awards

COMMUNITY HOUSINGWORKS AND AFFILIATES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the expenditures on an accrual basis of Community HousingWorks (a California non-profit public benefit corporation) and Affiliates under programs of the federal government for the year ended December 31, 2023. The information in the Schedule is presented in accordance with the requirements of *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the basic consolidated financial statements.

For purposes of the Schedule, federal awards include all sub awards to the Organization by nonfederal organizations pursuant to federal grants, contract and similar agreements.

2. Summary of significant accounting policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*; wherein certain types of expenditures are not allowed. Assistance Listing numbers (“AL No.”) are provided when available.

The Organization elected to use the 10% de minimis indirect cost rate.

3. Outstanding federal loans

The following represents the amount of outstanding loans identified by AL No. All loans are provided by HUD and are included in the Schedule.

<u>AL No.</u>	<u>Program title</u>	<u>Loans received in 2023</u>	<u>Prior year loans with continuing compliance requirements</u>	<u>Total outstanding loans</u>
14.239	HOME Investment Partnerships Program	\$ -	\$ -	\$ 321,355

see report of independent auditors

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 of
Community HousingWorks and Affiliates

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, a California nonprofit public benefit corporation, and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities and changes in net assets, 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 June 24, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Community HousingWorks and Affiliates' 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community HousingWorks and Affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of the organization's 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community HousingWorks and Affiliates' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Novogradac & Company LLP

Walnut Creek, CA
June 24, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Community HousingWorks and Affiliates

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Community HousingWorks a California nonprofit public benefit corporation, and Affiliates' (the "Community HousingWorks") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Community HousingWorks' major federal programs for the year ended December 31, 2023. Community HousingWorks' major federal programs are 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 each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each 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 each 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 programs.

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 of each 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.



Walnut Creek, CA
June 24, 2024

**COMMUNITY HOUSINGWORKS AND AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued:	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	_____ x _____	No
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ Yes	_____ x _____	None reported
Noncompliance material to financial statements noted?	_____ Yes	_____ x _____	No

Federal Awards

Internal Control over major programs:			
Material weakness(es) identified?	_____ Yes	_____ x _____	No
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ Yes	_____ x _____	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified		
Audit findings required to be reported in accordance with 2 CFR section 200.516(a)?	_____ Yes	_____ x _____	No

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.011	Community Development Financial Institutions Program – Capital Magnet Fund

Dollar threshold used to distinguish between Type A and Type B programs: _____ \$750,000 _____

Auditee qualified as low-risk auditee? _____ x _____ Yes _____ No

Section II - Financial Statement Findings

There were no findings noted.

Section III - Federal Award Findings and Questioned Costs

There were no findings noted.



CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021



Leaf & Cole, LLP
Certified Public Accountants

**COMMUNITY HOUSINGWORKS
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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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, 2022 and 2021, 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, 2022 and 2021, 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.

Change in Accounting Principle

As described in Note 2 to the financial statements, Community HousingWorks adopted accounting standards changes related to accounting for and disclosing leasing arrangements. Our opinion is not modified with respect to this matter.

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 47 to 63 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 30, 2023, 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 30, 2023

COMMUNITY HOUSINGWORKS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	ASSETS	
	<u>2022</u>	<u>2021</u>
<u>Current Assets:</u> (Notes 2, 4 and 5)		
Cash and cash equivalents	\$ 33,420,871	\$ 25,684,607
Investments	11,044,597	11,194,260
Security deposits	719,677	659,412
Grants and contracts receivable	-	142,188
Accounts receivable - related parties	12,188,240	15,474,227
Accounts receivable - other, net	135,299	4,651,797
Prepaid expenses	404,654	238,205
Total Current Assets	<u>57,913,338</u>	<u>58,044,696</u>
<u>Noncurrent Assets:</u> (Notes 2, 4, 6, 7 thru 10 and 16)		
Restricted reserves	10,385,787	8,455,110
Loans receivable, net	197,167	233,493
Notes receivable - related parties, net	66,140,854	64,840,246
Interest receivable	3,299,786	3,269,558
Property and equipment, net	95,186,847	75,987,470
Right of use asset	1,696,448	-
Investments in limited partnerships	23,695,954	17,921,497
Deposits	190,583	174,574
Other assets, net	38,515	40,068
Total Noncurrent Assets	<u>200,831,941</u>	<u>170,922,016</u>
TOTAL ASSETS	<u>\$ 258,745,279</u>	<u>\$ 228,966,712</u>

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

COMMUNITY HOUSINGWORKS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2022 AND 2021

LIABILITIES AND NET ASSETS

	<u>2022</u>	<u>2021</u>
<u>Current Liabilities:</u> (Notes 2, 12 and 16)		
Accounts payable and accrued expenses	\$ 1,721,083	\$ 1,747,330
Security deposits	725,603	665,404
Deferred revenue	117,485	155,006
Current portion of lease liability	607,929	-
Current portion of notes payable - amortized debt	3,267,321	938,153
Total Current Liabilities	<u>6,439,421</u>	<u>3,505,893</u>
<u>Noncurrent Liabilities:</u> (Notes 2, 12, 13 and 16)		
Deferred revenue	65,397	112,350
Deferred lease liability	-	282,236
Operating Lease liability	1,364,350	-
Notes payable - amortized debt , net	47,015,739	34,847,001
Notes payable - residual receipts debt, net	39,072,129	30,791,167
Interest payable - residual receipts debt	17,156,874	15,755,153
Less: Current portion	(3,267,321)	(938,153)
Total Noncurrent Liabilities	<u>101,407,168</u>	<u>80,849,754</u>
Total Liabilities	<u>107,846,589</u>	<u>84,355,647</u>
<u>Obligation Under Interest Rate Swap</u> (Notes 2 and 14)	<u>-</u>	<u>17,680</u>
<u>Commitments and Contingencies</u> (Notes 11 and 16)		
<u>Net Assets:</u> (Notes 2 and 15)		
Without donor restrictions	147,680,753	144,058,658
With donor restrictions:		
Time and purpose restrictions	3,217,937	534,727
Total Net Assets	<u>150,898,690</u>	<u>144,593,385</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 258,745,279</u>	<u>\$ 228,966,712</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, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:						
Contributions	\$ 656,607	\$ 741,972	\$ 1,398,579	\$ 566,750	\$ 921,117	\$ 1,487,867
Developer fees	5,422,228	-	5,422,228	12,877,934	-	12,877,934
Grants	1,144,815	3,017,379	4,162,194	2,215,052	235,560	2,450,612
Loan interest and investment income	1,482,763	-	1,482,763	2,556,053	-	2,556,053
Management fees	670,865	-	670,865	752,070	-	752,070
Other income	3,097,606	-	3,097,606	1,527,654	-	1,527,654
Program income	804,410	-	804,410	773,543	-	773,543
Rental income	13,125,880	-	13,125,880	11,337,120	-	11,337,120
Net assets released from restrictions	1,076,141	(1,076,141)	-	1,528,730	(1,528,730)	-
Total Revenue and Support	<u>27,481,315</u>	<u>2,683,210</u>	<u>30,164,525</u>	<u>34,134,906</u>	<u>(372,053)</u>	<u>33,762,853</u>
Expenses:						
Program Services:						
Asset management	2,575,575	-	2,575,575	1,776,763	-	1,776,763
Real estate development	4,060,725	-	4,060,725	3,848,445	-	3,848,445
Rental real estate	14,716,135	-	14,716,135	13,740,650	-	13,740,650
Resident services	3,747,912	-	3,747,912	3,965,228	-	3,965,228
Supportive housing programs	274,869	-	274,869	453,334	-	453,334
Total Program Services	<u>25,375,216</u>	<u>-</u>	<u>25,375,216</u>	<u>23,784,420</u>	<u>-</u>	<u>23,784,420</u>
Supporting Services:						
Management and general	1,265,594	-	1,265,594	1,205,727	-	1,205,727
Fundraising	611,400	-	611,400	572,108	-	572,108
Total Supporting Services	<u>1,876,994</u>	<u>-</u>	<u>1,876,994</u>	<u>1,777,835</u>	<u>-</u>	<u>1,777,835</u>
Total Expenses	<u>27,252,210</u>	<u>-</u>	<u>27,252,210</u>	<u>25,562,255</u>	<u>-</u>	<u>25,562,255</u>
Change in Net Assets Before Other Revenue and (Expense)	<u>229,105</u>	<u>2,683,210</u>	<u>2,912,315</u>	<u>8,572,651</u>	<u>(372,053)</u>	<u>8,200,598</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, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Other Revenue and (Expense):						
Loan forgiveness and recovery	\$ 418,122	\$ -	\$ 418,122	\$ 1,291,708	\$ -	\$ 1,291,708
Loss on sale of property and equipment	(193,435)	-	(193,435)	-	-	-
Obligation under interest rate swap change	17,680	-	17,680	971,833	-	971,833
Partnership loss	(515,516)	-	(515,516)	(201,733)	-	(201,733)
Total Other Revenue and (Expense)	<u>(273,149)</u>	<u>-</u>	<u>(273,149)</u>	<u>2,061,808</u>	<u>-</u>	<u>2,061,808</u>
Change in Net Assets	(44,044)	2,683,210	2,639,166	10,634,459	(372,053)	10,262,406
Net Assets at Beginning of Year	144,058,658	534,727	144,593,385	136,016,048	906,780	136,922,828
Acquisition of Partnership Interest	3,577,829	-	3,577,829	(2,846,595)	-	(2,846,595)
Contributions/(Distributions), net	<u>88,310</u>	<u>-</u>	<u>88,310</u>	<u>254,746</u>	<u>-</u>	<u>254,746</u>
NET ASSETS AT END OF YEAR	<u>\$ 147,680,753</u>	<u>\$ 3,217,937</u>	<u>\$ 150,898,690</u>	<u>\$ 144,058,658</u>	<u>\$ 534,727</u>	<u>\$ 144,593,385</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, 2022

	Program Services				Supporting Services			Eliminations	Total Expenses
	Asset Management	Real Estate Development	Rental Real Estate	Resident Services	Supportive Housing Programs	Management and General	Fundraising		
Personnel Expenses:									
Salaries and wages	\$ 1,782,337	\$ 2,869,037	\$ -	\$ 2,277,448	\$ 11,843	\$ 685,938	\$ 243,844	\$ -	\$ 7,870,447
Payroll taxes	114,216	205,036	-	167,183	873	56,419	33,175	-	576,902
Health insurance and other benefits	250,354	367,378	-	351,123	1,801	120,057	64,281	-	1,154,994
Temporary/contract personnel	18,550	38,176	-	33,090	405	30,426	26,392	-	147,039
Total Personnel Expenses	<u>2,165,457</u>	<u>3,479,627</u>	<u>-</u>	<u>2,828,844</u>	<u>14,922</u>	<u>892,840</u>	<u>367,692</u>	<u>-</u>	<u>9,749,382</u>
Occupancy:									
Office rent	127,297	215,856	-	166,743	1,114	67,001	46,006	-	624,017
Telephone/Internet	4,019	7,533	-	9,060	37	2,397	1,438	-	24,484
Total Occupancy	<u>131,316</u>	<u>223,389</u>	<u>-</u>	<u>175,803</u>	<u>1,151</u>	<u>69,398</u>	<u>47,444</u>	<u>-</u>	<u>648,501</u>
Insurance	<u>8,648</u>	<u>12,707</u>	<u>-</u>	<u>17,596</u>	<u>219</u>	<u>4,817</u>	<u>1,733</u>	<u>-</u>	<u>45,720</u>
Supplies and Other Administrative Costs	<u>94,124</u>	<u>133,726</u>	<u>-</u>	<u>154,319</u>	<u>2,296</u>	<u>105,273</u>	<u>73,272</u>	<u>-</u>	<u>563,010</u>
Travel	<u>24,536</u>	<u>26,996</u>	<u>-</u>	<u>33,831</u>	<u>104</u>	<u>6,160</u>	<u>3,229</u>	<u>-</u>	<u>94,856</u>
Professional Fees:									
Other professional services	31,138	27,402	-	90,545	1,120	42,911	40,173	-	233,289
Equipment/computer services	22,225	17,240	-	30,108	520	25,114	8,829	-	104,036
Accounting (Audit)	13,062	16,049	-	13,047	48	3,223	2,071	-	47,500
Total Professional Fees	<u>66,425</u>	<u>60,691</u>	<u>-</u>	<u>133,700</u>	<u>1,688</u>	<u>71,248</u>	<u>51,073</u>	<u>-</u>	<u>384,825</u>
Program/Project Expenses:									
Program/Project related expenses	4,209	2,076	-	308,899	140,369	22,879	47,382	-	525,814
Property operation cost	-	-	15,312,196	-	80,318	-	-	(4,839,405)	10,553,109
Total Program/Project Expenses	<u>4,209</u>	<u>2,076</u>	<u>15,312,196</u>	<u>308,899</u>	<u>220,687</u>	<u>22,879</u>	<u>47,382</u>	<u>(4,839,405)</u>	<u>11,078,923</u>
Other Expenses:									
Interest	53,662	26,545	-	65,038	13,834	63,708	13,412	-	236,199
Depreciation and amortization	22,829	10,036	4,243,344	24,587	19,873	24,084	5,071	-	4,349,824
Contributions to others	4,369	3,161	-	5,295	95	5,187	1,092	-	19,199
Property loss	-	81,771	-	-	-	-	-	-	81,771
Total Other Expenses	<u>80,860</u>	<u>121,513</u>	<u>4,243,344</u>	<u>94,920</u>	<u>33,802</u>	<u>92,979</u>	<u>19,575</u>	<u>-</u>	<u>4,686,993</u>
Less: Eliminations:	<u>-</u>	<u>-</u>	<u>(4,839,405)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,839,405</u>	<u>-</u>
TOTAL EXPENSES	<u>\$ 2,575,575</u>	<u>\$ 4,060,725</u>	<u>\$ 14,716,135</u>	<u>\$ 3,747,912</u>	<u>\$ 274,869</u>	<u>\$ 1,265,594</u>	<u>\$ 611,400</u>	<u>\$ -</u>	<u>\$ 27,252,210</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				Supporting Services			Total Expenses	
	Asset Management	Real Estate Development	Rental Real Estate	Resident Services	Supportive Housing Programs	Management and General	Fundraising		Eliminations
<u>Personnel Expenses:</u>									
Salaries and wages	\$ 1,292,911	\$ 2,646,998	\$ -	\$ 2,203,187	\$ 37,012	\$ 641,910	\$ 198,963	\$ -	\$ 7,020,981
Payroll taxes	78,037	197,038	-	144,294	2,483	51,611	33,390	-	506,853
Health insurance and other benefits	155,112	331,534	-	358,467	10,904	114,393	55,320	-	1,025,730
Temporary/contract personnel	7,496	32,411	-	16,916	1,153	29,284	27,907	-	115,167
Total Personnel Expenses	<u>1,533,556</u>	<u>3,207,981</u>	<u>-</u>	<u>2,722,864</u>	<u>51,552</u>	<u>837,198</u>	<u>315,580</u>	<u>-</u>	<u>8,668,731</u>
<u>Occupancy:</u>									
Office rent	88,742	237,998	-	142,252	22,283	77,708	51,203	-	620,186
Telephone/Internet	8,802	23,962	-	16,482	2,206	7,763	5,008	-	64,223
Total Occupancy	<u>97,544</u>	<u>261,960</u>	<u>-</u>	<u>158,734</u>	<u>24,489</u>	<u>85,471</u>	<u>56,211</u>	<u>-</u>	<u>684,409</u>
<u>Insurance</u>	<u>3,619</u>	<u>9,277</u>	<u>-</u>	<u>11,085</u>	<u>992</u>	<u>4,693</u>	<u>2,053</u>	<u>-</u>	<u>31,719</u>
<u>Supplies and Other Administrative Costs</u>	<u>68,983</u>	<u>190,285</u>	<u>-</u>	<u>118,043</u>	<u>8,637</u>	<u>85,808</u>	<u>60,438</u>	<u>-</u>	<u>532,194</u>
<u>Travel</u>	<u>4,019</u>	<u>8,178</u>	<u>-</u>	<u>20,256</u>	<u>108</u>	<u>1,838</u>	<u>505</u>	<u>-</u>	<u>34,904</u>
<u>Professional Fees:</u>									
Other professional services	15,597	52,415	-	166,072	11,555	57,496	81,559	-	384,694
Equipment/computer services	10,915	24,592	-	49,919	2,223	27,133	9,551	-	124,333
Accounting (Audit)	8,872	17,973	-	10,891	1,067	3,163	2,061	-	44,027
Total Professional Fees	<u>35,384</u>	<u>94,980</u>	<u>-</u>	<u>226,882</u>	<u>14,845</u>	<u>87,792</u>	<u>93,171</u>	<u>-</u>	<u>553,054</u>
<u>Program/Project Expenses:</u>									
Program/Project related expenses	202	427	-	625,926	179,884	11,871	26,511	-	844,821
Property operation cost	-	-	12,749,305	-	134,674	-	-	(2,813,322)	10,070,657
Total Program/Project Expenses	<u>202</u>	<u>427</u>	<u>12,749,305</u>	<u>625,926</u>	<u>314,558</u>	<u>11,871</u>	<u>26,511</u>	<u>(2,813,322)</u>	<u>10,915,478</u>
<u>Other Expenses:</u>									
Interest	20,226	42,832	-	52,350	16,820	58,545	11,331	-	202,104
Depreciation and amortization	11,334	19,765	3,804,667	24,157	20,998	27,017	5,229	-	3,913,167
Contributions to others	1,896	4,014	-	4,931	335	5,494	1,079	-	17,749
Property loss	-	8,746	-	-	-	-	-	-	8,746
Total Other Expenses	<u>33,456</u>	<u>75,357</u>	<u>3,804,667</u>	<u>81,438</u>	<u>38,153</u>	<u>91,056</u>	<u>17,639</u>	<u>-</u>	<u>4,141,766</u>
<u>Less: Eliminations:</u>	<u>-</u>	<u>-</u>	<u>(2,813,322)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,813,322</u>	<u>-</u>
TOTAL EXPENSES	<u>\$ 1,776,763</u>	<u>\$ 3,848,445</u>	<u>\$ 13,740,650</u>	<u>\$ 3,965,228</u>	<u>\$ 453,334</u>	<u>\$ 1,205,727</u>	<u>\$ 572,108</u>	<u>\$ -</u>	<u>\$ 25,562,255</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, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ 2,639,166	\$ 10,262,406
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,348,271	3,911,614
Amortization of other assets	1,553	1,553
Amortization of debt issuance costs	418,172	363,364
Loss on sale of property and equipment	193,435	-
Net realized and unrealized loss (gain) from investments	1,205,797	(161,947)
Loan forgiveness	(24,500)	(839,154)
Partnership loss	515,516	201,733
Change in obligation under interest rate swap	(17,680)	(971,833)
(Increase) Decrease in:		
Grants and contracts receivable	142,188	(81,417)
Accounts receivable, net	7,810,686	(3,067,106)
Prepaid expenses	(146,178)	(95,549)
Interest receivable	(30,228)	(894,250)
Right of use asset	528,473	-
Increase (Decrease) in:		
Accounts payable and accrued expenses	(65,397)	69,697
Security deposits	8,539	11,626
Deferred revenue	(93,554)	(36,751)
Operating lease liability	(562,309)	1,066
Interest payable	(141,965)	601,509
Net Cash Provided by Operating Activities	<u>16,729,985</u>	<u>9,276,561</u>
<u>Cash Flows From Investing Activities:</u>		
Investment (purchases) sales, net	(808,046)	(1,394,190)
Loans receivable, net	36,326	82,279
Notes receivable - related parties, net	(1,300,608)	1,135,949
Proceeds from sale of property and equipment	2,650,000	-
Property and equipment purchases	(10,987,475)	(5,935,922)
Partnership contributions and transfer costs, net	(5,818,458)	(6,194,182)
Refund of (Payment for) deposits	-	100,000
Net Cash Used in Investing Activities	<u>(16,228,261)</u>	<u>(12,206,066)</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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>Cash Flows From Financing Activities:</u>		
Proceeds from notes payable	\$ 16,198,000	\$ 20,000,000
Payments on notes payable	(5,691,964)	(17,714,189)
Payments for debt issuance costs	(1,032,466)	(1,480,604)
Net Cash Provided by Financing Activities	<u>9,473,570</u>	<u>805,207</u>
Net Increase (Decrease) in Cash and Cash Equivalents and Restricted Cash	9,975,294	(2,124,298)
Cash and Cash Equivalents and Restricted Cash at Beginning of Year	<u>34,384,914</u>	<u>36,509,212</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	<u>\$ 44,360,208</u>	<u>\$ 34,384,914</u>
<u>Supplemental Disclosures of Cash Flow Information:</u>		
Cash paid for interest, net of capitalized interest (Note 2)	<u>\$ 2,423,858</u>	<u>\$ 1,034,501</u>
<u>Supplemental Disclosure of Noncash Investing and Financing Activities:</u>		
Acquisition of Community Road Housing Associates, L.P.	<u>\$ 4,500,183</u>	<u>\$ -</u>
Acquisition of Alabama Manor Housing Associates, L.P.	<u>\$ (922,354)</u>	<u>\$ -</u>

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

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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 47 - 50 for the years ended December 31, 2022 and 2021, 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, across California and in Texas. With 3,801 rental apartments in 45 communities statewide, the Organization proudly served more than 11,000 residents in 2022.

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

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

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

Partnership and Limited Liability Companies

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

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 47 - 50.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 1 - Organization: (Continued)

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 47 - 50, which represent 100% of the assets of Escondido.

Maplewood/Ashwood

Maplewood/Ashwood, a California Nonprofit Corporation, has no assets at December 31, 2022 or 2021.

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 10,000 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 international Urban Land Institute Award of Excellence for the Americas. At the end of 2022, CHW operated 3,801 rental apartments in 45 communities, designed and managed to improve their neighborhoods and help residents build brighter futures. Extensive resident service programs further support resident success.

In 14 of our communities, residents can take advantage of a Community Center with after-school programs. 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.

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 30 Community Centers.

**COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

Note 1 - Organization: (Continued)

Rental Communities (Continued)

Supportive Housing (Continued)

Complex	Location	Supportive Units	Supported Residents
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 Washington/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

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.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 1 - Organization: (Continued)

Resident Services Programs (Continued)

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. While RHSP was on hold for the last two years due to the eviction moratoriums in place, it was re-launched in January 2022. In total for 2022, there have been 137 resident referrals to the RHSP, where residents received financial counseling in which 47 of these residents completed the program.
- **Financial Security** (*meet day-to-day financial obligations*). Community Housing Works' Family Asset Building class uses a group-coaching model to help residents more effectively manage their money and make positive financial choices to meet self-identified goals. In 2022, there was a total of 20 workshops and orientations, with over 60 resident participants. Through our Credit Strengthening Initiative program, there was a total of 54% of households who registered on the property management platform (APTEXX) to pay their rent. A total of 26% of these residents also opted-in to have their rental payments reported to the credit bureaus to strengthen their credit scores. 15% of these residents have enrolled in the Credit Strengthening Initiative program.
- **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 2022, 30 residents participated in financial well-being related coaching sessions.

2. Next Generation Success

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

- **Study Stars Afterschool Program.** Community HousingWorks' own Study Stars program focuses on achieving grade level reading for K-8th 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 2021-2022 school year, there were a total of 240 active study star students participating in the Study Stars Afterschool Program.
- **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 2022, 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.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 1 - Organization: (Continued)

Resident Services Programs (Continued)

Health and Wellness (Continued)

- **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 2022, 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.

4. Resident Engagement

Resident engagement creates a culture of trust in our communities by supporting residents in pursuing life changing goals, encouraging resident volunteerism, and providing peer-to-peer support that will lead to self-sufficiency. CHW has long held the core belief that with a safe, stable home, powerful tools and community support, our residents can forge strong futures. This belief and our commitment to resident success—creating safe, stable, affordable apartment communities and support for hopeful action by our residents—are at the heart of our mission and who we are as an organization. In 2022, CHW rolled out the Resident Leadership Academy (RLA) program at seven of our CHW apartment communities with onsite resident services staff.

- **Resident Leadership Academy (RLA).** The RLA is designed to give residents the tools to build and improve their communities. This 8-week training will encourage residents to organize and develop their leadership skills. Specific community needs will be based on a resident/community survey that may address: health and wellness concerns, safety, housing, financial well-being, civic engagement, and children’s education.

The RLA is designed to empower residents to become leaders in their communities and achieve the following impact:

- Make it easier for individuals to succeed by implementing behaviors and actions that produce better health and wellness.
- Engaging residents in activities and knowledge that lead to healthier neighborhood environments.
- Change something about the neighborhood, community, and/or environment that leads to poor health and disease.

**COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

Note 1 - Organization: (Continued)

Resident Services Programs (Continued)

Resident Leadership Academy (RLA) (Continued)

- Residents learn skills and best practices to address the issues that most affect their communities, and they work alongside their neighbors to help improve quality of life where they live.
- Build “true communities,” defined as communities in which residents develop a sense of belonging, camaraderie, and pride for one another and their community.

Note 2 - Significant Accounting Policies:

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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 33,420,871	\$ 25,684,607
Security deposits	719,677	659,412
Restricted reserves	<u>10,219,660</u>	<u>8,040,895</u>
Total Cash and Cash Equivalents and Restricted Cash	<u>\$ 44,360,208</u>	<u>\$ 34,384,914</u>

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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 accounts receivable, grants, and contracts receivable was recorded at December 31, 2022 and 2021.

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 \$23,000 and \$26,000 at December 31, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021.

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.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 2 - Significant Accounting Policies: (Continued)

Capitalization and Depreciation (Continued)

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

Depreciation totaled \$4,348,271 and \$3,911,614 for the years ended December 31, 2022 and 2021, respectively.

Interest totaling \$470,039 and \$429,089 for the years ended December 31, 2022 and 2021, 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, 2022 and 2021 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, 2022 and 2021. 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 \$32,485 and \$30,932 at December 31, 2022 and 2021, respectively, are amortized using the straight-line method over the term of the related costs ranging from 48 to 480 months. Amortization expense totaled \$1,553 for each of the years ended December 31, 2022 and 2021.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 2 - Significant Accounting Policies: (Continued)

Compensated Absences

Accumulated unpaid vacation totaling \$211,368 and \$424,749 at December 31, 2022 and 2021, respectively, is accrued when incurred and included in accounts payable and accrued expenses.

Security Deposits

Security deposits are restricted to the extent of the security deposit liability totaling \$725,603 and \$665,404 at December 31, 2022 and 2021, 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 \$418,172 and \$363,364 for the years ended December 31, 2022 and 2021, 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, 2022, 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>2022</u>	<u>2021</u>
Balance at Beginning of Year	\$ 17,680	\$ 989,513
Change in Fair Value of Obligation Under Interest Rate Swap	(17,680)	(697,124)
Payoff of swap contract	-	(274,709)
Balance at End of Year	<u>\$ -</u>	<u>\$ 17,680</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, 2022 AND 2021

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>2022</u>	<u>2021</u>
Accounts receivable – related parties	\$ 10,231,531	\$ 13,675,937
Notes receivable – related parties	<u>5,613,550</u>	<u>3,111,501</u>
Total Contract Asset	<u>\$ 15,845,081</u>	<u>\$ 16,787,438</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 \$112,350 and \$159,303 at December 31, 2022 and 2021, 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 \$70,532 and \$108,053 at December 31, 2022 and 2021, 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 \$- and \$282,236 at December 31, 2022 and 2021, respectively.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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, 2022 and 2021 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, 2022, 2021, 2020 and 2019 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, 2022 AND 2021

Note 2 - Significant Accounting Policies: (Continued)

Lease

The Organization entered into a lease agreement for office space through December 31, 2025. Pursuant to the guidance for accounting for leases, the Organization accounts for the operating leases as noted below.

The Organization determines if an arrangement is a lease at inception. An arrangement is a lease if the arrangement conveys a right to direct the use of, and obtain substantially all of the economic benefits from, the use of an asset for a period of time in exchange for consideration.

Operating lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of the lease payments over the lease term. The Organization uses the risk-free rate in determining the present value of the lease payments.

The Operating lease right-of-use asset also includes any lease payments made, and excludes lease incentives. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The lease does not contain any material residual value guarantee or material restrictive covenants. Lease expense for lease payments is recognized on the straight-line basis over the lease term.

Reclassification

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

Accounting Pronouncement Adopted

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. ASU 2020-07 improves transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit entities. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the consolidated statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. This standard is applied on a retrospective basis. The adoption had no effect on the 2022 consolidated financial statements.

Change in Accounting Principle

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Codification (“ASC”) 842, *Leases (“FASB ASC 842”)* to increase transparency and comparability among organizations by requiring the recognition of lease assets and lease liabilities on the consolidated statement of financial position by lessees, and the disclosures of key information about leasing arrangements.

FASB ASC 842 was adopted January 1, 2021, with certain practical expedients available. With respect to tenant leases, FASB ASC 842 did not have a material impact on the consolidated financial statements. The Organization adopted this guidance Accounting Standards Codification (ASC) 842 in 2022 using the effective date transition method which allows the Organization to apply the guidance for the current year presentation and not adjust the prior year numbers. The Organization elected the package of practical expedients that allows an entity to not reassess (i) whether any expired or existing contracts are or contain leases, (ii) lease classification for any expired or existing leases and (iii) initial direct costs for any expired or existing leases. The Organization did not elect to use hindsight for leases existing at the adoption date.

As a result of the adoption of FASB ASC 842 on January 1, 2022, a right of use asset of \$2,224,921 and lease liability of \$2,534,588 was recorded.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 2 - Significant Accounting Policies: (Continued)

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 30, 2023, 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.

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>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 33,420,871	\$ 25,684,607
Investments	11,044,597	11,194,260
Grants and contracts receivable	-	142,188
Accounts receivable – related parties	12,188,240	15,474,227
Accounts receivable – other, net	135,299	4,651,797
Total financial assets	<u>56,789,007</u>	<u>57,147,079</u>
Less assets unavailable for general expenditures:		
Cash and investments held for board-designated purposes	<u>(26,658,671)</u>	<u>(17,220,569)</u>
Total financial assets not available to be used within one year	<u>(26,658,671)</u>	<u>(17,220,569)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 30,130,336</u>	<u>\$ 39,926,510</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
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Note 4 – Investments and Fair Value Measurements:

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

	2022			Balance at December 31, 2022
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments:				
Fixed income funds	\$ 4,515,287	\$ -	\$ -	\$ 4,515,287
Equity funds	2,387,855	-	-	2,387,855
Equities	913,340	-	-	913,340
U.S. Treasury bills	-	3,836,192	-	3,836,192
Corporate bonds	-	295,495	-	295,495
Total Investments	<u>7,816,482</u>	<u>4,131,687</u>	<u>-</u>	<u>11,948,169</u>
Restricted Reserves: (Note 6)				
Equity funds	166,127	-	-	166,127
Total Restricted Reserves	<u>166,127</u>	<u>-</u>	<u>-</u>	<u>166,127</u>
	<u>\$ 7,982,609</u>	<u>\$ 4,131,687</u>	<u>\$ -</u>	<u>\$ 12,114,296</u>
	2021			Balance 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)	
Investments:				
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>
Restricted Reserves: (Note 6)				
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>

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

	2022	2021
Interest income from lending	\$ 2,474,895	\$ 2,236,305
Interest and dividend income from investments and reserves	262,302	201,276
Net realized and unrealized gains from investments	(1,205,797)	161,947
Investment fees	(48,637)	(43,475)
Total Loan Interest and Investment Income	<u>\$ 1,482,763</u>	<u>\$ 2,556,053</u>

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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>2022</u>	<u>2021</u>
15 th Avenue Housing Cooperative	\$ 7,154	\$ 6,541
Arden Way Housing Associates, L.P.	283,988	81,424
Cedar Nettleton Housing Associates, L.P.	26,465	16,148
Cypress Cove Housing Associates, L.P.	155,972	143,274
East Mountain Housing Associates, L.P.	108,149	104,702
El Norte Housing Associates, L.P.	44,106	42,617
Florida Street Housing Associates, L.P.	61,836	59,119
Foothill Oak Housing Associates, L.P.	50,099	32,256
Fruit Avenue Housing Associates, L.P.	38,164	24,661
Keeler Court Housing Associates, L.P.	182,218	3,232,323
Kimball Tower Housing Associates, L.P.	45,528	204,006
Las Haciendas Housing Associates, L.P.	195,607	445,913
Linda Vista Housing Associates, L.P.	11,337	224
Lindo Housing Associates, L.P.	69,451	65,179
Mission Cove Seniors Housing Associates, L.P.	167,265	150,735
Monument Boulevard Housing Associates, L.P.	113,954	81,943
Morgan Tower Housing Associates, L.P.	47,516	239,023
Mountain View Housing Associates, L.P.	103,984	98,708
North Santa Fe Housing Associates, L.P.	19,970	18,075
Oak Knoll Housing Associates, L.P.	37,760	41,066
Paradise Creek Housing Partners, L.P.	10,204	6,780
Paradise Creek II Housing Partners, L.P.	4,411	2,434
Portola Housing Associates, L.P.	457,306	-
Poway Villas Housing Associates, L.P.	969	415
Poway Villas Community Housing Association	20	20
South Santa Fe Housing Associates, L.P.	502,520	631,326
Texas Street Senior Housing, L.P.	84,245	130,678
Tripp Avenue Housing Associates, L.P.	7,895,667	7,826,361
Turnagain Renaissance Housing Associates, L.P.	1,318	610
Ulric Street Housing Associates, L.P.	1,287,228	1,124,605
Windsor Gardens Housing Associates, L.P.	52,239	278,939
Woodcroft Housing Associates, L.P.	121,590	115,702
	<u>\$ 12,188,240</u>	<u>\$ 15,474,227</u>

COMMUNITY HOUSINGWORKS
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DECEMBER 31, 2022 AND 2021

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>2022</u>	<u>2021</u>
Alabama Manor	\$ 425,452	\$ -
Bandar Salaam Apartments	511,946	482,289
Solara Apartments	367,294	-
Daybreak/Sunrise Place	293,469	300,821
Delta Village	1,121,612	232,634
Esperanza Garden Apartments	423,822	438,298
Eucalyptus View	154,488	156,668
Fallbrook View	904,966	865,080
Haley Ranch Estates	1,971,794	1,983,903
Hillside Village	685,039	697,713
La Costa Paloma	1,354,022	1,116,560
Marisol Apartments	273,140	267,677
Old Grove Apartments	378,993	377,938
Orange Place Apartments	519,713	513,018
Parkside Terrace Apartments	1,000,037	1,022,511
	<u>\$ 10,385,787</u>	<u>\$ 8,455,110</u>

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

	<u>2022</u>	<u>2021</u>
Cash	\$ 10,219,660	\$ 8,040,895
Investments	166,127	414,215
Total	<u>\$ 10,385,787</u>	<u>\$ 8,455,110</u>

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>2022</u>	<u>2021</u>
Neighborhood Reinvestment Corporation	3.00%-6.50%	10 years	\$ 15,505	\$ 33,396
Neighborhood Housing Services of America - Community Development Financial Institutions	5.95%-6.50%	10 to 30 years	-	12,751
First Mortgage	6.25%	30 years	204,662	213,346
Total Loans Receivable			<u>220,167</u>	<u>259,493</u>
Less: Allowance for Collection Losses			<u>(23,000)</u>	<u>(26,000)</u>
Loans Receivable, Net			<u>\$ 197,167</u>	<u>\$ 233,493</u>

Accrued interest on loans receivable totaled \$42 and \$79 at December 31, 2022 and 2021, respectively.

COMMUNITY HOUSINGWORKS
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Note 8 - Notes Receivable - Related Parties:

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

	<u>2022</u>	<u>2021</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
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 \$82,473 and \$99,862 at December 31, 2022 and 2021, respectively.	2,731,129	2,731,129
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 \$129,972 and \$106,246 at December 31, 2022 and 2021, 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 \$275 and \$4,689 at December 31, 2022 and 2021, respectively.	-	8,866
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 \$82,085 and \$63,724 at December 31, 2022 and 2021, 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 \$39,529 and \$30,126 at December 31, 2022 and 2021, respectively.	462,889	462,889

(Continued)

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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

	<u>2022</u>	<u>2021</u>
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 \$3,698 and \$3,293 at December 31, 2022 and 2021, respectively.	\$ 6,000	\$ 6,000
The deferred developer fee from Fruit Avenue Housing Associates, L.P. bears interest at 1.53% annually. Accrued interest totaled \$19,562 and \$1,195 at December 31, 2022 and 2021, respectively.	2,953,699	3,167,851
The note receivable from Fruit Avenue Housing Associates, L.P. 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 \$1,194,384 and \$984,671 at December 31, 2022 and 2021, 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 \$500,000 is noninterest-bearing. Principal is payable from residual receipts determined on an annual basis. Principal is due no later than June 21, 2076.	500,000	-
The note receivable from Keeler Court Housing Associates, L.P. in the original amount of \$1,509,114 is noninterest-bearing. Principal is due no later than June 30, 2038.	1,509,114	-
The note receivable from Keeler Court Housing Associates, L.P. in the original amount of \$940,000 bears interest at 3%. Accrued interest totaled \$61,549 and \$33,302 at December 31, 2022 and 2021, respectively. Principal is payable from residual receipts determined on an annual basis. Principal is due no later than December 1, 2076.	940,000	940,000
The deferred developer fee from Keeler Court Housing Associates, L.P. in the amount of \$178,573 is noninterest-bearing.	-	178,573

(Continued)

COMMUNITY HOUSINGWORKS
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Note 8 - Notes Receivable - Related Parties: (Continued)

	<u>2022</u>	<u>2021</u>
The note receivable from Linda Vista Housing Associates, L.P. in the original amount of \$531,093 bears interest at 5%. Accrued interest totaled \$-0- at December 31, 2022 and 2021. Principal is payable from residual receipts determined on an annual basis. Principal is due no later than July 14, 2077.	\$ 531,093	\$ -
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 \$38,607 and \$81,857 at December 31, 2022 and 2021, 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.	905,911	1,278,552
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 \$454,643 and \$235,343 at December 31, 2022 and 2021, 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 \$34,514 and \$26,272 at December 31, 2022 and 2021, respectively.	370,120	370,120
The Organization loaned \$210,000 to Oak Knoll Housing Associates, L.P. The note receivable from Oak Knoll Housing Associates, L.P. is noninterest-bearing. Payments of principal shall be paid from surplus cash calculated annually. Any unpaid principal is due May 1, 2064.	195,469	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 \$146,836 and \$99,306 at December 31, 2022 and 2021, respectively.	2,011,028	2,011,028

(Continued)

COMMUNITY HOUSINGWORKS
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DECEMBER 31, 2022 AND 2021

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

	<u>2022</u>	<u>2021</u>
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 \$114,816 and \$95,922 at December 31, 2022 and 2021, 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 \$1,828,187 and \$1,224,624 at December 31, 2022 and 2021, 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 \$122,143 and \$113,503 at December 31, 2022 and 2021, 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.	1,753,940	1,832,949
The note receivable from Woodcroft Street Housing Associates, L.P. in the original amount of \$1,500,000 bears interest at 4.00%. Interest is payable annually beginning May 1, 2014. Principal and accrued interest are due March 1, 2054. Secured by a deed of trust. Accrued interest totaled \$-0- and \$9,771 at December 31, 2022 and 2021, respectively.	-	116,358
Total Notes Receivable - Related Parties	<u>\$ 66,140,854</u>	<u>\$ 64,840,246</u>

There are no required payments due in the next five years. Accrued interest totaled \$3,299,786 and \$3,269,558 at December 31, 2022 and 2021, respectively.

Note 9 - Property and Equipment:

Property and equipment consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Land	\$ 17,086,538	\$ 17,234,075
Buildings and improvements	126,865,218	107,222,520
Equipment	38,148	38,148
Furniture and fixtures	7,950,537	6,079,764
Vehicles and trailer	3,483	3,483
Construction in progress	24,383,772	12,666,025
Subtotal	<u>176,327,696</u>	<u>143,244,015</u>
Less: Accumulated depreciation	<u>(81,140,849)</u>	<u>(67,256,545)</u>
Property and Equipment, Net	<u>\$ 95,186,847</u>	<u>\$ 75,987,470</u>

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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>2022</u>	<u>2021</u>
Alabama Manor Housing Associates, L.P. (.01%)	\$ -	\$ (362)
Arden Way Housing Associates, L.P. (.01%)	2,677,205	1,284,915
Cedar Nettleton Housing Associates, L.P. (.01%)	30,140	30,164
Community Road Housing Associates, L.P. (.01%)	-	(569)
Cypress Cove Housing Associates, L.P. (.01%)	131,703	131,492
East Mountain Housing Associates, L.P. (.01%)	26,252	26,296
El Norte Housing Associates, L.P. (.01%)	249,689	249,727
Florida Street Housing Associates, L.P. (.01%)	943,950	943,973
Foothill Oak Housing Associates, L.P. (.01%)	(307)	(250)
Fruit Avenue Housing Associates, L.P. (.01%)	74,402	74,548
Keeler Court Housing Associates, L.P. (.01%)	2,752,360	100
Kimball Highland Housing Associates, L.P. (.01%)	2,000,000	-
Kimball Tower Housing Associates, L.P. (.005%)	3,256,921	3,267,715
Las Haciendas Housing Associates, L.P. (.01%)	100	-
Lindo Housing Associates, L.P. (.01%)	473,886	473,922
Mission Cove Seniors Housing Associates, L.P. (.01%)	(106,433)	(78,903)
Monument Boulevard Housing Associates, L.P. (.01%)	776,710	776,743
Morgan Tower Housing Associates, L.P. (.005%)	3,768,316	3,841,027
Mountain View Housing Associates, L.P. (.01%)	576,912	576,950
North Santa Fe Housing Associates, L.P. (.01%)	(497)	(475)
Oak Knoll Housing Associates, L.P. (.01%)	168,720	229,899
Paradise Creek Housing Partners, L.P. (.005%)	(348)	(319)
Paradise Creek II Housing Partners, L.P. (.005%)	4,549,774	4,549,828
Portola Senior Housing Associates, L.P. (.009%)	100	-
Poway Villas Housing Associates, L.P. (.01%)	(3,497)	(3,489)
Solutions Family Center, L.P. (1%)	(16,438)	(13,206)
South Santa Fe Housing Associates (.01%)	(23)	100
Texas Street Senior Housing, L.P. (.01%)	1,556,383	1,556,402
Tripp Avenue Housing Associates, L.P. (.01%)	(213,445)	(18,256)
Turnagain Renaissance Housing Associates, L.P. (.01%)	1,982	2,035
Ulric Street Housing Associates, L.P. (0.0090%)	100	100
Windsor Gardens Housing Associates, L.P. (0.0001%)	277,998	277,999
Woodcroft Street Housing Associates, L.P. (.01%)	(256,661)	(256,609)
	<u>\$ 23,695,954</u>	<u>\$ 17,921,497</u>

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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:

	2022		
	Management Fees	Other Services	Developer Fees
Arden Way Housing Associates, L.P.	\$ -	\$ -	\$ 270,000
Cedar Nettleton Housing Associates, L.P.	14,496	42,204	-
Cypress Cove Housing Associates, L.P.	29,852	115,927	-
East Mountain Housing Associates, L.P.	36,897	35,822	-
El Norte Housing Associates, L.P.	24,978	31,824	-
D Avenue Housing Associates, L.P.	-	-	2,680,000
Florida Street Housing Associates, L.P.	17,041	53,208	-
Foothill Oak Housing Associates, L.P.	32,621	-	-
Fruit Housing Associates, L.P.	5,680	-	-
Keeler Court Housing Associates, L.P.	12,875	57,444	-
Kimball Tower Housing Associates, L.P.	27,318	-	-
Lindo Housing Associates, L.P.	30,750	53,733	-
Mission Cove Seniors Housing Associates, L.P.	103,749	55,191	-
Monument Boulevard Housing Associates, L.P.	28,139	-	-
Morgan Tower Housing Associates, L.P.	27,318	-	-
Mountain View Housing Associates, L.P.	64,926	36,341	-
North Santa Fe Housing Associates, L.P.	17,832	47,710	-
Oak Knoll Housing Associates, L.P.	32,375	16,187	-
Paradise Creek Housing Partners, L.P.	-	69,556	-
Paradise Creek II Housing Partners, L.P.	-	67,530	-
Portola Housing Partners, L.P.	-	-	832,228
Poway Villas Housing Associates, L.P.	22,467	-	-
Richard Road Development Holding Co, LLC	-	-	250,000
Texas Street Senior Housing, L.P.	16,883	60,240	-
Tripp Avenue Housing Associates, L.P.	26,522	-	510,000
Turnagain Renaissance Housing Associates, L.P.	22,486	-	-
Ulric II Housing Associates, L.P.	-	-	880,000
Windsor Gardens Housing Associates, L.P.	18,564	-	-
Woodcroft Street Housing Associates, L.P.	57,096	61,493	-
	<u>\$ 670,865</u>	<u>\$ 804,410</u>	<u>\$ 5,422,228</u>

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 10 - Investments in Limited Partnerships: (Continued)

	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>

In addition, the Organization earned interest on advances and notes receivable to related entities totaling \$2,513,825 and \$2,361,093 for the years ended December 31, 2022 and 2021, respectively.

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 (7.50% and 3.25% at December 31, 2022 and 2021, respectively). Interest is payable monthly. The line-of-credit note expires April 1, 2024. There was no outstanding balance on the line-of-credit at December 31, 2022 and 2021.

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, 2022 and 2021.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 11 - Lines-of-Credit (Continued)

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, 2022 and 2021.

Note 12 - Notes Payable – Amortized Debt

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

<u>Community HousingWorks</u>	<u>2022</u>	<u>2021</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 February 1, 2022, is held by Union Bank, N.A. in the original amount of \$750,000, and bears interest at 2.25% per annum. Interest is payable quarterly. Principal and accrued interest are due February 1, 2027. Unsecured.	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, and were paid off on March 31, 2023. Unsecured.	650,000	650,000
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.	1,000,000	500,000

(Continued)

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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

Community HousingWorks (Continued)

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.

Total Community HousingWorks

	<u>2022</u>	<u>2021</u>
	2,000,000	2,000,000
	<u>\$ 10,900,000</u>	<u>\$ 9,650,000</u>

Esperanza Housing and Community Development Corporation

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.

	952,100	1,004,993
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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.

	559,740	594,302
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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.

	43,161	92,645
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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.

	18,446	31,509
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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.

	217,006	255,352
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(Continued)

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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

Esperanza Housing and Community Development Corporation
(Continued)

	<u>2022</u>	<u>2021</u>
<p>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.</p>	\$ 827,425	\$ 929,870
<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>	552,470	592,212
<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>	436,975	505,333
<p>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.</p>	17,661,334	18,000,000
<p>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, 2022 and 2021). 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.</p>	-	4,900,000

(Continued)

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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

Esperanza Housing and Community Development Corporation
(Continued)

	<u>2022</u>	<u>2021</u>
The note payable which was originated on February 15, 2006 is held by Union Bank of California in the original amount of \$2,365,000. The note bears interest at 6.68% per annum. Monthly installments of principal and interest are based on a 40-year amortization of the original note balance, and are payable by the Partnership in the amount of \$14,131 each month until the maturity date of March 1, 2026. Secured by a deed of trust on Community Road Apartments.	\$ 2,069,047	\$ -
The note payable which was originated on October 15, 2008 is held by Hunt Capital Partners, LLC, and sub-serviced by Pacific Servicing, LLC, in the original amount of \$982,300. The note is payable in monthly installments of \$5,443, with interest at 5.28% until November 1, 2023, when the interest rate will reset to the 10-year tax exempt bond note plus 1.50%, adjustable every 180 months with a maximum of 9.28%. The note and all accrued and unpaid interest are due on April 1, 2038. Secured by a deed of trust on Alabama Manor.	702,173	-
The loan payable which was originated on September 30, 2022 is held by Citibank, N.A. in the original amount of \$14,448,000, and bears interest at 4.89% per annum. Principal and interest are payable monthly in the amount of \$71,097. Principal and interest are due October 1, 2029. Secured by a deed of trust on Delta Village.	<u>14,423,855</u>	-
Total Esperanza Housing and Community Development Corporation	<u>38,463,732</u>	<u>26,906,216</u>
Less: Unamortized debt issuance costs	<u>(2,347,993)</u>	<u>(1,709,215)</u>
Total Esperanza Housing and Community Development Corporation, Net	<u>36,115,739</u>	<u>25,197,001</u>
Total Notes Payable – Amortized Debt, Net	<u>\$ 47,015,739</u>	<u>\$ 34,847,001</u>

Debt issuance costs total \$2,728,147 and \$2,061,733, less accumulated amortization of \$380,154 and \$352,518, at December 31, 2022 and 2021, respectively.

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

<u>Years Ended</u> <u>December 31</u>	
2023	\$ 3,267,321
2024	4,554,758
2025	4,080,865
2026	4,076,245
2027	4,317,354
Thereafter	29,067,189
Less: Unamortized debt issuance costs	<u>(2,347,993)</u>
Total	<u>\$ 47,015,739</u>

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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 \$8,310 and \$8,040 at December 31, 2022 and 2021, respectively.

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

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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

	Property	Rate	Maturity Date	2022		2021	
				Interest	Principal	Interest	Principal
Community HousingWorks:							
City of Escondido	Las Casitas Maple	0%	December 31, 2029	\$ -	\$ 170,000	\$ -	\$ 170,000
City of Escondido	Las Casitas Maple	3%	February 1, 2039	130,369	182,355	124,868	182,355
City of Escondido	Las Casitas Maple	3%	September 27, 2073	11,930	139,000	7,760	139,000
City of Escondido	Las Casitas Washington	3%	March 2, 2039	87,230	122,000	83,550	122,000
Federal Home Loan and Bank of Atlanta (AHP)	Keeler Court	0%	June 21, 2076	-	500,000	-	-
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
Western Alliance Bank (AHP)	North Park Seniors	0%	January, 2033	-	750,000	-	750,000
Esperanza Housing and Community Development Corporation:							
CA Dept. of Housing and Community Development	Alabama Manor	3%	November, 2063	917,841	2,650,000	-	-
San Diego Housing Commission	Alabama Manor	0%	December 31, 2063	-	3,740,662	-	-
San Diego Housing Commission	Bandar Salaam	3%	July 2055	1,209,139	2,100,000	1,205,317	2,100,000
First Republic Bank (AHP)	Bandar Salaam	0%	July 2032	-	482,000	-	482,000
City of Poway	Solara Apartments	3%	February 1, 2062	300,224	564,763	-	-
SD Dept. of Housing and Community Development	Solara Apartments	3%	February 1, 2061	349,702	849,767	-	-
CA Dept. of Housing and Community Development	Daybreak Grove/Sunrise	3%	February 1, 2054	590,324	846,000	588,717	846,000
City of Escondido	Daybreak Grove/Sunrise	3%	December 4, 2021	388,709	502,407	387,537	502,407
San Diego Housing Commission	Delta Village	3%	June 1, 2036	2,183,194	6,100,000	2,723,651	6,100,000
City of Escondido	Eucalyptus View	3%	October 2055	13,098	125,000	13,194	125,000
City of Escondido	Eucalyptus View	3%	October 2055	319,939	480,945	305,511	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	841,773	1,400,000	799,668	1,400,000
SD Dept. of Housing and Community Development	Fallbrook View	3%	October 24, 2057	763,011	1,263,000	725,121	1,263,000
Poway Housing Authority	Hillside Village	3%	June 2058	1,823,615	3,930,370	1,743,884	3,930,370
County of San Diego	Marisol Apartments	3%	January 15, 2052	183,825	249,746	180,906	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	261,400	400,000	264,264	400,000
SD Dept. of Housing and Community Development	Old Grove Apartments	3%	September 1, 2058	126,000	200,000	120,000	200,000
City of Oceanside	Old Grove Apartments	3%	August 2058	651,847	1,385,000	610,297	1,385,000
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	942,879	2,490,000	900,124	2,490,000
City of Escondido	Orange Place	3%	July 20, 2050	246,140	400,000	248,681	400,000
City of Escondido	Orange Place	3%	February 11, 2051	466,077	763,516	470,926	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	3,756,235	3,708,006	3,678,804	3,708,006
Escondido Family Housing Corporation:							
CA Dept. of Housing and Community Development	Esperanza Gardens	3%	May, 2035	592,373	1,000,000	572,373	1,000,000
Total Notes Payable - Residual Receipts Debt				17,156,874	39,074,586	15,755,153	30,793,894
Less: Unamortized debt issuance costs				-	(2,457)	-	(2,727)
Total Notes Payable - Residual Receipts Debt, Net				\$ 17,156,874	\$ 39,072,129	\$ 15,755,153	\$ 30,791,167

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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 obligation under interest rate swaps totaled \$-0- and \$17,680 at December 31, 2022 and 2021, respectively. The change in obligation under interest rate swaps totaled \$17,680 and \$971,833 for the years ended December 31, 2022 and 2021, 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 \$38,315,999, of which CHW has committed \$19,065,999 of unrestricted resources and \$16,400,000 available through various financing instruments. The HFF has outstanding investments of \$22,833,992 and \$16,100,553 at December 31, 2022 and 2021, respectively. The HFF has \$7,132,007 and \$10,755,446 available at December 31, 2022 and 2021, respectively, including \$5,500,000 available through debt financing for each of the years ended December 31, 2022 and 2021.

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 \$8,324,679 and \$6,620,016 at December 31, 2022 and 2021, respectively.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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, 2022 and 2021. Net assets with donor restrictions are summarized as follows at December 31:

	<u>2022</u>	<u>2021</u>
Subject to Expenditures for Specified Purposes:		
Resident estate development	\$ 2,944,066	\$ -
Portfolio Strengthening	167,379	49,630
Resident services	37,742	-
North Park Seniors	25,000	25,000
Loan loss reserve (NRC)	23,000	26,000
After School Program	16,167	57,917
Financial Well-being	4,583	116,750
Rental Assistance	-	185,930
Various	-	73,500
	<u>\$ 3,217,937</u>	<u>\$ 534,727</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>2022</u>	<u>2021</u>
Purpose Restrictions Accomplished:		
Portfolio Strengthening	\$ 606,071	\$ 786,205
Financial Well-being	160,328	255,917
Resident estate development	155,934	-
Other	73,500	24,500
After School Program	70,750	159,583
Resident services	6,558	93,510
Loan loss reserve (NRC)	3,000	9,000
CDBG Revolving Loan Fund	-	120,015
COVID Support	-	50,000
Rental Assistance	-	10,000
Operating costs - Parks at Fig Garden Apts	-	20,000
	<u>\$ 1,076,141</u>	<u>\$ 1,528,730</u>

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 16 - Commitments and Contingencies:

Operating Leases

The Organization entered into a lease agreement for office space through December 31, 2025. The following summarizes the line items on the consolidated statements of financial position for the operating lease at December 31, 2022:

Operating lease right-of-use asset	\$ <u>1,696,448</u>
Operating lease liability - current portion	\$ 607,929
Operating lease liability - less current portion	<u>1,364,350</u>
Total Operating Lease Liabilities	<u>\$ 1,972,279</u>

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2022:

Weighted average remaining lease term - Operating	36 Months
Weighted average discount rate	3.0%

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended December 31, 2022:

Operating lease expense	\$ 575,771
Amortization of operating right-of-use asset	<u>44,588</u>
Total Lease Cost	<u>\$ 620,359</u>

The following summarizes cash flow information related to leases for the year ended December 31, 2022:

Operating cash flows from operating leases	<u>\$ 629,100</u>
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The following is a schedule of future minimum lease payments under the lease:

<u>Years Ended</u> <u>December 31</u>	
2023	\$ 657,156
2024	687,204
2025	<u>717,264</u>
Total Lease Payments	2,061,624
Less: Interest	<u>(89,345)</u>
Present Value of Lease Liabilities	<u>\$ 1,972,279</u>

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 16 - Commitments and Contingencies: (Continued)

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 \$274,636 and \$213,269 for the years ended December 31, 2022 and 2021, respectively.

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, 2022 and 2021.

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, 2022 and 2021. 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 \$14,426,393 and \$27,173, and \$14,536,474 and \$27,380, at December 31, 2022 and 2021, respectively. Payments on the note receivable and interest totaled \$137,461 and \$146,399 for the years ended December 31, 2022 and 2021, 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 \$5,046,407 and \$5,107,945 at December 31, 2022 and 2021, respectively. Payments on the note receivable totaled \$61,538 for each of the years ended December 31, 2022 and 2021, 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.

**COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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. (Continued)

The balance of the note receivable and interest receivable totals \$14,714,395 and \$27,715, and \$14,786,615 and \$27,851, respectively, at December 31, 2022 and 2021, respectively. Payments on the note receivable and interest totaled \$100,071 and \$109,172 for the years ended December 31, 2022 and 2021, respectively.

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 \$3,909,916 and \$3,938,906, and payments on the note receivable totaled \$28,990 and \$29,290, for the years ended December 31, 2022 and 2021, 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 \$550,897, and \$1,745,723 and \$428,695, at December 31, 2022 and 2021, respectively. There were no grant advances totaling recorded as grant revenue for the years ended December 31, 2022 and 2021, 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>2022</u>	<u>2021</u>
Notes receivable	\$ 39,842,834	\$ 40,115,663
Less: Allowance for uncollectible	<u>(39,842,834)</u>	<u>(40,115,663)</u>
Notes Receivable, Net	<u>\$ -</u>	<u>\$ -</u>
Interest receivable	\$ 605,785	\$ 483,927
Less: Allowance for uncollectible	<u>(550,897)</u>	<u>(428,696)</u>
Interest Receivable, Net	<u>\$ 54,888</u>	<u>\$ 55,231</u>
Interest income	\$ 177,089	\$ 177,432
Less: Allowance for uncollectible	<u>(122,201)</u>	<u>(122,201)</u>
Interest Income, Net	<u>\$ 54,888</u>	<u>\$ 55,231</u>

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 17 - Acquisitions and Dispositions of Partnership Interests:

During 2022, the Organization acquired a limited partnership interest in Alabama Manor Housing Associates, L.P. and Community Road Housing Associates, L.P. As a result, the Organization has now consolidated these wholly owned partnerships and have included the capital account of the partnerships at acquisition into net assets.

During 2022, the Organization deconsolidated Portola Housing Associates, L.P. and Linda Vista 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, 2022.

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.

COMMUNITY HOUSINGWORKS
SUPPLEMENTARY SCHEDULE OF REAL ESTATE ENTITIES - CONSOLIDATED
DECEMBER 31, 2022

<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%	99.9900%	-	Consolidated
Beech Street Housing Associates, L.P.	<i>Development</i>	-	-	CHW Beech Street, LLC	1.0000%	99.0000%	-	Consolidated
Breihan Housing Associates, L.P.	Hillside Village	71	Poway	N/A	0.0100%	99.9900%	-	Consolidated
Cambern Avenue Development Holding Company, LLC	<i>Development</i>	-	-	N/A	0.0000%	100.0000%	-	Consolidated
Cambern Avenue Housing Associates, L.P.	<i>Development</i>	-	-	CHW Cambern Avenue, LLC	1.0000%	99.0000%	-	Consolidated
Cedar Road Housing Associates	<i>Sold December 14, 2016</i>	-	-	N/A	1.0000%	99.0000%	-	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
Community Road Housing Associates, L.P.	Solara	56	Poway	N/A	0.0100%	99.9900%	-	Consolidated
Concord Sunridge, LLC	<i>Sold August 31, 2017</i>	-	-	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.	<i>Keeler Court 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
Mission Grove Housing Associates, L.P.	Old Grove Apartments	56	Oceanside	N/A	0.0100%	99.9900%	-	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
Q Street Development Holding Company, LLC	<i>Development</i>	-	-	N/A	0.0000%	100.0000%	-	Consolidated
Q Street Housing Associates, L.P.	<i>Development</i>	-	-	CHW Q Street, LLC	1.0000%	99.0000%	-	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
Winona Avenue Housing Associates, L.P.	<i>Development</i>	-	-	CHW Winona Avenue, LLC	0.0100%	99.9900%	-	Consolidated
Wooster Avenue, LLC	<i>Sold December 13, 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, 2022

<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>
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
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
Las Haciendas Housing Associates, L.P.	<i>Development</i>	-	-	CHW Las Haciendas, LLC	0.0100%	-	-	Equity
Linda Vista Housing Associates, L.P.	<i>Development</i>	-	-	CHW Linda Vista LLC	0.1000%	-	-	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., LLC	0.0050%	-	-	Equity
Paradise Creek II Housing Partners, L.P.	Paradise Creek II	92	National City	CHW Paradise Creek II Development Co., LLC	0.0050%	-	-	Equity
Portola Senior Housing Associates, L.P.	<i>Development</i>	-	-	Lake Forest Housing Opportunities, LLC	0.0100%	-	-	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>	60	-	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
		<u>3,801</u>						

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.	<i>Keeler Court 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.	<i>206 Cedar 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 CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

	Community HousingWorks	Partnership and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Family Housing Corporation	Eliminations	Consolidated
<u>Current Assets:</u>						
Cash and cash equivalents	\$ 24,475,978	\$ 135,538	\$ 8,742,201	\$ 67,154	\$ -	\$ 33,420,871
Investments	11,044,597	-	-	-	-	11,044,597
Security deposits	7,000	-	701,563	11,114	-	719,677
Accounts receivable - related parties	12,188,240	-	-	-	-	12,188,240
Accounts receivable - other, net	5,453	-	129,846	-	-	135,299
Intercompany accounts receivable	5,863,936	-	-	-	(5,863,936)	-
Prepaid expenses	116,516	-	287,253	885	-	404,654
Total Current Assets	<u>53,701,720</u>	<u>135,538</u>	<u>9,860,863</u>	<u>79,153</u>	<u>(5,863,936)</u>	<u>57,913,338</u>
<u>Noncurrent Assets:</u>						
Restricted reserves	-	-	9,961,965	423,822	-	10,385,787
Loans receivable, net	197,167	-	-	-	-	197,167
Intercompany notes receivable	486,167	-	-	-	(486,167)	-
Notes receivable - related parties, net	17,873,179	-	48,267,675	-	-	66,140,854
Interest receivable	730,327	-	2,569,459	-	-	3,299,786
Property and equipment, net	19,510,043	-	75,283,417	393,387	-	95,186,847
Right of use asset	1,696,448	-	-	-	-	1,696,448
Investments in limited partnerships	22,511,308	6,258,054	189,949	(3,608)	(5,259,749)	23,695,954
Deposits	65,749	-	123,834	1,000	-	190,583
Other assets, net	-	-	38,515	-	-	38,515
Total Noncurrent Assets	<u>63,070,388</u>	<u>6,258,054</u>	<u>136,434,814</u>	<u>814,601</u>	<u>(5,745,916)</u>	<u>200,831,941</u>
TOTAL ASSETS	<u>\$ 116,772,108</u>	<u>\$ 6,393,592</u>	<u>\$ 146,295,677</u>	<u>\$ 893,754</u>	<u>\$ (11,609,852)</u>	<u>\$ 258,745,279</u>

COMMUNITY HOUSINGWORKS
SUPPLEMENTARY CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2022

	Community HousingWorks	Partnership and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Family Housing Corporation	Eliminations	Consolidated
<u>Current Liabilities:</u>						
Accounts payable and accrued expenses	\$ 1,154,989	\$ -	\$ 564,361	\$ 1,733	\$ -	\$ 1,721,083
Security deposits	7,000	-	707,491	11,112	-	725,603
Intercompany payables	-	-	5,737,179	22,815	(5,759,994)	-
Deferred revenue	46,953	-	69,584	948	-	117,485
Current portion of lease liability	607,929	-	-	-	-	607,929
Current portion of notes payable - amortized debt	1,650,000	-	1,617,321	-	-	3,267,321
Total Current Liabilities	<u>3,466,871</u>	<u>-</u>	<u>8,695,936</u>	<u>36,608</u>	<u>(5,759,994)</u>	<u>6,439,421</u>
<u>Noncurrent Liabilities:</u>						
Deferred revenue	65,397	-	-	-	-	65,397
Operating lease liability	1,364,350	-	-	-	-	1,364,350
Intercompany notes payable	-	-	1,995,281	-	(1,995,281)	-
Notes payable - amortized debt, net	10,900,000	-	36,115,739	-	-	47,015,739
Notes payable - residual receipts debt, net	2,563,355	-	35,511,231	997,543	-	39,072,129
Interest payable - residual receipts debt	229,529	-	16,334,972	592,373	-	17,156,874
Less: Current portion	(1,650,000)	-	(1,617,321)	-	-	(3,267,321)
Total Noncurrent Liabilities	<u>13,472,631</u>	<u>-</u>	<u>88,339,902</u>	<u>1,589,916</u>	<u>(1,995,281)</u>	<u>101,407,168</u>
Total Liabilities	<u>16,939,502</u>	<u>-</u>	<u>97,035,838</u>	<u>1,626,524</u>	<u>(7,755,275)</u>	<u>107,846,589</u>
<u>Obligation Under Interest Rate Swap</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net Assets:</u>						
Without donor restrictions	96,614,669	6,393,592	49,259,839	(732,770)	(3,854,577)	147,680,753
With donor restrictions:						
Time and purpose restrictions	3,217,937	-	-	-	-	3,217,937
Total Net Assets	<u>99,832,606</u>	<u>6,393,592</u>	<u>49,259,839</u>	<u>(732,770)</u>	<u>(3,854,577)</u>	<u>150,898,690</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 116,772,108</u>	<u>\$ 6,393,592</u>	<u>\$ 146,295,677</u>	<u>\$ 893,754</u>	<u>\$ (11,609,852)</u>	<u>\$ 258,745,279</u>

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
Current Assets:						
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>
Noncurrent Assets:						
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>
TOTAL ASSETS	<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
<u>Current Liabilities:</u>						
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>
<u>Noncurrent Liabilities:</u>						
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>
<u>Obligation Under Interest Rate Swap</u>	<u>-</u>	<u>-</u>	<u>17,680</u>	<u>-</u>	<u>-</u>	<u>17,680</u>
<u>Net Assets:</u>						
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>
TOTAL LIABILITIES AND NET ASSETS	<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 ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Community HousingWorks	Partnership and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Family Housing Corporation	Eliminations	Consolidated
<u>Net Assets Without Donor Restrictions:</u>						
<u>Revenues and Support:</u>						
Contributions	\$ 3,596,856	\$ -	\$ -	\$ -	\$ (2,940,249)	\$ 656,607
Developer fees	5,422,228	-	-	-	-	5,422,228
Grants	1,079,815	-	65,000	-	-	1,144,815
Loan interest and investment income	531,168	148,120	891,322	(16,239)	(71,608)	1,482,763
Management fees	1,471,229	35,595	22,491	-	(858,450)	670,865
Other income	2,739,216	-	355,737	3,310	(657)	3,097,606
Program income	1,772,851	-	-	-	(968,441)	804,410
Rental income	-	-	12,966,472	159,408	-	13,125,880
Net assets released from restrictions	1,076,141	-	-	-	-	1,076,141
Total Revenues and Support	<u>17,689,504</u>	<u>183,715</u>	<u>14,301,022</u>	<u>146,479</u>	<u>(4,839,405)</u>	<u>27,481,315</u>
<u>Expenses:</u>						
<u>Program Services:</u>						
Asset management	2,575,575	-	-	-	-	2,575,575
Community programs	3,747,912	-	-	-	-	3,747,912
Real estate development	4,060,725	-	-	-	-	4,060,725
Rental real estate	-	9,900	19,326,751	218,889	(4,839,405)	14,716,135
Supportive housing programs	274,869	-	-	-	-	274,869
Total Program Services	<u>10,659,081</u>	<u>9,900</u>	<u>19,326,751</u>	<u>218,889</u>	<u>(4,839,405)</u>	<u>25,375,216</u>
<u>Supporting Services:</u>						
Management and general	1,265,169	-	425	-	-	1,265,594
Fundraising	611,400	-	-	-	-	611,400
Total Supporting Services	<u>1,876,569</u>	<u>-</u>	<u>425</u>	<u>-</u>	<u>-</u>	<u>1,876,994</u>
Total Expenses	<u>12,535,650</u>	<u>9,900</u>	<u>19,327,176</u>	<u>218,889</u>	<u>(4,839,405)</u>	<u>27,252,210</u>
Change in Net Assets Without Donor Restrictions Before Other Revenue and (Expenses)	<u>5,153,854</u>	<u>173,815</u>	<u>(5,026,154)</u>	<u>(72,410)</u>	<u>-</u>	<u>229,105</u>

(Continued)

COMMUNITY HOUSINGWORKS
SUPPLEMENTARY CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

	Community HousingWorks	Partnership and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Family Housing Corporation	Eliminations	Consolidated
Other Revenue and (Expenses):						
Loan forgiveness and recovery	\$ 418,122	\$ -	\$ -	\$ -	\$ -	\$ 418,122
Loss on sale of property and equipment	-	-	(193,435)	-	-	(193,435)
Obligation under interest rate swap change	-	-	17,680	-	-	17,680
Partnership income (loss)	24,182	(514,966)	(724)	(675)	(23,333)	(515,516)
Total Other Revenue and (Expenses)	<u>442,304</u>	<u>(514,966)</u>	<u>(176,479)</u>	<u>(675)</u>	<u>(23,333)</u>	<u>(273,149)</u>
Change in Net Assets Without Donor Restrictions	<u>5,596,158</u>	<u>(341,151)</u>	<u>(5,202,633)</u>	<u>(73,085)</u>	<u>(23,333)</u>	<u>(44,044)</u>
Net Assets With Donor Restrictions:						
Contributions	741,972	-	-	-	-	741,972
Grants	3,017,379	-	-	-	-	3,017,379
Net assets released from restrictions	<u>(1,076,141)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,076,141)</u>
Change in Net Assets With Donor Restrictions	<u>2,683,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,683,210</u>
Change in Net Assets	8,279,368	(341,151)	(5,202,633)	(73,085)	(23,333)	2,639,166
Net Assets at Beginning of Year	100,210,607	11,733,223	42,700,813	(639,200)	(9,412,058)	144,593,385
Acquisition of Partnership Interest	(8,657,369)	(9,406,888)	11,785,354	-	9,856,732	3,577,829
Contributions/(Distributions), net	<u>-</u>	<u>4,408,408</u>	<u>(23,695)</u>	<u>(20,485)</u>	<u>(4,275,918)</u>	<u>88,310</u>
NET ASSETS AT END OF YEAR	<u>\$ 99,832,606</u>	<u>\$ 6,393,592</u>	<u>\$ 49,259,839</u>	<u>\$ (732,770)</u>	<u>\$ (3,854,577)</u>	<u>\$ 150,898,690</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
Net Assets Without Donor Restrictions:						
Revenues and Support:						
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>
Expenses:						
Program Services:						
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>
Supporting Services:						
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
<u>Other Revenue and (Expenses):</u>						
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>
Change in Net Assets Without Donor Restrictions	<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>
<u>Net Assets With Donor Restrictions:</u>						
Contributions	921,117	-	-	-	-	921,117
Grants	235,560	-	-	-	-	235,560
Net assets released from restrictions	(1,528,730)	-	-	-	-	(1,528,730)
Change in Net Assets With Donor Restrictions	<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
NET ASSETS AT END OF YEAR	<u><u>\$ 100,210,607</u></u>	<u><u>\$ 11,733,223</u></u>	<u><u>\$ 42,700,813</u></u>	<u><u>\$ (639,200)</u></u>	<u><u>\$ (9,412,058)</u></u>	<u><u>\$ 144,593,385</u></u>

**COMMUNITY HOUSINGWORKS
SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES -
COMMUNITY HOUSINGWORKS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Program Services			Supportive Housing Programs	Supporting Services		Total Expenses
	Asset Management	Resident Services	Real Estate Development		Management and General	Fundraising	
<u>Personnel Expenses:</u>							
Salaries and wages	\$ 1,782,337	\$ 2,277,448	\$ 2,869,037	\$ 11,843	\$ 685,938	\$ 243,844	\$ 7,870,447
Payroll taxes	114,216	167,183	205,036	873	56,419	33,175	576,902
Health insurance and other benefits	250,354	351,123	367,378	1,801	120,057	64,281	1,154,994
Temporary and contract personnel	18,550	33,090	38,176	405	30,426	26,392	147,039
Total Personnel Expenses	<u>2,165,457</u>	<u>2,828,844</u>	<u>3,479,627</u>	<u>14,922</u>	<u>892,840</u>	<u>367,692</u>	<u>9,749,382</u>
<u>Occupancy:</u>							
Office rent	127,297	166,743	215,856	1,114	67,001	46,006	624,017
Telephone/Internet	4,019	9,060	7,533	37	2,397	1,438	24,484
Total Occupancy	<u>131,316</u>	<u>175,803</u>	<u>223,389</u>	<u>1,151</u>	<u>69,398</u>	<u>47,444</u>	<u>648,501</u>
<u>Insurance</u>	<u>8,648</u>	<u>17,596</u>	<u>12,707</u>	<u>219</u>	<u>4,817</u>	<u>1,733</u>	<u>45,720</u>
<u>Supplies and Other Administrative Costs</u>	<u>94,124</u>	<u>154,319</u>	<u>133,726</u>	<u>2,296</u>	<u>105,273</u>	<u>73,272</u>	<u>563,010</u>
<u>Travel</u>	<u>24,536</u>	<u>33,831</u>	<u>26,996</u>	<u>104</u>	<u>6,160</u>	<u>3,229</u>	<u>94,856</u>
<u>Professional Fees:</u>							
Other professional services	31,138	90,545	27,402	1,120	42,486	40,173	232,864
Equipment and computer services	22,225	30,108	17,240	520	25,114	8,829	104,036
Accounting (audit)	13,062	13,047	16,049	48	3,223	2,071	47,500
Total Professional Fees	<u>66,425</u>	<u>133,700</u>	<u>60,691</u>	<u>1,688</u>	<u>70,823</u>	<u>51,073</u>	<u>384,400</u>
<u>Program/Project Expenses:</u>							
Program/Project related expenses	4,209	308,899	2,076	140,369	22,879	47,382	525,814
Property operation cost	-	-	-	80,318	-	-	80,318
Total Program/Project Expenses	<u>4,209</u>	<u>308,899</u>	<u>2,076</u>	<u>220,687</u>	<u>22,879</u>	<u>47,382</u>	<u>606,132</u>
<u>Other Expenses:</u>							
Interest	53,662	65,038	26,545	13,834	63,708	13,412	236,199
Depreciation and amortization	22,829	24,587	10,036	19,873	24,084	5,071	106,480
Contributions to others	4,369	5,295	3,161	95	5,187	1,092	19,199
Property loss	-	-	81,771	-	-	-	81,771
Total Other Expenses	<u>80,860</u>	<u>94,920</u>	<u>121,513</u>	<u>33,802</u>	<u>92,979</u>	<u>19,575</u>	<u>443,649</u>
TOTAL EXPENSES	<u>\$ 2,575,575</u>	<u>\$ 3,747,912</u>	<u>\$ 4,060,725</u>	<u>\$ 274,869</u>	<u>\$ 1,265,169</u>	<u>\$ 611,400</u>	<u>\$ 12,535,650</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	
<u>Personnel Expenses:</u>							
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>
<u>Occupancy:</u>							
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>
<u>Insurance</u>	<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>
<u>Supplies and Other Administrative Costs</u>	<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>
<u>Travel</u>	<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>
<u>Professional Fees:</u>							
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>
<u>Program/Project Expenses:</u>							
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>
<u>Other Expenses:</u>							
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>
TOTAL EXPENSES	<u>\$ 1,776,763</u>	<u>\$ 3,965,228</u>	<u>\$ 3,848,445</u>	<u>\$ 453,334</u>	<u>\$ 1,203,283</u>	<u>\$ 572,108</u>	<u>\$ 11,819,161</u>

**COMMUNITY HOUSINGWORKS
SUPPLEMENTARY SCHEDULES OF FUNCTIONAL EXPENSES -
PARTNERSHIP AND LIMITED LIABILITY COMPANIES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
	Parks at Fig Garden	Parks at Fig Garden
Administrative	\$ 2,500	\$ 2,505
Operating expenses	-	540
Taxes and insurance	7,400	865
TOTAL EXPENSES	\$ 9,900	\$ 3,910

**COMMUNITY HOUSINGWORKS
SUPPLEMENTARY SCHEDULES OF FUNCTIONAL EXPENSES -
ESPERANZA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	Program Services - 2022																		Total 2022
	Alabama Manor	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	Solara Apartments	Sun Ridge Apartments	Ulric Apartments	
Administrative	\$ 103,264	\$ 156,985	\$ 40,841	\$ 745,915	\$ (557)	\$ 128,402	\$ 202,607	\$ 195,712	\$ 166,435	\$ 404,516	\$ 105,921	\$ 192,594	\$ 49,082	\$ 2,301	\$ 244,476	\$ 170,508	\$ 8,450	\$ 26,180	\$ 2,943,632
Amortization	-	-	-	-	-	-	-	1,000	-	-	-	-	-	553	-	-	-	-	1,553
Depreciation	85,215	219,532	74,231	406,325	415,714	122,163	467,989	243,007	376,600	682,521	36,192	264,381	155,481	-	302,319	353,063	-	-	4,204,733
Grant to Community HousingWorks	-	-	-	-	3,138,774	-	-	-	-	-	-	-	-	-	-	-	-	-	3,138,774
Marketing and leasing	-	135	-	1,234	-	390	-	570	1,630	5,488	88	-	212	-	11,621	619	-	-	21,987
Mortgage interest - amortized debt	19,638	50,849	1,975	433,151	-	-	5,680	-	77,203	752,031	-	32,427	12,512	-	74,937	139,639	-	31,131	1,631,173
Mortgage interest - residual receipts debt	39,750	63,875	40,514	183,000	-	21,570	79,995	-	117,910	-	19,913	122,250	34,905	-	203,939	42,436	-	-	970,057
Operating and maintenance	75,305	275,875	88,312	397,114	-	60,484	290,216	216,573	233,506	609,307	61,341	201,697	94,284	-	423,842	164,832	-	18,929	3,211,617
Partnership management fee	12,636	37,208	29,240	177,467	-	9,303	-	50,992	102,769	60,000	20,938	49,504	26,659	-	70,822	41,882	-	-	689,420
Taxes, insurance and other financial	34,271	68,566	21,659	111,042	-	30,193	80,181	98,282	73,438	227,230	18,549	109,370	36,648	6,900	82,985	73,485	2,052	41,288	1,116,139
Utilities	17,308	207,636	30,566	145,476	-	44,325	153,163	24,008	104,417	216,467	19,340	72,978	80,347	-	90,284	181,695	-	10,081	1,398,091
TOTAL EXPENSES	\$ 387,387	\$ 1,080,661	\$ 327,338	\$ 2,600,724	\$ 3,553,931	\$ 416,830	\$ 1,279,831	\$ 830,144	\$ 1,253,908	\$ 2,957,560	\$ 282,282	\$ 1,045,201	\$ 490,130	\$ 9,201	\$ 1,505,778	\$ 1,168,159	\$ 10,502	\$ 127,609	\$ 19,327,176

	Program Services - 2021																		Total 2021
	Alabama Manor	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	Solara Apartments	Sun Ridge Apartments	Ulric Apartments	
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
TOTAL EXPENSES	\$ -	\$ 1,006,080	\$ 304,043	\$ 1,992,570	\$ 1,623,814	\$ 391,597	\$ 1,246,882	\$ 839,448	\$ 1,184,717	\$ 4,444,889	\$ 255,339	\$ 943,726	\$ 540,335	\$ 4,415	\$ 1,258,514	\$ -	\$ 6,236	\$ 318,280	\$ 16,360,885

**COMMUNITY HOUSINGWORKS
SUPPLEMENTARY SCHEDULES OF FUNCTIONAL EXPENSES -
ESCONDIDO FAMILY HOUSING CORPORATION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
	Esperanza Garden Apartments	Esperanza Garden Apartments
	<u> </u>	<u> </u>
Administrative	\$ 27,965	\$ 23,133
Depreciation	37,058	37,156
Mortgage interest - residual receipts debt	30,270	30,270
Operating and maintenance	73,164	44,841
Partnership management fee	22,491	31,866
Taxes and insurance	13,154	11,482
Utilities	14,787	12,873
	<u> </u>	<u> </u>
TOTAL EXPENSES	\$ 218,889	\$ 191,621
	<u> </u>	<u> </u>

**COMMUNITY HOUSINGWORKS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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
U.S. Department of Housing and Urban Development:						
Direct Program:						
Continuum of Care Program	14.267	CA1025L9D012006 / CA1025L9D012107	\$ 62,648	\$ -	\$ 62,648	\$ 62,648
Total Direct Program			<u>62,648</u>	<u>-</u>	<u>62,648</u>	<u>62,648</u>
Pass-Through Programs From:						
Supportive Housing Program:	14.235					
County of San Diego Department of Community Development (Loan)		N/A	-	-	24,500	24,500
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		CA0709L9D011913 / CA0703L9D012013	107,597	-	107,597	107,597
Total Pass-Through Programs			<u>107,597</u>	<u>-</u>	<u>453,452</u>	<u>453,452</u>
Total U.S. Department of Housing and Urban Development			<u>170,245</u>	<u>-</u>	<u>516,100</u>	<u>516,100</u>
Neighborhood Reinvestment Corporation:						
Direct Programs:						
Expendable Grant	99.999	N/A	538,430	-	606,611	606,611
Total Direct Programs			<u>538,430</u>	<u>-</u>	<u>606,611</u>	<u>606,611</u>
Total Neighborhood Reinvestment Corporation			<u>538,430</u>	<u>-</u>	<u>606,611</u>	<u>606,611</u>
Total Expenditures of Federal Awards			<u>\$ 708,675</u>	<u>\$ -</u>	<u>\$ 1,122,711</u>	<u>\$ 1,122,711</u>

**COMMUNITY HOUSINGWORKS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

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, 2022. 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, 2022:

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



Leaf & Cole, LLP

*Certified Public Accountants
A Partnership of Professional Corporations*

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

To the Board of Directors
Community HousingWorks

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Community HousingWorks, which comprise the consolidated statement of financial position as of December 31, 2022, 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 30, 2023.

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 30, 2023



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 Community HousingWorks' major federal program for the year ended December 31, 2022. 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, 2022.

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 30, 2023

**COMMUNITY HOUSINGWORKS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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



Quest on # 1 h

Prepared For:	Community Housing Works
Prepared By:	California Housing Partnership Corporation
Version:	v3.08 Bridge to Home
Revised:	8/29/2024
Filename:	Serra Mesa CHW v3.08 SD Bridge to Home 082924.xlsm

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SOURCES OF FUNDS - PERMANENT

	AMOUNT	TOTAL INTEREST COST	OID INTEREST RATE	AMORT (Yr)	COMMENTS
Conventional Perm Loan	10,412,000	6.830%		35.0	<i>Total Permanent Debt: 10,412,000</i>
San Diego Housing Commission	3,000,000	4.000%	2.234%	55.0	<i>Term - 17 (yrs.) Index - 10Y T - 3.830%</i>
Accrued Deferred Interest - San Diego	123,239				<i>Spread - 200 bps</i>
City of San Diego - Capitalized Ground L	4,200,000	0.000%	0.000%	65.0	<i>Per Unit: 50,000</i>
City of SD - Bridge to Home	3,500,000	3.000%	1.788%	55.0	<i>Per Unit: 70,000</i>
Accrued Deferred Interest - City of SD -	114,577				<i>Per Unit: 58,333</i>
Impact Fee Waiver	192,045				
Capital Contributions					
GP Capital - Sponsor	100				<i>Synd Costs 242,000</i>
GP Capital - [INSERT]	0				<i>Net Equity for TCAC 22,255,750</i>
Limited Partners	22,497,750				<i>Fed LIHTC: \$0.90 State LIHTC: \$0.80</i>
TOTAL SOURCES	44,039,711				
<i>Surplus/(Shortfall)</i>	<i>0</i>				

PERMANENT LOAN INTEREST RATE	TRANCHE A	INVESTOR EQUITY STACK
Base Rate	5.83%	LIHTC Equity (Federal+Sta 22,497,750
Cushion	1.00%	Historic Tax Credit 0
MIP	0.00%	Investment Tax Credit (Sol 0
GNMA/Servicing	0.00%	Subtotal LP Equity 22,497,750
Issuer	0.00%	CA Certificated Credit Sale 0
Trustee	0.00%	Total Investor Equity 22,497,750
Rating	0.00%	
Remarketing	0.00%	
Rebate Analyst	0.00%	
Total	6.83%	

SOURCES OF FUNDS - CONSTRUCTION

	AMOUNT	INTEREST RATE	TERM (Mos.)	COMMENTS
Taxable Construction Loan	23,299,453	8.100%	24	
San Diego Housing Commission	2,700,000	4.000%	24	
Accrued Deferred Interest - San Diego	123,239			
City of San Diego - Capitalized Ground L	4,200,000	0.000%	24	
City of SD - Bridge to Home	3,150,000	3.000%	24	
Accrued Deferred Interest - City of SD -	114,577			
Impact Fee Waiver	192,045			
Costs Deferred Until Conversion	2,386,085			<i>See page 2 - right column</i>
Capital Contributions				
GP Capital - Sponsor	100			
Limited Partners*	7,874,213			Total Equity During Const. 7,874,213 35.00%
TOTAL SOURCES	44,039,711			<i>Syndication Costs 242,000</i>
<i>Surplus/(Shortfall)</i>	<i>0</i>			<i>Net Equity for TCAC 7,632,213</i>
Sources Less Deferred To Conversion:	41,653,627			

CONSTRUCTION LOAN INTEREST RATE	CONSTRUCTION LOAN VALUATION
Index Type: Term SOFR	Restricted NOI 921,896
Current Index: 5.25%	OAR 5.00%
Spread: 1.85%	FMV per NOI 18,437,922
Base Interest Rate (not including cushi 7.10%	Agg. Credit Value @ 0.8999 22,497,750
Cushion - Total 1.00%	Perm-Only Soft Debt 650,000
Interest Rate (All-In) 8.10%	Total Value 41,585,672
	LTV: 85.00%
	Max. Const. Loan Amount 35,347,821
	Commitment Amount TBD

Uses of Funds

Version: v3.08 Bridge to Home

	Res Cost Res Sq Foot	100.00% 100.00%	COST ALLOCATIONS						LIHTC ELIGIBLE BASIS		OTHER BASIS & COST ALLOCATIONS				
			Total Residential	Total Non- Residential	Assuming 266 Election? No			Expensed	Amortized	Constr./ Rehab	Acquisition	Deferred to Completion or Perm Conv.	Land/Basis for 50% Test	Historic Rehab Tax Credit Basis	ITC Tax Credit Basis (Solar PV)
					Non- Depreciable	Residential	Non-Resid.								
TOTAL	Per Unit			Depreciable											
ACQUISITION COSTS															
<i>Total Purchase Price - Real Estate: 4,200,000</i>															
Land - Serra Mesa	4,200,000	70,000	4,200,000	0	4,200,000							4,200,000			
Title/Recording/Escrow - Acquisition	10,000	167	10,000	0	10,000	0	0	0	0	0	0	10,000			
Legal - Acquisition	25,000	417	25,000	0	25,000	0	0	0	0	0	0	25,000			
Other Acquisition Costs	17,000	283	17,000	0	17,000	0	0	0	0	0	0	17,000			
Off-Site Improvements	335,060	5,584	335,060	0	0	335,060	0	0	0	335,060	0	335,060	335,060		
HARD COSTS															
Total Construction Contract:															
23,172,388															
NEW CONSTRUCTION															
Demolition	164,481	2,741	164,481	0	164,481	0	0	0	0	0	0	164,481	0		
Hard Costs-Unit Construction	17,474,340	291,239	17,474,340	0	17,474,340	0	0	0	17,474,340	0	0	17,474,340	17,474,340		
Site Improvements/Landscape	1,806,094	30,102	1,806,094	0	1,806,094	0	0	0	1,806,094	0	0	1,806,094	1,806,094		
GC - General Conditions	1,458,000	24,300	1,458,000	0	1,458,000	0	0	0	1,458,000	0	0	1,458,000	1,458,000		
GC - Overhead & Profit	1,119,443	18,657	1,119,443	0	1,119,443	0	0	0	1,119,443	0	0	1,119,443	1,119,443		
GC - Insurance	231,719	3,862	231,719	0	231,719	0	0	0	231,719	0	0	231,719	231,719		
GC - Bond Premium	283,251	4,721	283,251	0	283,251	0	0	0	283,251	0	0	283,251	283,251		
Construction - Other - Photo/Voltaic System	300,000	5,000	300,000	0	300,000	0	0	0	300,000	0	0	300,000		300,000	
Construction - Other - Remediation (Non-GC)	50,000	833	50,000	0	50,000	0	0	0	50,000	0	0	50,000	50,000		
Contingency - Owner's Construction	2,220,488	37,008	2,220,488	0	2,220,488	0	0	0	2,220,488	0	0	2,220,488	2,220,488		
REHAB															
SOFT COSTS															
Architecture - Design	1,200,000	20,000	1,200,000	0	1,200,000	0	0	0	1,200,000	0	0	1,200,000	1,200,000	15,536	
Design/Engineering - Civil	250,000	4,167	250,000	0	250,000	0	0	0	250,000	0	0	250,000	250,000		
Design/Engineering - Materials	98,367	1,639	98,367	0	98,367	0	0	0	98,367	0	0	98,367	98,367		
Design/Engineering - Dry Utilities	43,340	722	43,340	0	43,340	0	0	0	43,340	0	0	43,340	43,340		
Design/Engineering - Reimbursables, Other	47,774	796	47,774	0	47,774	0	0	0	47,774	0	0	47,774	47,774		
Geotech/Soils Report	72,800	1,213	72,800	0	72,800	0	0	0	72,800	0	0	72,800	72,800		
Phase III/Toxics Report	51,000	850	51,000	0	51,000	0	0	0	51,000	0	0	51,000	51,000		
ALTA Survey	25,000	417	25,000	0	25,000	0	0	0	25,000	0	0	25,000	25,000		
Prevailing Wage Monitor	134,558	2,243	134,558	0	134,558	0	0	0	134,558	0	0	134,558	134,558	1,742	
LEED / HERS Rater	54,800	913	54,800	0	54,800	0	0	0	54,800	0	0	54,800	54,800		
Owner's Rep / Construction Supervision	167,760	2,796	167,760	0	167,760	0	0	0	167,760	0	0	167,760	167,760	2,172	
Consultant: Acoustical	7,400	123	7,400	0	7,400	0	0	0	7,400	0	0	7,400	7,400		
Consultant: Archaeology/Biology	32,000	533	32,000	0	32,000	0	0	0	32,000	0	0	32,000	32,000		
Consultant: Entitlements	31,000	517	31,000	0	31,000	0	0	0	31,000	0	0	31,000	31,000		
Local Development Impact Fees	1,351,226	22,520	1,351,226	0	1,351,226	0	0	0	1,351,226	0	0	1,351,226	1,351,226		
Impact Fee Waiver	192,045	3,201	192,045	0	192,045	192,045	0	0	0	0	0	192,045	192,045		
Local Permits/Fees	450,000	7,500	450,000	0	450,000	0	0	0	450,000	0	0	450,000	450,000		
Utility Connection Fees	350,000	5,833	350,000	0	350,000	0	0	0	350,000	0	0	350,000	350,000	4,531	
Real Estate Taxes During Const	100,000	1,667	100,000	0	100,000	0	0	0	100,000	0	0	100,000	100,000		
Insurance During Const	750,000	12,500	750,000	0	750,000	0	0	0	750,000	0	0	750,000	750,000	9,710	
Appraisal	18,000	300	18,000	0	18,000	0	0	0	18,000	0	0	18,000	18,000		
Market/Rent Comp Study	20,000	333	20,000	0	20,000	0	0	20,000	0	0	0	0	0		
Soft Cost - Misc - Bank Construction Monitoring	45,000	750	45,000	0	45,000	0	0	0	45,000	0	0	45,000	45,000		
Soft Cost - Misc - Accounting/Audit (Non-Syndica)	18,000	300	18,000	0	18,000	0	0	0	18,000	0	0	18,000	18,000		
Soft Cost - Misc - Other	5,000	83	5,000	0	5,000	0	0	0	5,000	0	0	5,000	5,000		
Soft Cost Contingency	706,051	11,768	706,051	0	706,051	0	0	0	706,051	0	0	706,051	706,051		
Predev. Loan Interest/Fees	136,258	2,271	136,258	0	136,258	0	0	0	136,258	0	0	136,258	136,258		
Construction Loan Interest	2,500,614	41,677	2,500,614	0	1,556,986	0	943,628	0	1,556,986	0	0	1,556,986	1,556,986	18,359	
Accrued Interest - San Diego Housing Commision	123,239	2,054	123,239	0	91,912	0	31,327	0	91,912	0	0	91,912	91,912		
Lender Fees - San Diego Housing Commission	100,000	1,667	100,000	0	100,000	0	0	100,000	0	0	0	0	0		
Accrued Interest - City of SD - Bridge to Home	114,577	1,910	114,577	0	85,548	0	29,029	0	85,548	0	0	85,548	85,548		
Title/Recording/Escrow - Construction	75,000	1,250	75,000	0	75,000	0	0	0	75,000	0	0	75,000	75,000		
Title/Recording/Escrow - Permanent	45,000	750	45,000	0	45,000	0	0	0	45,000	0	0	45,000	45,000		
Legal (Owner): Construction Closing	72,500	1,208	72,500	0	72,500	0	0	0	72,500	0	0	72,500	72,500		
Permanent Closing	4,127	69	4,127	0	4,127	0	0	0	4,127	0	0	4,127	4,127		
Organization of Ptnshp	6,000	100	6,000	0	6,000	0	0	0	6,000	0	0	6,000	6,000		
Syndication - GP	60,000	1,000	60,000	0	60,000	0	0	0	60,000	0	0	60,000	60,000		
Syndication - LP	55,000	917	55,000	0	55,000	0	0	0	55,000	0	0	55,000	55,000		
Syndication Consulting	101,000	1,683	101,000	0	101,000	0	0	0	101,000	5,000	0	101,000	101,000		
Audit/Cost Certification	20,000	333	20,000	0	20,000	0	0	20,000	0	0	0	20,000	20,000		
TCAC Application/Res/Monitoring Fee	144,500	2,408	144,500	0	144,500	0	0	144,500	0	42,000	0	144,500	144,500		
Marketing	150,000	2,500	150,000	0	150,000	0	0	0	150,000	0	0	150,000	150,000		
Furnishings Not in Contract	300,000	5,000	300,000	0	300,000	0	0	0	300,000	0	0	300,000	300,000		
Start-up/Lease-up Expenses	74,700	1,245	74,700	0	74,700	0	0	0	74,700	0	0	74,700	74,700		
Capitalized Operating Reserve (6 mos.)	659,085	10,985	659,085	0	659,085	0	0	0	659,085	0	659,085	659,085	659,085		
Developer Fee	2,800,000	46,667	2,800,000	0	2,800,000	0	0	0	2,800,000	0	1,680,000	2,800,000	2,800,000	52,807	
FINANCING FEES															
Construction Lender Origination Fee	232,995	3,883	232,995	0	145,072	0	0	87,922	145,072	0	0	145,072	145,072		
Construction Lender Expenses	70,000	1,167	70,000	0	43,585	0	0	26,415	43,585	0	0	43,585	43,585		
Construction Lender Counsel	95,000	1,583	95,000	0	59,151	0	0	35,849	59,151	0	0	59,151	59,151		
Permanent Lender Expenses	10,000	167	10,000	0	0	0	0	10,000	0	0	0	0	0		
Permanent Lender Counsel	70,000	1,167	70,000	0	0	0	0	70,000	0	0	0	0	0		
Permanent Loan Origination Fee	104,120	1,735	104,120	0	0	0	0	104,120	0	0	0	0	0		
Subtotal - Financing/Costs of Issuance	582,115	9,702	582,115	0	0	247,808	0	0	334,307	247,808	0	247,808	247,808		
TOTAL DEVELOPMENT COSTS	44,039,711	733,995	44,039,711	0	5,483,611	36,653,482	192,045	1,248,684	653,934	36,653,482	0	2,386,085	41,262,008	34,439,433	404,857
TDC Per Unit	733,995		100.00%												
TDC Net of accrued interest:	43,801,895														
TDC TCAC	43,797,711		43,797,711												

Developer Fee Calculation

Version: v3.08 Bridge to Home

TCAC DEVELOPER FEE LIMITS

	ACQUISITION	CONSTRUCTION	COMMERCIAL	TOTAL
Eligible Basis less Developer Fee	0	33,853,482	192,045	
Percentage of Basis in Fee	15.00%	15.00%	15.00%	
Total Developer Fee per Basis Limits	0	5,078,022	28,807	5,106,829
Developer Fee Cap per Regulations				2,800,000
Net Allowable Total Fee				2,800,000
Base Cash Developer Fee Limit				2,500,000
Large Project Boost				416,520
BIPOC Boost				0
Total Base Cash Fee Limit				2,800,000
Net Allowable Total Fee				2,800,000
Net Allowable Cash Fee				2,800,000
Fee Included in TCAC Application				2,800,000

MOST RESTRICTIVE FEE LIMITS

Total Developer Fee Limit	2,800,000
Total Cash Fee Limit	2,800,000
Total Priority Deferred Fee Limit	0

ALLOCATION OF DEVELOPER FEE

	ACQUISITION	CONSTRUCTION	TOTAL
Pct. of Potential Fee per Basis Limits	0.00%	100.00%	100.00%
Allocation of Total Developer Fee	0	2,800,000	2,800,000

CASH DEVELOPER FEE BREAKOUT AND PAYMENT SCHEDULE

Total Developer Fee	2,800,000		
Total Cash Fee Paid	2,800,000		
Non-Cash Fee per Program Limits	0		
Non-Cash Fee per Funding Gap	0		
Total Non-Cash Fee	0		
	AMOUNT	% OF CASH FEE	% OF TOTAL FEE
Construction Close	1,120,000	40.00%	40.00%
Completion	0	0.00%	0.00%
Conversion	1,580,000	56.43%	56.43%
Final LP Pay-in 1	100,000	3.57%	3.57%
Total Cash Fee	2,800,000		
Plus: Priority Developer Fee	0		0.00%
Plus: Non-Priority DDF	0		0.00%
Plus: GP Capital	0		0.00%
Total Developer Fee	2,800,000		

Unit Mix & Rental Income Version: v3.08 Bridge to Home

AVERAGE AFFORDABILITY FOR LIHTC UNITS (% of Median)	49.83%
9% TCAC INCOME TARGETING PTS:	50.00
RENT LIMITS AS OF YEAR:	2024

UTILITY ALLOWANCES	0BR	1BR	2BR	3BR	4BR	5BR
Serra Mesa	69	84	111	145	180	213
	0	-	-	-	-	-
	0	-	-	-	-	-

RESIDENTIAL INCOME

LIHTC - Tier 1		Serra Mesa		TCAC		30% AMI		% of Units: 22.03%		VASH SUBSIDIZED					
Unit Type	Quantity	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent Other AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Quantity of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
1BR	13	506	25.2%		717	768	633	8,229	98,748	5	3,052	2,419	12,095	145,140	243,888
TOTAL	13							8,229	98,748	5			12,095	145,140	243,888

*Units are further restricted by City of San Diego Bridge to Home requirements @ 30% AMI

LIHTC - Tier 2		Serra Mesa		TCAC		60% AMI		% of Units: 23.73%		NOT SUBSIDIZED					
Unit Type	Quantity	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent Other AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Quantity of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
1BR	12	506	50.5%		1,433	1,620	1,349	16,188	194,256	0	0	0	0	0	194,256
2BR	2	738	47.3%		1,612	1,935	1,501	3,002	36,024	0	0	0	0	0	36,024
TOTAL	14							19,190	230,280	0			0	0	230,280

*Units are further restricted by City of San Diego Bridge to Home requirements @ 60% AMI

LIHTC - Tier 3		Serra Mesa		TCAC		50% AMI		% of Units: 25.42%		VASH SUBSIDIZED					
Unit Type	Quantity	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent Other AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Quantity of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
1BR	15	506	50.0%		1,420	1,336	1,336	20,040	240,480	15	3,052	1,716	25,740	308,880	549,360
TOTAL	15							20,040	240,480	15			25,740	308,880	549,360

*Units are further restricted by City of San Diego Bridge to Home requirements @ 60% AMI

LIHTC - Tier 4		Serra Mesa		TCAC		30% AMI		% of Units: 3.39%		NOT SUBSIDIZED					
Unit Type	Quantity	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent Other AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Quantity of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
1BR	1	506	30.0%		852	768	768	768	9,216	0	0	0	0	0	9,216
2BR	1	738	30.0%		1,023	912	912	912	10,944	0	0	0	0	0	10,944
TOTAL	2							1,680	20,160	0			0	0	20,160

*Units are further restricted by City of San Diego Bridge to Home requirements @ 60% AMI

LIHTC - Tier 5		Serra Mesa		TCAC		60% AMI		% of Units: 25.42%		VASH SUBSIDIZED					
Unit Type	Quantity	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent Other AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Quantity of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
1BR	15	506	60.0%		1,704	1,620	1,620	24,300	291,600	10	3,052	1,432	14,320	171,840	463,440
TOTAL	15							24,300	291,600	10			14,320	171,840	463,440

Staff Units - Site 1		Serra Mesa		TCAC		60% AMI		% of Units: 25.42%		VASH SUBSIDIZED					
Unit Type	Quantity	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent Other AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Quantity of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
2BR	1	738	0.0%		0	0	0	0	0	0	0	0	0	0	0
TOTAL	1							0	0	0			0	0	0

TOTAL RESIDENTIAL INCOME														
	Quantity	Total Monthly Net Rent	Total Annual Net Rent	Monthly VASH Income	Annual VASH Income	Monthly NA Income	Annual NA Income	Monthly Test C Income	Annual Test C Income	Monthly Test D Income	Annual Test D Income	Grand Total Income	Total Floor Area	
LIHTC	59	73,439	881,268	52,155	625,860	0	0	0	0	0	0	1,507,128	30,550	
Non-LIHTC	0	0	0	0	0	0	0	0	0	0	0	0	0	
Staff Units	1	0	0	0	0	0	0	0	0	0	0	0	738	
TOTAL	60	73,439	881,268	52,155	625,860	0	0	0	0	0	0	1,507,128	31,288	

MISCELLANEOUS INCOME			
	Per Unit Per Month	Monthly Total	Annual Total
Laundry / Vending	8.00	480	5,760
Other	0.00	0	0
Parking	0.00	0	0
TOTAL	8.00	480	5,760

SUBSIDIZED UNIT MIX SUMMARY						
Unit Type	Units With VASH	Units With NA	Units With Test C	Units With Test D	Units Without Subsidy	Total Units
0BR	0	0	0	0	0	0
1BR	30	0	0	0	26	56
2BR	0	0	0	0	4	4
3BR	0	0	0	0	0	0
4BR	0	0	0	0	0	0
5BR	0	0	0	0	0	0
TOTAL	30	0	0	0	30	60

COMMERCIAL INCOME					
	Floor Area	Monthly Rental Income	Annual Rental Income	Monthly NNN Income	Annual NNN Income
Commercial Tenant 1	0	0	0	0	0
Commercial Tenant 2	0	0	0	0	0
Commercial Tenant 3	0	0	0	0	0
Commercial Tenant 4	0	0	0	0	0
Commercial Tenant 5	0	0	0	0	0
Commercial Tenant 6	0	0	0	0	0
Commercial Tenant 7	0	0	0	0	0
TOTAL	0	0	0	0	0

SCATTERED SITE UNIT MIX SUMMARY														
LIHTC				Non-LIHTC				STAFF UNITS						
Unit Type	Serra Mesa	Test 2	Test 3	0	0	Serra Mesa	Test 2	Test 3	0	0	Serra Mesa	Test 2	Test 3	0
0BR	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1BR	56	0	0	0	0	0	0	0	0	0	0	0	0	0
2BR	3	0	0	0	0	0	0	0	0	0	1	0	0	0
3BR	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4BR	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5BR	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	59	0	0	0	0	0	0	0	0	0	1	0	0	0

TOTAL ALL TYPES					
Unit Type	Serra Mesa	Test 2	Test 3	0	0
0BR	0	0	0	0	0
1BR	56	0	0	0	0
2BR	4	0	0	0	0
3BR	0	0	0	0	0
4BR	0	0	0	0	0
5BR	0	0	0	0	0
TOTAL	60	0	0	0	0

Calculation of Tax Credits Version: v3.08 Bridge to Home

	FEDERAL			CALIFORNIA		
	ACQUISITION	CONST/ REHAB	TOTAL	ACQUISITION	CONST/ REHAB	TOTAL
TOTAL ELIGIBLE COSTS	0	36,653,482	36,653,482	0	0	0
Less:						
50% Energy Investment Tax Credit (Res. Portion)	0	0	0	0	0	0
Historic Tax Credit (Res. Portion)		0	0		0	0
Non-Eligible Federal Financing	0	0	0	0	0	0
Non-Eligible Grants	0	0	0	0	0	0
Soft Loan Basis Deduction	0	0	0	0	0	0
Voluntary Reduction for Tie-Breaker	0	(14,077,000)	(14,077,000)	0	0	0
ELIGIBLE BASIS	0	22,576,482	22,576,482	0	0	0
<i>Threshold Basis Limit</i>			36,026,818			
<i>TBL: Exclude GP Cap/DDF for 4%/State</i>			0			
REQUESTED UNADJUSTED ELIGIBLE BASIS (For Tiebreaker)	0	22,576,482	22,576,482	0	0	0
HIGH COST ADJUSTMENT (Y or N) <i>Small DDA/QCT 2024</i>	100.0%	130.0%		100.0%	100.0%	
ADJUSTED ELIGIBLE BASIS	0	29,349,427	29,349,427	0	0	0
APPLICABLE FRACTION*	100.0%	100.0%		100.0%	100.0%	
QUALIFIED CREDIT BASIS	0	29,349,427	29,349,427	0	0	0
CREDIT RATE (TCAC UNDERWRITING)						
Total State				13.00%	13.00%	
Annual Federal / Yr 1-3 State	4.00%	9.00%		4.00%	4.00%	
Yr 4 State				1.00%	1.00%	
MAX. POTENTIAL FEDERAL CREDIT (No Vol Basic Reduct/Actual Rate)						
Credit Rates	4.00%	9.00%				
Potential Credit	0	4,288,457	4,288,457			
Credit Rate Locked? YES						
Nov-16						
MAX. CREDIT AMOUNT PER TCAC UNDERWRITING						
Annual Federal / Yr 1 State	0	2,641,448	2,641,448	0	0	0
Yr 2 State				0	0	0
Yr 3 State				0	0	0
Yr 4 State				0	0	0
Total				0	0	0
REQUESTED TOTAL STATE CREDIT AMOUNT				N/A	N/A	N/A
MAX ANNUAL CREDITS PER GEOGRAPHIC REGION - BLENDED (x 125%)			N/A			
Federal/State Proration			N/A	N/A	N/A	N/A
MAX ANNUAL FEDERAL PER PROJECT/STATE PER UNIT ALLOCATION			2,500,000			N/A
ACTUAL TCAC CREDIT RESERVATION						
Annual Federal / Total State	N/A	N/A	N/A	N/A	N/A	N/A
MAXIMUM ALLOWABLE CREDITS (Lesser of above)						
Annual Federal / Total State	0	2,500,000	2,500,000			0
UNADJUSTED ELIGIBLE BASIS AT MAX CREDIT AMOUNT	0	21,367,521	21,367,521			
UNADJUSTED BASIS EXCLUDED AT MAX CREDIT AMOUNT	(0)	15,285,961	15,285,961			
MAXIMUM ALLOWABLE - TEN YEAR TOTAL			25,000,000			0

TOTAL STATE + FEDERAL LIHTC AMOUNTS - 10 YEARS			
Total Federal + State		25,000,000	Blended Credit Request: 2,500,000
General Partner Share	0.01%	2,500	Est. 125% Target for San Diego Co.: N/A
Limited Partner Share	99.99%	24,997,500	Credit Request Under / (Over) Geographic Region: N/A

FIRST YEAR CREDIT CALCULATION (Federal)							
Actual Basis Method?	Y	Acquisition	Rehab/NC	"A" Bldgs: Acq	Rehab/NC	"B" Bldgs: Acq	Rehab/NC
Maximum Potential Federal Credit w/ Actual Basis-Annual		0	4,288,457	0	4,361,143	0	0
Wgt Avg Lease-up (from Page 7)				49.3%	49.3%	0.0%	0.0%
Maximum Potential Prorated Credit w/ Actual Basis				0	2,150,286	0	0
TCAC Credit Reservation-Annual		0	2,500,000	0	2,542,373	0	0
First Year Credit (Lesser of Above)				0	2,150,286	0	0

ENERGY TAX CREDIT CALCULATION	
Total PV Hard Costs	300,000
Related Soft Costs (Eng, Interst, etc.)	52,049
Related Developer Fee	52,807
Total ITC Depreciable Basis	404,857
less: Grants/Rebates	-
Tax-Exempt Portion	0.01%
less: Tax-Exempt Portion	(40)
Net Basis for Investment Tax Credit	404,816
Credit Percentage	0.0%
Total Investment Tax Credit	0
Residential Portion of Credit	0

*APPLICABLE FRACTION				
	Number of Units	Fraction	Total Sq Ft	Fraction
LIHTC	59	100.0000%	30,550	100.0000%
Non-LIHTC	0	0.0000%	0	0.0000%
TOTAL	59	100.0000%	30,550	100.0000%
Applicable Fraction	100.0000%			
<i>(Lesser of Low Income Units or Sq Ft %)</i>				

Base Year Income & Expense	Version: v3.08 Bridge to Home
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INCOME		
Scheduled Gross Income - Residential		881,268
Total Gross Subsidy Income - VASH		625,860
Misc. Income		5,760
Vacancy Loss - Residential	5.0%	(44,351)
Vacancy Loss - VASH	5.0%	(31,293)
EFFECTIVE GROSS INCOME		1,437,244
EXPENSES - RESIDENTIAL		
Administrative		
Advertising	810	
Legal	6,000	
Accounting/Audit	9,300	
Security	<u>32,275</u>	
Total Administrative		48,385
Management Fee		43,200
Utilities		
Gas	21,300	
Electricity	20,660	
Water/Sewer	18,000	
Total Utilities		59,960
Payroll/Payroll Taxes		
On-Site Manager/Office Admin	69,076	
Maintenance Payroll	25,138	
Payroll Taxes/Benefits	<u>28,430</u>	
Total Payroll/Payroll Taxes		122,644
Insurance		55,769
Maintenance		
Painting	1,700	
Repairs	8,250	
Trash Removal	16,200	
Exterminating	7,404	
Grounds	6,000	
Elevator	6,000	
Fire Protection	<u>49,657</u>	
Total Maintenance		95,211
Other		
SDHC Monitoring Fee	9,293	
Total Other		9,293
Resident Services		
Tenant Services	59,886	
Tenant Activities	0	
	<u>0</u>	
Total Resident Services		59,886
Replacement Reserve		18,000
Real Estate Taxes		3,000
TOTAL EXPENSES - RESIDENTIAL		515,348
<i>Per Unit Per Annum (incl. Reserves)</i>	<i>8,589</i>	
<i>Per Unit Per Annum (w/o taxes/res/svc)</i>	<i>7,241</i>	
<i>TCAC Minimum (w/o taxes/res/svc)</i>	<i>6,100</i>	
TOTAL EXPENSES - COMMERCIAL		0
NET AVAILABLE INCOME		921,896
Annual Soft Loan Fees:		
San Diego Housing Commission	0	
County of San Diego	0	
City of San Diego	<u>0</u>	
Less: Total Annual Soft Loan Fees		0
ADJUSTED NET AVAILABLE INCOME: TOTAL		912,446
ADJUSTED NET OF COMMERCIAL:		912,446
ADJUSTED NET AVAILABLE INCOME: NET OF OP SUBSIDY		317,879
Mandatory Soft Debt Payments:		
San Diego Housing Commission	10,000	
County of San Diego	0	
City of San Diego	<u>0</u>	
TOTAL MANDATORY SOFT DEBT PAYMENTS		10,000
Debt Service Coverage Ratio		1.15
Mandatory Soft Debt Payments Grossed Up for DCR Factor		11,500
AVAILABLE FOR SENIOR DEBT SERVICE (NET OF OP SUBSIDY)		266,417
AVAILABLE FOR SENIOR DEBT SERVICE (OP SUBSIDY OVERHANG)		517,015
NET AVAILABLE INCOME AFTER SENIOR DEBT SERVICE		119,015
NET AVAILABLE COMMERCIAL ONLY INCOME		0

Mortgage Calculation/Bond Ratios	Version: v3.08 Bridge to Home
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TRANCHE A

Uses baseline year NOI; includes annual fees			
Financing Type: Conventional Perm Loan			
	Underwriting Constraint	Maximum Loan Amount	
Debt Service Coverage	1.15	10,412,793	Rate: 6.830%
Lender Commitment		NA	Amortization (mos): 420
			NOI for DS: <u>900,946</u>
MAXIMUM MORTGAGE		10,412,793	Max PMT @ DSCR: 783,431
			Annual Fees: <u>0</u>
			Annual DS Payment: 783,431

Calculation of Net Syndication Proceeds	Version: v3.08 Bridge to Home
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				<u>As of Closing</u>
Total Federal Credit (10 yr) & State Credit		25,000,000		0
<i>Total Federal Credit</i>	<i>25,000,000</i>			0
<i>Total State Credit</i>	<i>0</i>			0
Gross Proceeds (Total)		22,497,750		0
<i>Gross Proceeds - Federal Credit</i>	<i>22,497,750</i>			0
<i>Gross Proceeds - State Credit</i>	<i>0</i>			0
Gross Proceeds (net of Energy/Historic Credit Proceeds)		22,497,750		0
Less: LP Syndication Costs				
Attorney	121,000			
Accountant	20,000			
Consulting	101,000			
Other:				
Total Syndication Costs		242,000		0
Total Syndication Costs/Gross Proceeds		1.08% (Syndication Load)		0.00000%
Net Proceeds		22,255,750		0
Net Proceeds/Total Fed and State Credit		0.890230	tax credit price	0.00000
Gross Proceeds (Total)/Total Fed and State Credit		0.899910	tax credit price	0.00000
Gross Proceeds - Federal/State Disaggregated				
Federal		0.900000	tax credit price	1.00000
State		0.800000	tax credit price	0.70000
Net Proceeds - Federal/State Disaggregated				
Federal		0.890230	tax credit price	0.00000
State		-	tax credit price	0.00000

TCAC Calculations & Scoring Version: v3.08 Bridge to Home

THRESHOLD BASIS LIMIT			
County: San Diego	9% or 4% credits: 9%	TCAC Project #:	Year: 2024
		CDLAC Project #:	
Base Limits for Geographic Region		Threshold Basis Limit for This Project	
Unit Type	9%	4%	
0 BR	353,173	353,173	0 BR 0 353,173 0
1 BR	407,205	407,205	1 BR 56 407,205 22,803,480
2 BR	491,200	491,200	2 BR 4 491,200 1,964,800
3 BR	628,736	628,736	3 BR 0 628,736 0
4 BR	700,451	700,451	4 BR 0 700,451 0
5 BR	700,451	700,451	5 BR 0 700,451 0
			60 24,768,280
Energy/Resource Efficiency Boosts		Additional Basis Adjustments	
Renewables (50% tot./90% area)	0%	Boost for Prevailing Wage	20.0% 4,953,656
Renewables (75% CA/90% area)	0%	Boost for Project Labor Agreement	0.0% 0
Title 24 + 15%	0%	Boost for Parking beneath Units	0.0% 0
Post-rehab improvement > 80%	0%	Boost for Childcare	0.0% 0
Greywater landscaping	0%	Boost for 100% Special Needs	0.0% 0
Community gardens > 60 s.f.	0%	Boost for elevator service	10.0% 2,476,828
Natural flooring kitchens	0%	Boost for Type I construction	0.0% 0
Natural flooring common area	0%	Boost for Type III construction	0.0% 0
EPA Indoor Air Plus Program met	0%	Subtotal Basic Boosts	30.0% 7,430,484
Subtotal Efficiency (Max 10%)	0%	Boost for Energy / Resource Efficiency	0.0% 0
		Toxic/Seismic Abatement Costs	0.0% 0
		Local Development Impact Fees	1,351,226
		High Opportunity Area	10.0% 2,476,828
		BONDS: Boost for units ≤ 50% AMI (excl. CA credit project)	0.0% 0
		BONDS: Boost for units ≤ 35% AMI (excl. CA credit project)	0.0% 0
		Total Threshold Basis Limit Boosts	11,258,538
		Total Threshold Basis Limit	36,026,818
		Potential Eligible Basis	36,653,482
		Eligible Basis Surplus/(Deficit)	(626,664)

TCAC HIGH COST TEST			
	Federal Credit	CA State Credit	HCD 2017 UMR
Total Eligible Basis	36,653,482	36,653,482	36,653,482
Total Adjusted TBL	36,026,818	36,026,818	36,026,818
Percentage of ATBL	101.74%	101.74%	101.74%
Amount Over/(Under) 130% Limit (160% Limit for HCD)	(10,181,381)	(10,181,381)	(20,989,426)

TCAC POINTS					
Lowest Income Points					
Rural Project?	N				
Number of Targeted Tax Credit Units	Percent of Area Median Income (AMI) (30% - 55%)	Percentage of Units to Total Units (before rounding down)	Percent of Income Targeted Units to Total Tax Credit Units (exclusive of mgr units)	Points Earned	
0	20	0.00	0	0	
15	30	25.42	25	37.5	
0	35	0.00	0	0	
0	40	0.00	0	0	
0	45	0.00	0	0	
15	50	25.42	25	12.5	
0	50	0.00	0	0	Rural Projects Only
0	55	0.00	0	0	Rural Projects Only
30					
Total Lowest Income Points (No Cap)				50	
Total Lowest Income Actual Points				50	
Lowest Income Bonus Points					
					Total @ 30% AMI Required for Points 6
Bedroom Selection	Total Number of Tax Credit Units per Bedroom Size	Number of Targeted Tax Credit Units @ 30% AMI	Percentage of Units to Total Units (by bedroom size)	10% by Unit Type	Minimum Units Required at / below 30% AMI
5 BR	0	0	0.0000	0.0000	0.0000 Pass
4 BR	0	0	0.0000	0.0000	0.0000 Pass
3 BR	0	0	0.0000	0.0000	0.0000 Pass
2 BR	3	1	0.3333	1.0000	1.0000 Pass
1 BR	56	14	0.2500	6.0000	5.0000 Pass
SRO	0	0	0.0000	0.0000	0.0000 Pass
Total	59	15			
Total Lowest Income Bonus Points					2

TCAC TIEBREAKER	
Leveraged Soft Resources	
Committed Eligible Public Soft Funds	10,700,000 <i>Net of Accrued Interest</i>
Value of Donated Land / Fee Waiver	192,045
Value of Committed Rental Subsidy Leveraging	6,700,828
Less: Non Project-Specific Offsite Work	(335,060)
Less: Purchase Price in Excess of Appraisal	0
Residential Percentage of TDC	100.00%
Subtotal Residential Eligible Public Funds	17,257,813
* Percentage Large Project Boost	105.00%
Adjusted Residential Eligible Public Funds	18,120,704
Residential Total Costs of Development	43,462,651 <i>Net of Syndication Costs</i>
Ratio of Leveraged Soft Resources / TDC	41.69% <i>and offsites</i>
Requested Unadjusted Eligible Basis	
Requested Unadjusted Eligible Basis	22,576,482
Residential Total Costs of Development	43,462,651 <i>Net of Syndication Costs</i>
Ratio of Basis/TDC	51.94% <i>and offsites</i>
Inverse of Ratio Divided by 2	24.03%
Base Tiebreaker Score	65.72%
<i>High Opportunity Boost</i>	<i>0.00%</i>
Total Tiebreaker Score	65.72%
<i>Tiebreaker at Application</i>	<i>65.72%</i>

TCAC Cash Flow																
v3.08 Bridge to Home																
	MULTIPLIER	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
		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
REVENUE																
Gross Rent	1.025	881,268	903,300	925,882	949,029	972,755	997,074	1,022,001	1,047,551	1,073,739	1,100,583	1,128,098	1,156,300	1,185,207	1,214,838	1,245,209
Less Vacancy	5.00%	(44,063)	(45,165)	(46,294)	(47,451)	(48,638)	(49,854)	(51,100)	(52,378)	(53,687)	(55,029)	(56,405)	(57,815)	(59,260)	(60,742)	(62,260)
Rental Subsidy	1.025	625,860	641,507	657,544	673,983	690,832	708,103	725,806	743,951	762,550	781,613	801,154	821,183	841,712	862,755	884,324
Less Vacancy	5.00%	(31,293)	(32,075)	(32,877)	(33,699)	(34,542)	(35,405)	(36,290)	(37,198)	(38,127)	(39,081)	(40,058)	(41,059)	(42,086)	(43,138)	(44,216)
Miscellaneous Income	1.025	5,760	5,904	6,052	6,203	6,358	6,517	6,680	6,847	7,018	7,193	7,373	7,558	7,747	7,940	8,139
Less Vacancy	5.00%	(288)	(295)	(303)	(310)	(318)	(326)	(334)	(342)	(351)	(360)	(369)	(378)	(387)	(397)	(407)
Total Revenue		1,437,244	1,473,175	1,510,004	1,547,754	1,586,448	1,626,109	1,666,762	1,708,431	1,751,142	1,794,920	1,839,793	1,885,788	1,932,933	1,981,256	2,030,788
EXPENSES																
Operating Expenses:	1.035															
Administrative		48,385	50,078	51,831	53,645	55,523	57,466	59,478	61,559	63,714	65,944	68,252	70,641	73,113	75,672	78,321
Management		43,200	44,712	46,277	47,897	49,573	51,308	53,104	54,962	56,886	58,877	60,938	63,071	65,278	67,563	69,928
Utilities		59,960	62,059	64,231	66,479	68,805	71,214	73,706	76,286	78,956	81,719	84,580	87,540	90,604	93,775	97,057
Payroll & Payroll Taxes		122,644	126,937	131,379	135,978	140,737	145,663	150,761	156,037	161,499	167,151	173,001	179,057	185,324	191,810	198,523
Insurance		55,769	57,721	59,741	61,832	63,996	66,236	68,554	70,954	73,437	76,007	78,668	81,421	84,271	87,220	90,273
Maintenance		95,211	98,543	101,992	105,562	109,257	113,081	117,039	121,135	125,375	129,763	134,305	139,005	143,870	148,906	154,118
Other		9,293	9,618	9,954	10,303	10,663	11,037	11,423	11,823	12,236	12,665	13,108	13,567	14,042	14,533	15,042
Total Operating Expenses		434,462	449,668	465,406	481,695	498,555	516,004	534,064	552,756	572,103	592,126	612,851	634,301	656,501	679,479	703,260
Transit Pass/Tenant Internet Expense	1.035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Service Amenities	1.035	59,886	61,982	64,151	66,397	68,721	71,126	73,615	76,192	78,858	81,618	84,475	87,432	90,492	93,659	96,937
Replacement Reserve		18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Monitoring Fees	1.010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Taxes	1.020	3,000	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
Specialty Local Taxes	1.020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenses		515,348	532,710	550,679	569,276	588,522	608,442	629,058	650,394	672,476	695,330	718,983	743,463	768,798	795,019	822,156
Cash Flow Prior to Debt Service		921,896	940,465	959,325	978,479	997,926	1,017,667	1,037,704	1,058,037	1,078,666	1,099,590	1,120,810	1,142,326	1,164,135	1,186,238	1,208,632
MUST PAY DEBT SERVICE																
Mandatory Annual Soft Loan Payments		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
TOTAL SERIES A DEBT SERVICE		783,372	783,372	783,372	783,372	783,372	783,372	783,372	783,372	783,372	783,372	783,372	783,372	783,372	783,372	783,372
Total Debt Service		793,372	793,372	793,372	793,372	793,372	793,372	793,372	793,372	793,372	793,372	793,372	793,372	793,372	793,372	793,372
Cash Flow After Debt Service		128,524	147,093	165,954	185,107	204,554	224,296	244,332	264,665	285,294	306,218	327,439	348,954	370,763	392,866	415,260
Percent of Gross Revenue		8.50%	9.49%	10.44%	11.36%	12.25%	13.10%	13.93%	14.72%	15.48%	16.21%	16.91%	17.58%	18.22%	18.84%	19.43%
25% Debt Service Test		16.20%	18.54%	20.92%	23.33%	25.78%	28.27%	30.80%	33.36%	35.96%	38.60%	41.27%	43.98%	46.73%	49.52%	52.34%
Debt Coverage Ratio		1.162	1.185	1.209	1.233	1.258	1.283	1.308	1.334	1.360	1.386	1.413	1.440	1.467	1.495	1.523
Year 15 Test - Greater of: (a) 2% Gross Income OR (b) lesser of \$25,000 or \$500/unit																42.753
OTHER FEES																
LP Asset Mgt. Fee	1.030	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786	10,079	10,382	10,693	11,014	11,344
GP Partnership Mgt. Fee	1.030	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	27,685	28,515	29,371	30,252
Total Other Fees		27,500	28,325	29,175	30,050	30,951	31,880	32,836	33,822	34,836	35,881	36,958	38,066	39,208	40,385	41,596
Remaining Cash Flow		101,024	118,768	136,779	155,057	173,602	192,415	211,496	230,844	250,458	270,337	290,481	310,888	331,555	352,481	373,664
Deferred Developer Fee	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residual or Soft Loan Payments	50.00%															
San Diego Housing Commission	28.04%	14,162	16,650	19,175	21,737	24,337	26,974	29,649	32,361	35,111	37,898	40,722	43,582	46,480	49,413	52,383
City of San Diego - Capitalized Ground L	39.25%	19,827	23,310	26,844	30,432	34,071	37,764	41,509	45,306	49,155	53,057	57,010	61,015	65,072	69,179	73,336
City of SD - Bridge to Home	32.71%	16,523	19,425	22,370	25,360	28,393	31,470	34,590	37,752	40,963	44,214	47,509	50,846	54,226	57,649	61,113
Total Residual Soft Loan Payments		50,512	59,384	68,390	77,528	86,801	96,208	105,748	115,422	125,229	135,169	145,240	155,444	165,777	176,241	186,832
Cash Flow		50,512	59,384	68,390	77,528	86,801	96,208	105,748	115,422	125,229	135,169	145,240	155,444	165,777	176,241	186,832

Serra Mesa

TCAC Cash Flow		16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
		YEAR 16	YEAR 17	YEAR 18	YEAR 19	YEAR 20	YEAR 21	YEAR 22	YEAR 23	YEAR 24	YEAR 25	YEAR 26	YEAR 27	YEAR 28	YEAR 29	YEAR 30
REVENUE	MULTIPLIER															
Gross Rent	1.025	1,276,339	1,308,247	1,340,953	1,374,477	1,408,839	1,444,060	1,480,162	1,517,166	1,555,095	1,593,972	1,633,822	1,674,667	1,716,534	1,759,447	1,803,433
Less Vacancy	5.00%	(63,817)	(65,412)	(67,048)	(68,724)	(70,442)	(72,203)	(74,008)	(75,858)	(77,755)	(79,699)	(81,691)	(83,733)	(85,827)	(87,972)	(90,172)
Rental Subsidy	1.025	906,432	929,093	952,320	976,128	1,000,531	1,025,544	1,051,183	1,077,463	1,104,399	1,132,009	1,160,309	1,189,317	1,219,050	1,249,526	1,280,765
Less Vacancy	5.00%	(45,322)	(46,455)	(47,616)	(48,806)	(50,027)	(51,277)	(52,559)	(53,873)	(55,220)	(56,600)	(58,015)	(59,466)	(60,953)	(62,476)	(64,038)
Miscellaneous Income	1.025	8,342	8,551	8,765	8,984	9,208	9,438	9,674	9,916	10,164	10,418	10,679	10,946	11,219	11,500	11,787
Less Vacancy	5.00%	(417)	(428)	(438)	(449)	(460)	(472)	(484)	(496)	(508)	(521)	(534)	(547)	(561)	(575)	(589)
Total Revenue		2,081,557	2,133,596	2,186,936	2,241,610	2,297,650	2,355,091	2,413,968	2,474,317	2,536,175	2,599,580	2,664,569	2,731,184	2,799,463	2,869,450	2,941,186
EXPENSES																
Operating Expenses:	1.035															
Administrative		81,062	83,899	86,835	89,875	93,020	96,276	99,646	103,133	106,743	110,479	114,346	118,348	122,490	126,777	131,214
Management		72,375	74,908	77,530	80,244	83,052	85,959	88,967	92,081	95,304	98,640	102,092	105,665	109,364	113,191	117,153
Utilities		100,454	103,970	107,609	111,375	115,273	119,308	123,484	127,805	132,279	136,908	141,700	146,660	151,793	157,106	162,604
Payroll & Payroll Taxes		205,471	212,663	220,106	227,810	235,783	244,036	252,577	261,417	270,567	280,037	289,838	299,982	310,482	321,348	332,596
Insurance		93,433	96,703	100,087	103,590	107,216	110,969	114,852	118,872	123,033	127,339	131,796	136,409	141,183	146,124	151,239
Maintenance		159,512	165,095	170,873	176,853	183,043	189,450	196,081	202,943	210,046	217,398	225,007	232,882	241,033	249,469	258,201
Other		15,568	16,113	16,677	17,261	17,865	18,490	19,137	19,807	20,500	21,218	21,960	22,729	23,525	24,348	25,200
Total Operating Expenses		727,875	753,350	779,717	807,008	835,253	864,487	894,744	926,060	958,472	992,018	1,026,739	1,062,675	1,099,868	1,138,364	1,178,207
Transit Pass/Tenant Internet Expense	1.035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Service Amenities	1.035	100,330	103,841	107,476	111,238	115,131	119,160	123,331	127,648	132,115	136,739	141,525	146,479	151,605	156,912	162,404
Replacement Reserve		18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Monitoring Fees	1.010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Taxes	1.020	4,038	4,118	4,201	4,285	4,370	4,458	4,547	4,638	4,731	4,825	4,922	5,020	5,121	5,223	5,328
Specialty Local Taxes	1.020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenses		850,242	879,310	909,394	940,530	972,754	1,006,105	1,040,622	1,076,345	1,113,318	1,151,583	1,191,186	1,232,174	1,274,595	1,318,499	1,363,938
Cash Flow Prior to Debt Service		1,231,315	1,254,286	1,277,542	1,301,080	1,324,896	1,348,986	1,373,346	1,397,972	1,422,858	1,447,997	1,473,383	1,499,010	1,524,869	1,550,951	1,577,248
MUST PAY DEBT SERVICE																
Mandatory Annual Soft Loan Payments		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
TOTAL SERIES A DEBT SERVICE		783,372	783,372	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service		793,372	793,372	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
Cash Flow After Debt Service		437,943	460,914	1,267,542	1,291,080	1,314,896	1,338,986	1,363,346	1,387,972	1,412,858	1,437,997	1,463,383	1,489,010	1,514,869	1,540,951	1,567,248
Percent of Gross Revenue		19.99%	20.52%	55.06%	54.72%	54.37%	54.01%	53.65%	53.29%	52.92%	52.55%	52.17%	51.79%	51.41%	51.02%	50.62%
25% Debt Service Test		55.20%	58.10%	12675.42%	12910.80%	13148.96%	13389.86%	13633.46%	13879.72%	14128.58%	14379.97%	14633.83%	14890.10%	15148.69%	15409.51%	15672.48%
Debt Coverage Ratio		1.552	1.581	127.754	130.108	132.490	134.899	137.335	139.797	142.286	144.800	147.338	149.901	152.487	155.095	157.725
Year 15 Test - Greater of: (a) 2% Gross Income OR																
OTHER FEES																
LP Asset Mgt. Fee	1.030	11,685	12,035	12,396	12,768	13,151	13,546	13,952	14,371	14,802	15,246	15,703	16,174	16,660	17,159	17,674
GP Partnership Mgt. Fee	1.030	31,159	32,094	33,057	34,049	35,070	36,122	37,206	38,322	39,472	40,656	41,876	43,132	44,426	45,759	47,131
Total Other Fees		42,844	44,129	45,453	46,817	48,221	49,668	51,158	52,693	54,274	55,902	57,579	59,306	61,085	62,918	64,806
Remaining Cash Flow		395,099	416,785	1,222,089	1,244,263	1,266,674	1,289,318	1,312,188	1,335,279	1,358,584	1,382,095	1,405,804	1,429,704	1,453,783	1,478,033	1,502,443
Deferred Developer Fee	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residual or Soft Loan Payments	50.00%															
San Diego Housing Commission	28.04%	55,388	58,428	171,321	174,429	177,571	180,746	183,952	187,189	190,456	193,752	197,075	231,524	235,050	238,581	33,907
City of San Diego - Capitalized Ground L	39.25%	77,543	81,799	239,849	244,201	248,600	253,044	257,532	262,064	266,638	271,252	275,906	324,133	329,070	334,014	47,469
City of SD - Bridge to Home	32.71%	64,619	68,166	199,874	203,501	207,166	210,870	214,610	218,387	222,198	226,044	229,921	270,111	274,225	238,581	79,321
Total Residual Soft Loan Payments		197,550	208,393	611,044	622,131	633,337	644,659	656,094	667,640	679,292	691,047	702,902	825,768	838,344	811,177	160,697
Cash Flow		197,550	208,393	611,044	622,131	633,337	644,659	656,094	667,640	679,292	691,047	702,902	603,935	615,439	666,857	1,341,746

QUESTION 17- BANK REFERENCES

1. Lisa Gutierrez
Senior Vice President, Director of National Lending and Multi-Fund Investing- Affordable Housing, U.S.
Bancorp Community Development Corporation
Lisa.gutierrez@usbank.com
(916).498.3457

Lender for Ulric I; US Bank is tax credit investor on Morgan Tower and Kimball Tower

2. Kevin Brown
Housing Finance Officer, Multifamily Lending Programs
California Housing Finance Agency
kbrown@calhfa.ca.gov
3. Dan Bronfman
Managing Director of Affordable Housing & Community Development Lending
Pacific Western Bank
dbronfman@pacwest.com
(925) 386.0760



QUESTION 20 - SERRA MESA APARTMENTS - List of Undertakings

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
Ulric Street Apartments Public Improvements	Grading bond to build affordable housing	Est.11/2023	\$148,761	Active
Ulric Street Apartments Public Improvements	Public Improvement Bond to build affordable housing	Est. 11/2023	\$114,351	Active
Ulric Street Apartments Public Improvements	Public Improvement Bond to build affordable housing	Est. 11/2023	\$258,816	Active
Cortez Hill Apartments- Public Improvements	Grading bond to build affordable housing	Est. 4/2025	\$246,819	Active
Las Haciendas Apartments – Payment and Performance Bond	Construction of Water system related to development of affordable housing	Est. 5/2023	\$82,375	Active
Las Haciendas Apartments – Grading, Drainage and Erosion Control	Site grading and erosion control work related to development of affordable housing	Est. 5/2023	\$24,500	Active
Keeler Court Apartments – Grading, Drainage and Erosion Control	Site grading and erosion control work related to development of affordable housing	Est. 12/2023	\$193,027	Closed
Keeler Court Apartments – Public Improvements	Public Improvement Bond to build affordable housing	Est. 12/2023	\$73,037	Active
Keeler Court Apartments – Grading, Drainage and Erosion Control	Site grading and erosion control work related to development of affordable housing	Est. 12/2023	\$116,043	Closed
Keeler Court Apartments – Grading, Drainage and Erosion Control	Site grading and erosion control work related to development of affordable housing	Est. 12/2023	\$88,228	Closed

Keeler Court – Public Improvements	Public Improvement Bond to build affordable housing	Est. 5/2023	\$126,969	Closed
Kimball Highlands - West – Grading, Drainage and Erosion Control	Site grading and erosion control work related to development of affordable housing	Est. 6/2024	\$1,370,605.40	Active
Kimball Highlands – East – Grading, Drainage and Erosion Control	Site grading and erosion control work related to development of affordable housing	Est. 6/2024	\$607,775.49	Active
Arden Way Apartments – Public Improvements	Public Improvement Bond to build affordable housing	Est. 3/2023	\$715,580	Active



Question #22 - CHW Developer Qualifications

Community HousingWorks

QUALIFICATIONS

Community HousingWorks (CHW) is a nationally recognized 501(c)(3) nonprofit organization that believes “opportunity begins with a stable home.” Founded and headquartered in San Diego County in 1988, Community HousingWorks develops and owns life-changing affordable apartment communities with resident-centered services for working families, older adults, and people with disabilities to forge stronger futures.

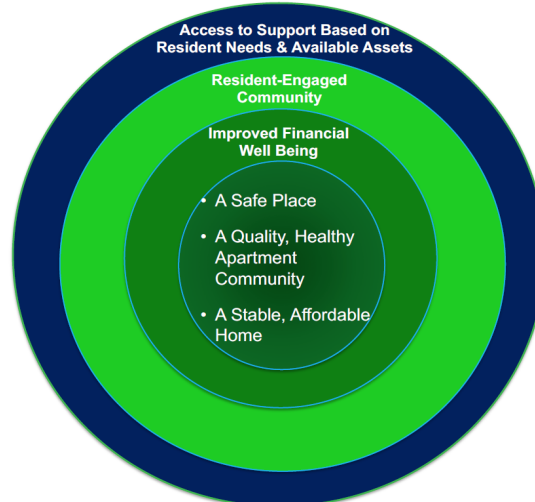


North Santa Fe | Vista, CA

CHW has successfully developed new and renovated existing multi-family, affordable rental apartments in urban, suburban and rural communities in California and Texas. With 4,348 rental apartments operating in 48 communities statewide as of May 2024, and with approximately 418 apartments currently in construction and another 900 apartments in predevelopment, CHW proudly serves more than 11,000 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 and tools 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, to improve their reading ability, and have a better opportunity to succeed in 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:



DEVELOPER EXPERIENCE



Kalos | San Diego, CA

Since 1988, CHW's Housing and Real Estate Development 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.

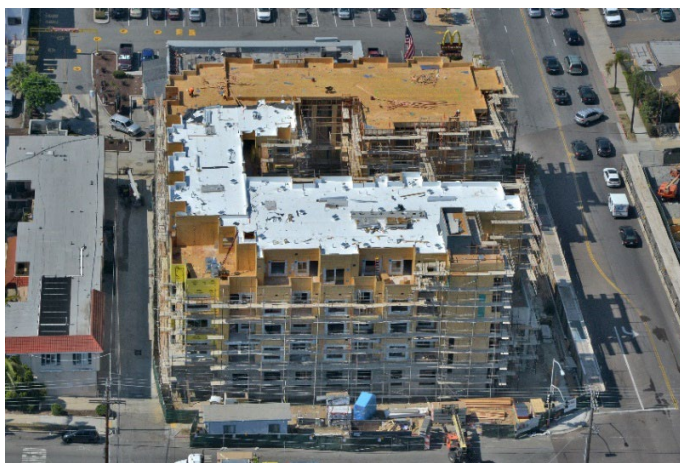
Developments like Kalos (San Diego), North Santa Fe (Vista), Mission Cove (Oceanside), Paradise Creek (National City), La Costa Paloma (Carlsbad), and Solara (Poway) illustrate CHW's experience with large-scale new construction, complex sites, master plans, challenging site conditions from alluvial soils

bordering 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 demonstrate 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 communities in our portfolio, with the exception of Paradise Creek where we were a substantial partner.

PORTFOLIO OVERVIEW

In the last several years, CHW grew by over 40%, 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 is valued at nearly \$1 billion. In December 2021, CHW had 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 fees, 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 many forms of innovation including finance, design, and resident services programming. As the 2010 recipient of Novogradac's *Journal of Tax Credits* "Developments of Distinction for Innovative HUD Financing" award, CHW has clearly demonstrated our ability to innovate and create replicable templates for complex financing. We have a successful record of obtaining competitive financing from sources including private lenders, Low-Income Housing Tax Credit (LIHTC) investors, the

U.S. Department of Housing and Urban Development (HUD), and the State of California. These include awards from the Transit Oriented Development (TOD), Infill Infrastructure (IIG) Program, Multi-Family Housing Program (MHP), and the Affordable Housing Sustainable Communities (AHSC or Cap and Trade). Additionally, CHW has won Federal Home Loan Bank's (FHLBank) Affordable Housing Program (AHP) multiple times from 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.

Undertaking: Innovative HUD Finance

Exemplar: Turnagain Apartments

In this acquisition and substantial renovation in Fallbrook, CHW was able to combine an unusual HUD finance program, the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA), with low-income housing tax credits. As essentially the first project to succeed in deciphering 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., 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. An expected challenge was the meltdown of the financial markets: we closed financing on October 3, 2008, the day that the headlines in the *Wall Street Journal* read "On the edge of an abyss". Nevertheless, 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 LIHPRHA projects and we paved the way for other affordable housing developers to be able to preserve former LIHPRHA 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 a concrete podium in San Diego's North Park neighborhood) to several other local developments.

Undertaking: On Time, Under Budget, Stellar Costs by Industry Norms

Exemplar: North Santa Fe Apartments

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 the 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 and working successfully with a city for both housing development as well as permits.

The project received a Green Point Rated certification of 201 points (Platinum), one of the top seven scores ever recorded in California, and was constructed early while 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 the creation of master plans and innovation in entitlements in order to maximize feasibility for affordable homes while preserving the sense of place and community.

Undertaking: Innovative Entitlements and Partnership

Exemplar: North Park Seniors

In this land acquisition and new construction completed in 2017, CHW addressed the complexity of finance, and entitlements, as well as working closely with a community partner. In a market transaction, CHW acquired a site bifurcated by Texas Street as well as 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 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, and 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

Undertaking: First near Zero Net Energy, Fully Powered by PV, Policy Leader

Exemplar: Solara

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, a pilot project of the California Energy Commission (CEC). In this development, CHW pioneered sustainable design and construction including the 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 teams up the learning curve, and succeeding in being a replicable template that was soon imitated. The successful implementation of this technology moved the California PUC to provide virtual net metering for photovoltaics, 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 conservation technologies, we have 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, 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 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 in our 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 a 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 Salvator Apartments which opened in 2023; and the work over the last 13 years in National City.

Undertaking: Community and City Partner to Create Neighborhoods

Exemplar: Paradise Creek Apartments and Park

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 the renewal of 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 grassroots 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. Finally, holding the vision and mission, that the real stakeholders are the residents who will call this their home.



Question #25 - List of Litigation to Disclose

Date Filed	Matter Name and Case Number	Description	Status
12/20/23	<p><i>Sun Country Builders, Inc. v. Arden Way Housing Associates, L.P.</i></p> <p>JAMS Case No. 5240001295</p>	<p>Arbitration action between general contractor Sun Country Builders and CHW affiliate Arden Way Housing Associates, L.P. (“AWHA”) alleging non-payment of amounts sought under the prime construction contract between AWHA and Sun Country. AWHA denies all claims and is asserting its own claims for liquidated damages due to delayed completion.</p>	Pending
2/6/24	<p><i>Sun Country Builders, Inc. v. Arden Way Housing Associates, L.P., et al.</i></p> <p>Sacramento Superior Court Case No. 24CV0002248</p>	<p>Action for recovery on mechanics lien release bond. General contractor Sun Country Builders filed suit against CHW affiliate Arden Way Housing Associates, L.P. (“AWHA”) alleging non-payment of amounts sought under the prime construction contract between AWHA and Sun Country. AWHA denies all claims and is asserting its own claims for liquidated damages due to delayed completion.</p>	Pending
9/4/24	<p><i>T.B. Penick & Sons, Inc. v. Sun Country Builders, Inc. et al.</i></p> <p>[naming Linda Vista Housing Associates, L.P.]</p> <p>San Diego Superior Court Case No. 24CU009383C</p>	<p>Action for breach of contract and lien foreclosure. Subcontractor T.B. Penick & Sons filed suit against general contractor Sun Country Builders and CHW affiliate Linda Vista Housing Associates, L.P (“LVHA”) alleging non-payment of amounts sought under TB Penick’s subcontract. LVHA denies all claims and is asserting its own claims against Sun Country for liquidated damages due to delayed completion of the Project.</p>	Pending
9/24/24	<p><i>Sun Country Builders, Inc. v. Linda Vista Housing Associates, L.P., et al.</i></p> <p>San Diego Superior Court Case No. 24CU012791C</p>	<p>Action for breach of contract, reasonable value, and lien foreclosure. General contractor Sun Country Builders filed suit against CHW affiliate Linda Vista Housing Associates, L.P (“LVHA”) alleging non-payment of amounts sought under the prime construction contract between LVHA and Sun Country. LVHA denies all claims and is asserting its own claims for liquidated damages due to delayed completion.</p>	Pending



Date Filed	Matter Name and Case Number	Description	Status
9/24/24	<p><i>Sun Country Builders, Inc. v. Delta Village Housing Associates, L.P., et al.</i></p> <p>San Diego Superior Court Case No. 24CU012745C</p>	<p>Action for breach of contract, reasonable value, and lien foreclosure. General contractor Sun Country Builders filed suit against CHW affiliate Delta Village Housing Associates, L.P (“DVHA”) alleging non-payment of amounts sought under the prime construction contract between DVHA and Sun Country. DVHA denies all claims and is asserting its own claims for liquidated damages due to delayed completion.</p>	Pending
9/24/24	<p><i>Sun Country Builders, Inc. v. Las Haciendas Housing Associates, et al.</i></p> <p>Riverside Superior Court, Case No. CVME2402994</p>	<p>Action for breach of contract, reasonable value, and lien foreclosure. General contractor Sun Country Builders filed suit against CHW affiliate Las Haciendas Housing Associates, L.P (“LHHA”) alleging non-payment of amounts sought under the prime construction contract between LHHA and Sun Country. LHHA denies all claims and is asserting its own claims for liquidated damages due to delayed completion.</p>	Pending
10/4/24	<p><i>Sun Country Builders, Inc. v. Linda Vista Housing Associates, L.P., et al.</i></p> <p>JAMS Case No. 5240002631</p>	<p>Arbitration action between general contractor Sun Country Builders and CHW affiliates Linda Vista Housing Associates, L.P (“LVHA”); Delta Village Housing Associates, L.P (“DVHA”); and Las Haciendas Housing Associates, L.P (“LHHA”) alleging non-payment of amounts sought under the prime construction contracts between the CHW affiliates and Sun Country. AWAH, LVHA, and DVHA deny all claims and are asserting their own claims for liquidated damages due to delayed completion.</p>	Pending





Question #2 - @ #



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/4/2025

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).

PRODUCER Arthur J. Gallagher Risk Management Services, LLC 595 Market Street, Suite 2100 San Francisco CA 94105	CONTACT NAME: Karl Dobrota PHONE (A/C No. Ext): 415-546-9300 E-MAIL ADDRESS: Karl_Dobrota@ajg.com		FAX (A/C, No): 415-536-8499
	INSURER(S) AFFORDING COVERAGE		
License#: OD69293 COMMHOU-04	INSURER A: Nonprofits' Insurance Alliance of CA	NAIC # 10023	
INSURED Community HousingWorks 3111 Camino Del Rio N Ste 800 San Diego, CA 92108	INSURER B: Berkshire Hathaway Homestate Insurance Company	NAIC # 20044	
	INSURER C:		
	INSURER D:		
	INSURER E:		
	INSURER F:		

COVERAGES

CERTIFICATE NUMBER: 1512121302

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	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> 25k bodily <input type="checkbox"/> injury ded GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:			202409045	6/1/2024	6/1/2025	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
								\$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			202409045	6/1/2024	6/1/2025	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$ Nil			202409045UMB	6/1/2024	6/1/2025	EACH OCCURRENCE	\$ 10,000,000
							AGGREGATE	\$ 10,000,000
								\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N Y	N/A	COWC562921	7/1/2024	7/1/2025	<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)

Umbrella/Excess Liability \$10M Structure:
 Nonprofits' Insurance Alliance of CA (Policy #: 202409045UMB) - \$5,000,000 Lead Umbrella
 Steadfast Insurance Company (Policy #: AEC00436883900) - \$5,000,000 xs Lead \$5M Umbrella

CERTIFICATE HOLDER**CANCELLATION**

Evidence only

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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Question #32 - Business #

POST IN CONSPICUOUS PLACE OR KEEP ON PERSON

CITY OF SAN DIEGO * CERTIFICATE OF PAYMENT OF BUSINESS TAX



COMMUNITY HOUSING WORKS
SEAN SPEAR
3111 CAMINO DEL RIO NORTH #800
SAN DIEGO CA 92108-5728

Certificate Number: B2007005756
Business Name: COMMUNITY HOUSING WORKS
Business Owner: COMMUNITY HOUSING WORKS
Business Address: 3111 CAMINO DEL RIO NORTH #800
SAN DIEGO CA 92108-5728
Primary Business Activity: BUSINESS TAX EXEMPT - NON PROFIT
Secondary Business Activity:
Effective Date: 03/01/2025
Expiration Date: 02/28/2026

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: B2007005756 PIN: JLJ72
Business Name: COMMUNITY HOUSING WORKS
Business Owner: COMMUNITY HOUSING WORKS
Business Address: 3111 CAMINO DEL RIO NORTH #800
SAN DIEGO CA 92108-5728

Primary Business Activity: BUSINESS TAX EXEMPT - NON PROFIT

Secondary Business Activity:

Effective Date: 03/01/2025
Expiration Date: 02/28/2026

Mailing Address: COMMUNITY HOUSING WORKS
SEAN SPEAR
3111 CAMINO DEL RIO NORTH #800
SAN DIEGO CA 92108-5728



COMMUNITY HOUSING WORKS
SEAN SPEAR
3111 CAMINO DEL RIO N STE 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.

RECEIVED

FEB 13 2025

Business Addresses/Location

Per San Diego Municipal Code (SDMC) §31.0130, a Business Tax Certificate is required for each business location/address in the City of San Diego. Businesses will be required to self-certify that the business is allowed in the zone that applies to the property where the business activity will be conducted. Businesses may use the following on-line resource to perform self-certification:

Development Services Department's Zoning Webpage - <https://www.sandiego.gov/development-services/zoning>

Account Updates:

It is the responsibility of the Certificate holder to notify the City Treasurer in writing of any changes to the business. You can update your account information via mail at City Treasurer, PO BOX 122289, San Diego CA 92112, in person at 1200 Third Avenue, Suite 100 in Downtown San Diego or online at <https://www.sandiego.gov/btaxapplication>.

Renewal:

You can renew your certificate online using the Certificate Number and PIN located on the front side. Payments can be made at the following URL: <https://www.sandiego.gov/business taxpayment>.

Late Fees:

Businesses that fail to pay the tax within 15 days from the due date will be assessed a late fee of \$25.00 or 10% of the amount owed, whichever is greater. Beginning one calendar month from the due date of the Business Tax, a penalty of 1% per month will be added to any past due business taxes and late fees.

Business Improvement Districts (BID): BID's are authorized by State Law which allows an assessment to be placed on businesses in addition to the Business Tax assessment. If you are located within a BID you will be assessed a separate late fee of twenty-five dollars (\$25.00) or 10% whichever is greater. In addition, one percent (1%) per month beginning one calendar month following the payment due date will be added to any past due taxes and penalties.

Surcharges:

In addition to the penalties for delinquent payment, all businesses found to be operating without having a valid Business Tax Certificate will pay a surcharge of \$68.00 for businesses with 12 employees or fewer or \$250.00 for businesses with 13 employees or more. The City Treasurer bills retroactively for up to three (3) years with late fees applicable to each year (SDMC §31.0131).

Balances that remain unpaid will be referred to the City's Delinquent Accounts Program for collections. Unpaid balances are subject to a collection referral fee of 10% or \$25, whichever is greater, and interest. As required by law, you are hereby notified that a negative credit entry reflecting on your credit report may be submitted to a credit reporting agency if the amount is not paid by the due date.

Number of Employees

SDMC §31.0301 defines an employee as anyone that works ten (10) hours per week. While business owners are not considered employees; paid officers of a corporation are considered employees. Per SDMC §31.0140, new businesses may estimate the number of persons that will be employed; this is subject to subsequent verification by the City. For existing businesses, the employee count can be computed by one of the following methods:

- The average number of persons employed over a twelve month period (SDMC §31.0301(a))
- The number of persons appearing on payroll immediately prior to the certificate expiration date (SDMC §31.0140(e))



QUESTION 35 - SERRA MESA APARTMENTS – List of all Contracts

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

Date	Project Name	Entity Involved (i.e. City SDHC, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount
3/23/2018 (rev. 12/3/2018)	Keeler Court Apartments	City SDHC HUD- VASH PBVs	Current	\$1,572,480
6/25/2021 (rev. 5/12/2021)	Ulric II Street Apartments	City SDHC and PBVs	Committed	\$4,075,000 Loan; \$11,210,395 PBVs
12/4/2020	Ulric I Street Apartments	City SDHC	Current	\$7,000,000
2/23/2009	Kalos Apartments	City SDHC	Current	\$6,965,583
4/1/2007	Alabama Manor	City of San Diego Housing Authority	Current	\$5,808,006
1/26/2021	Bandar Salam Apartments	City of San Diego Housing Authority - Bonds	Current	NTE \$13,500,000
Final Draw 08/03/2007	Las Serenas	City SDHC	Current	\$6,100,000
3/1/1999 (rev. Dec. 2007)	Mayberry Townhomes	City SDHC	Current	\$799,956
6/15/2016	North Park Seniors	City SDHC	Current	\$7,000,000
1/8/2021	Cortez Hill	City SDHC Non PSH PBV	Committed	\$12,154,500
6/15/21	Cortez Hill	City SDHC	Non-Binding Commitment	\$5,000,000
10/15/20	Cortez Hill	City of San Diego	PSA	\$11,593.00

QUESTION 38- SERRA MESA APARTMENTS LOCAL REFERENCES

1. Carlos Aguirre

Interim Deputy City Manager/Director of Housing Authority, City of National City

caguirre@nationalcityca.gov

(619) 336-4391

City housing team associated with CHW projects since 2008 including: RFP/Construction of Paradise Creek I-II; RFP of Kimball Tower and Morgan Tower Acquisition and Renovation; Kimball Highland Master Plan DDA and funding for portion of master plan.

2. Lisa Gutierrez

Senior Vice President, Director of Business Development - Affordable Housing, U.S. Bank

Lisa.gutierrez@usbank.com

(916) 498-3457

Lender for Ulric I; US Bank is tax credit investor on multiple projects including Morgan Tower, Kimball Tower.

3. Keith Neves

Assistant City Manager, City Of Lake Forest

(949) 461-3431



Community
HousingWorks

Question #40 - Construction Manager's Resume

ROBERT R HENDERSON

8030 La Mesa Blvd, #469, La Mesa, CA 91942 | H: 619-467-7453 | C: 619-980-8699 | rhendersonconsulting@gmail.com

SUMMARY

Proactive Project Manager experienced in managing a variety of construction teams and projects. Successful in creating effective communication between personnel, general contractors and the management team. Extensive knowledge in the overall development of raw land into a myriad of residential, commercial, public, and industrial uses. Expertise in the construction of residential housing (single-family detached, single-family attached, multi-family units (apartments & condominiums)) for both market rate and affordable development/developers. Includes working with both the public and/or private sectors by ensuring proper planning, development, redevelopment, and local code enforcement is adhered to.

HIGHLIGHTS

Permit processing	Residential construction specialist
Building codes and regulations	Organized and detail-oriented
Blueprint fluency	Superb management skills
Project budgeting	Cost control
Baseline schedules creation	

ACCOMPLISHMENTS

Held a 100% success rate on assigned projects. Completed construction management for various affordable developments in the post-Katrina era of New Orleans, Louisiana. Completed construction management for various projects that received the LEED for Homes "Platinum" certifications and the Build It Green; GreenPoint Rated certifications. CM on Avocado Court Apartments in Escondido, CA which additionally was a pilot program for GeoPower of Japan, by incorporating use of their in-ground air HVAC system (first of its kind in the United States). I have been a guest speaker at numerous conventions, panels, and workshops (i.e.; Solar Power International Convention, US Department of Housing & Urban Development, USGBC, AIA, California Energy Commission, San Diego Housing Federation, City of Chula Vista, and the City of San Diego) concerning renewable energy and Green/Sustainable Building for the Affordable Housing industry. My project (Kalos) received the USGBC national award for Outstanding Affordable Project of the year, in 2013.

EXPERIENCE

01/1991 to Current

President

Henderson Consulting - San Diego, CA

A management consultant service company that provides Project/Construction Management services to those involved in the real estate development, home building, and construction industries. The services being provided are based upon the client's needs and are "tailor-made" to exceed the client's expectations.

Through the providing of: project evaluations, feasibility studies, construction budgets, construction schedules, subcontractor bidding, subcontractor contract management, and the creation & administration of project proformas.

By ensuring that proper advanced planning and controls are instituted to underwrite the success of any complex project.

Extensive knowledge in Green/Sustainable Building methods to insure that development is "carbon-neutral" as much as possible.

Managed numerous projects with budgets from \$5M to over \$50M within numerous states throughout the southwest (Louisiana, Texas, New Mexico, Arizona, & California)

01/1995 to 01/1998

Construction Field Manager

Cornerstone Communities - San Diego, CA

Directly responsible for the daily construction activities of residential homes within the "award-winning" Scripps Ranch Villages development

- Aspire project (San Diego), Quail Run project (Encinitas), and the Seaside @ Cardiff project (Encinitas), Coordinated, contracted, purchased, and scheduled all work with every subcontractor; from grading to final inspections of all homes on a daily basis (offsite & onsite). This also included all city, county, and Federal (FHA & VA) inspections and final bond releases.
- Reviewed and interpreted plans to insure construction complied with the architects, engineers, and consultant's; designs, drawings, and specifications.
- Created scheduling programs and Quality Control procedures to determine the project performance and track its status on a daily basis.
- Helped re-write all subcontractors "scope of work"; detailing their duties.
- 01/1991 to 01/1995 President
Henderson Consulting - San Diego, CA
- 01/1989 to 01/1991 Project Manager
The Costa Group - San Diego, CA
Coordinated the forward planning and land acquisitions for numerous projects throughout Southern California.
This included the selection and contracting of all consultants.
Directly involved in negotiations with numerous governmental agencies and utility companies.
Directed the design and implementation of all plans for development. Duties also consisted of communication with all lenders, joint venture partners, and equity investors while developing initial cost breakdowns, cash-flow projections, and development schedules.
Reviewed and approved invoices for the each project, created and monitored proformas, and updated all parties of the project's status.
Prepared and implemented early problem assessments and managed the daily operation of each project to ensure completion before schedule and under budget.
Managed the rights of way, easement and dedication processes.
- 01/1988 to 01/1989 Project Manager
Residential Developers Fund - San Diego, CA
Responsible for the coordination of all phases of residential home construction financing between Residential Developers Fund (RDF) and their joint venture developer partners.
Duties included underwriting potential projects by performing market studies, appraisal reviews, cost audits, and construction schedule audits.
These operations were performed to determine that the project had potential investment possibilities.
Once the project became a joint venture duties became; monitoring the project to evaluate its status in relation to projected profit margins and advising RDF senior management of possible options to insure their investment.
- 01/1987 to 01/1988 Vice President Arizona Operations
R.A. Homes, Inc - Phoenix, AZ
Provided all direct communication with various municipal and governmental agencies.
Selected and directed all consultants and subcontractors for approximately fourteen (14) different development projects throughout the metropolitan Phoenix Valley Area including the purchase and eventual selling of 2 development projects in Southern California.
Identified potential property to be subdivided into; residential, industrial, and commercial development uses.
Monitored costs, timescales and resources used to achieve profit goals
Developed new analytics tool to allow senior management to understand the impact of each project.
- 01/1984 to 01/1987 Offsite Superintendent
Shea Homes, Inc - Walnut, CA

Coordinated and directed all offsite construction activities in conjunction with the verification and direction of engineering activities for the combined 1,700 acre Laguna Heights and Bear Brand Master Planned Communities, both award winning in Orange County. In addition, duties included the bidding, contract negotiations, and supervision of all subcontractors involved in offsite construction. Facilitated processing of RFI's, submittals and samples among the general contractor, the owner and the owner's consultants.

EDUCATION

1985

Bachelor of Science Degree: Construction Engineering
California State Polytechnic University - Pomona
Top 10% of class
Recipient of AGC Scholarship



Community
HousingWorks

Biography

Robert Henderson
Henderson Consulting
Project/Construction Manager

Robert Henderson has over 38 years of experience in real estate construction and development in the residential housing market. This includes numerous years of development of housing in several states; California, Arizona, New Mexico, Louisiana, and Texas. In several of these states he has provided affordable housing to many residents through those states low-income housing tax credit programs. Through the years he has held the position of: Director of Construction, Vice President of Land Acquisition, Vice President of Operations, Project Manager, Construction Manager, Field Manager and Superintendent.

Henderson Consulting's extensive knowledge of construction, design, and development is invaluable to many developers and general contractors by insuring a project's viability through the use of construction management principles. As being part of an overall TEAM management style, he has been responsible for coordination of various consultants (i.e.; engineers, architects, and designers) and general contractors. Mr. Henderson has a Bachelor of Science Degree in Construction Engineering from California Polytechnic University, Pomona. His education and experience has been instrumental in the development of over 12,500 residential units (single-family detached, single-family attached, multi-family, & senior), commercial, office, and retail for numerous projects in numerous states. Henderson Consulting completed construction management for various affordable developments in the post-Katrina era of New Orleans, Louisiana. Henderson Consulting completed construction management of the LEED for Homes "Platinum" certified Los Vecinos project in Chula Vista, CA for Wakeland Housing and Development Corporation. Henderson Consulting also completed Parkside Apartments in San Diego, CA for Wakeland, which was awarded LEED for Homes Mid-Rise "Platinum" certification. Henderson Consulting has also completed Brighton Place Apartments in Poway, CA for San Diego InterFaith Housing, which is a Build It Green; GreenPoint Rated certified development (1st multi-family apartment in Southern California). Henderson Consulting also completed Kalos Apartments in San Diego, CA for Community HousingWorks which is a LEED for Homes Mid-rise "Platinum" certified project. Also worked on the Avocado Court Apartments in Escondido, CA which is a Build It Green, GreenPoint Rated certified development; which additionally is a pilot program for GeoPower of Japan, by incorporating use of their HVAC system (first of its kind in the United States). Henderson Consulting completed Parkside Terrace and Roselawn Manor both of which were LEED for Homes "Platinum" certified in the state of New Mexico for Emmerson Construction/Chelsea Investment Corporation. Robert Henderson has been a guest speaker at numerous conventions, panels, and workshops (i.e.; Solar Power International Convention, US Department of Housing & Urban Development, United States Green Building Council, American Institute of Architects, California Energy Commission, San Diego Housing Federation, City of Chula Vista, and the City of San Diego) concerning renewable energy and Green/Sustainable Building for the Affordable Housing industry.

Henderson Consulting is a Certified Green Building Professional member of "Build it Green" (GreenPoint Rated California) and has aspiration of becoming a LEED AP consultant.



Community
HousingWorks

Project Completion List

Project Completion List (last 10-years)

<u>Name (Location)</u>	<u>Description</u>	<u>Date</u>	<u>Overall Construction Cost</u>
• Parkwood (Falls Church, VA)	225 apartment units	completed 2/20	\$16.3M (rehab construction)
• Federation Tower -senior (Long Beach, CA)	50 apartment units	completed 1/20	\$2.4M (rehab construction)
• Rev. Glenn Allison (San Diego, CA)	58 apartment units	completed 9/18	\$3.7M (rehab construction)
• North Park Seniors (San Diego, CA)	76 apartment units	completed 3/18	\$15M (new construction)
• Roselawn Manor (Artesia, NM)	65 apartment units	completed 9/17	\$10.3M (new construction)
• Parkside Terrace (Hobbs, NM)	63 apartment units	completed 9/17	\$10.7M (new construction)
• KALOS Apartments (San Diego, CA)	83 apartment units	completed 2/13	\$15M (new construction)
• Avocado Court (Escondido, CA)	36 apartment units	completed 10/12	\$6M (new construction)
• Los Robles de Cortez (Vista, CA)	76 apartment units	completed 6/13	\$6M (rehab construction)
• N. Pauline Street Apartments (Anaheim, CA)	10 apartment units	prepared Report 6/11	n/a
• Velare Street Apartments (Santa Ana, CA)	14 apartment units	prepared Report 1/12	n/a
• Trojan Street Apartments (San Diego, CA)	82 apartment units	prepared Report 3/11	n/a
• Indiana Homes (New Orleans, LA)	60 SFD Units	completed 7/10	\$7M (new construction)
• Elmwood Homes (New Orleans, LA)	40 SFD Units	completed 7/10	\$5M (new construction)
• Orleans Place (New Orleans, LA)	60 duplex units	completed 5/10	\$8M (new construction)
• Trolley Apartments (San Diego, CA)	70 apartment units	prepared Report 11/09	n/a
• Vista Grande (San Diego, CA)	49 apartment units	completed 9/11	\$5M (rehab construction)
• Village Green (San Diego, CA)	93 apartment units	completed 10/10	\$7.5M (rehab construction)
• Parkside (San Diego, CA)	77 apartment units		
	10,000 sf church	completed 1/10	\$23M (new construction)
• Brighton Place (Poway, CA)	77 apartment units	completed 12/11	\$14M (new construction)



Community
HousingWorks

History of Project Involvement

PROJECT INVOLVEMENT HISTORY

Henderson Consulting (Community Housing Works)

- Keeler Court (San Diego, CA) 71 apartment units
- Paseo Artist Village (Vista, CA) 60 apartment units

Henderson Consulting (MRK Partners)

- Federation Tower (Long Beach, CA) 50 Senior-apartment units
- Parkwood (Falls Church, Virginia) 225 apartment units
- Casa Devon (Miami, Florida) 210 Senior-apartment units
- Pinole Woods (Pinole, California) 100 Senior-apartment units
- Hillside, Ventana, Granite (Oakland, CA) 99 apartment units

Henderson Consulting (Wakeland Housing & Development Corporation)

- Rev. Glenn Allison (San Diego, CA) 58 apartment units

Henderson Consulting (Community Housing Works)

- North Park Senior (San Diego, CA) 76 Senior-apartment units
- Windsor Gardens (Escondido, CA) 132 Senior-apartment units
- Parkside Terrace (San Jose, CA) 201 apartment units
- Ulric Street (San Diego, CA) 36 apartment units
- Little Zion Apartments (San Bernadino, CA) 125 apartment units

Henderson Consulting (Emmerson Construction)

- Roselawn Manor (Artesia, NM) 65 apartment units
- Parkside Terrace (Hobbs, NM) 63 apartment units
- Rancho del Sol (San Diego, CA) 96 apartment units
- Las Palmeras (Imperial, CA) 56 apartment units
- Villa Primavera (Calexico, CA) 48 apartment units

Henderson Consulting (Townspeople)

- 34th Street Apartments (San Diego, CA) –solar PV 35 apartment units

Henderson Consulting (Community Housing Works)

- KALOS Apartments (San Diego, CA) 83 apartment units
- Avocado Court Apartments (Escondido, CA) 36 apartment units
- Los Robles de Cortez Apartments (Vista, CA) 76 apartment units

Henderson Consulting (Irvine Housing Opportunities)

- N. Pauline Street Apartments (Anaheim, CA) 10 apartment units
- Velare Street Apartments (Santa Ana, CA) 14 apartment units

PROJECT INVOLVEMENT HISTORY

Henderson Consulting (Chicano Federation- San Diego)

- Trojan Street Apartments (San Diego, CA) 82 apartment units

Henderson Consulting (Lambeth Construction of Louisiana)

- Indiana Homes (New Orleans, LA) 60 SFD Units
- Elmwood Homes (New Orleans, LA) 40 SFD Units
- Orleans Place (New Orleans, LA) 60 duplex units

Henderson Consulting (Diamond Management, Inc. /Jacobs Foundation)

- Trolley Apartments (San Diego, CA) 70 apartment units

Henderson Consulting (Wakeland Housing & Development Corporation)

- Lillian Place (San Diego, CA) 79 apartment units
- Country Club (Oceanside, CA) 91 apartment units
- Los Vecinos (Chula Vista, CA) 42 apartment units
- Parkside (San Diego, CA) 77 apartment units
10,000 sf church
- Village Green (San Diego, CA) 93 apartment units
- Vista Grande (San Diego, CA) 49 apartment units

Henderson Consulting (San Diego Interfaith Housing Foundation)

- Renaissance @ North Park (San Diego, CA) 112 senior apartment units
- Brighton Place (Poway, CA) 77 apartment units

Henderson Consulting (Carter Reese & Associates/Uptown Builders)

- Skyline Terrace Estates (San Diego, CA) 30 SFD Units
- Encanto Urban Village (San Diego, CA) 26 SFD/A Units
- Renaissance @ North Park (San Diego, CA)
 - Lane Homes 24 townhome units
 - Affordable Row Homes 14 townhome units
 - Retail building 6,800sf retail
- Citrus Heights (Lemon Grove, CA) 79 SFD Units
- Creekside (San Diego, CA) 26 townhome units
- Lisbon Estates (San Diego, CA) 22 SFA units
- Mesa Commons I & II (San Diego, CA) 1,200 sf retail
23 townhome units
33 stacked condo

Henderson Consulting (Trans West Housing)

- Hillcrest Estates (Fallbrook, CA) 18 SFD Units
- Vintage (Vista, CA) 35 SFD Units
- Clearcrest (Fallbrook, CA) 15 SFD Units
- City Heights Urban Village (San Diego, CA) 116 townhome apartments
6-story office building
4-story parking structure
- Private Residence (La Jolla, CA) 6,564 sf

PROJECT INVOLVEMENT HISTORY

- Private Residence (La Jolla, CA) 7,200 sf
- Temecula Creek (Temecula, CA) 400 apartment units
163,000 sf commercial/industrial
- Park & Robinson (San Diego, CA) 13 townhome units
9,000 sf retail/commercial

Henderson Consulting (Wermers Multi-Family Corporation)

- City Lights (Aliso Viejo, CA) 426 apartment units
- Manzanita Apartments (Carlsbad, CA) 128 apartment units

Henderson Consulting (The Encinas Group)

- Westwood (Albuquerque, New Mexico) 264 apartment units
- River Heights (Blythe, CA) 81 senior apartment units
- Village @ Fox Creek (Killeen, Texas) 128 townhome units
- The Timbers (Austin, Texas) 108 apartment units
- Casitas “Casa Hernandez” (Delano, CA) 80 senior apartment units
- Arrowhead Ridge (Albuquerque, New Mexico) 180 apartment units

Cornerstone Communities

- Aspire @ Scripps Ranch Village (San Diego, CA) 125 SFD Units
- Quail Run (Encinitas, CA) 23 SFD Units
- Seaside @ Cardiff (Encinitas, CA) 44 SFD Units
- Encinitas Ranch Master Planned Community (Encinitas, CA)

Henderson Consulting (Talcon Ventures, LP & Midlantic Bank)

- The Willows (Temecula/Murrieta Area, CA) 388 SFD Units
- Newport Estates (Sun City/ Menifee Area, CA) 878 SFD Units
- Ridgeview Estates (Chatsworth, CA) 175 SFD Units
- Sunridge Country (Oceanside, CA) 198 SFD Units

The Costa Group

- The Willows (Temecula/Murrieta Area, CA) 388 SFD Units
- Newport Estates (Sun City/ Menifee Area, CA) 878 SFD Units
- Vineyard Crest (Temecula, CA) 20 SFD Units
- The Vineyard (Temecula, CA) 174 SFD Units
- Silverado North (Temecula, CA) 61 SFD Units
- Silverado South (Temecula, CA) 125 SFD Units
- CrossCreek (Temecula, CA) 95 SFD Units
- Borden Estates (San Marcos, CA) 47 SFD Units

Residential Developers Fund

- Sunridge Country (Oceanside, CA) 198 SFD Units
- Silverado North (Temecula, CA) 61 SFD Units
- Gordon Ranch (Chino Hills, CA) 273 SFD Units
- New Traditions @ Butterfield Ranch (Chino Hills, CA) 137 SFD Units
- Moreno Valley Ranch (Moreno Valley, CA) 276 SFD Units

PROJECT INVOLVEMENT HISTORY

- Sequan Estates (Alpine, CA) 42 SFD Units
- Vista Royale (West Covina, CA) 68 SFD Units
- Rincon Village (Chino Hills, CA) 450 SFD Units

RA Homes, Inc.

- Sierra del Oro (Corona, CA) 130 SFD Units
- Rancho San Clemente (San Clemente, CA) 135 SFA Units
- Madera Parc (Gilbert, AZ) 447 SFD Units
- Desert Shires (Scottsdale, AZ) 91 SFD Units
- Remington Trace @ Mountainside (Phoenix, AZ) 108 SFD Units
- Waterford Bay @ Lakewood (Phoenix, AZ) 133 SFD Units
- Harbor Cove @ The Islands (Gilbert, AZ) 99 SFD Units
- Cobblestone Bay @ Garden Lakes (Avondale, AZ) 111 SFD Units
- Concord Place (Mesa, AZ) 52 SFD Units
- Stoneybrook III (Mesa, AZ) 62 SFD Units
- South Ranch (Phoenix, AZ) 206 SFD Units
- Concord Village (Mesa, AZ) 128 SFA Units

Shea Homes, Inc.

Laguna Heights Master Planned Community (Laguna Niguel, CA) 2,455 overall planned units

- Crystal Cay 303 Condominium Units
- Seaside Meadows I 250 Apartment Units
- Seaside Meadows II 349 Apartment Units
- Palmcourt 349 Condominium Units
- Mariners Bluff 198 SFD Units
- The Palisades 103 SFD Units
- The Palisades II 68 SFD Units
- Sea Breeze 71 SFD Units
- Saltaire 114 SFA Units
- Niguel Point 144 townhome Units
- San Juan Regional Park

Bear Brand Master Planned Community (Dana Point, CA) 1,707 overall planned units

- Brookview I 46 Apartment Units
- Brookview II 354 Apartment Units
- Breakers 96 Condominium Units
- Encantamar 47 Condominium Units