



EXECUTIVE SUMMARY

MEETING DATE: July 21, 2023

HCR23-059

SUBJECT: Loan Modification, Preliminary Bond Authorization, and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing for Bandar Salaam Apartments

COUNCIL DISTRICT: 9

ORIGINATING DEPARTMENT: Real Estate

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

REQUESTED ACTION:

Approve: 1) the transfer and extension of an existing San Diego Housing Commission loan, currently estimated at \$2,248,782, from the owner Winona Gardens Housing Associates, L.P., to Winona Avenue Housing Associates, LP, a California limited partnership and 2) take the initial steps to issue up to \$13,000,000 in Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds to facilitate the acquisition and rehabilitation of an affordable housing development at 3810 Winona Avenue, San Diego, CA 92105, in the City Heights neighborhood of San Diego, which consists of 67 units that are affordable for 55 years for families earning 45 percent to 50 percent of San Diego's Area Median Income, and one unrestricted manager's unit.

EXECUTIVE SUMMARY OF KEY FACTORS:

- The Bandar Salaam Apartments development currently serves families earning between 45% and 50% of San Diego's Area Median Income (AMI).
- The several major transit lines that run along both 54th street and University Avenue serve the property.
- There is significant degradation of existing unit interiors due to long-term occupancy of the units. The proposed rehabilitation prioritizes health and safety, seismic and accessibility and replacement of systems.
- In July 2000, the Housing Commission provided a \$2,100,000 residual receipts loan, with 3 percent simple interest, to Winona Gardens Housing Associates, L.P., of which Community HousingWorks is the managing member for Bandar Salaam.
- The Housing Commission's existing 55-year loan affordability restrictions remain in effect until August 31, 2056. If the staff-recommended action items are approved, the original loan (principal plus interest) from 2000 would be recast in its entirety to a new 55-year term, which is deemed necessary to secure financing and ensure the project is financially feasible.
- By recasting the loan, the property's affordability will be preserved for an additional 22 years. The new 55-year term will expire in 2078 instead of 2056.
- Community HousingWorks is a nationally recognized 501(c)(3) nonprofit organization that develops, rehabilitates, preserves and operates affordable apartment communities.
- All residents will have access to a range of organized community activities, including social events and celebrations, health and wellness classes, and financial education provided by Community HousingWorks, at no cost to the resident.
- Residents will be temporarily relocated during the rehabilitation of their unit for approximately two weeks. During this time, all residents will have arrangements made for a nearby hotel at no cost or will be given a stipend in lieu of the hotel, if they prefer to make their own arrangements. Residents will also receive a meal stipend to ensure that they have no out-of-pocket costs.
- Bandar Salaam has an estimated total development cost of \$21,389,405 (\$314,550 per unit).



REPORT

DATE ISSUED: July 13 2023

REPORT NO: HCR23-059

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of July 21, 2023.

SUBJECT: Loan Modification, Preliminary Bond Authorization, and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing for Bandar Salaam Apartments

COUNCIL DISTRICT: 9

REQUESTED ACTION

Advance notice of San Diego Housing Commission hearing of the following matter has been provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(A)-(B) for Staff Recommendation No. 1

Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) hearings are scheduled to be heard by the San Diego Housing Commission (Housing Commission) Board of Commissioners on July 21, 2023, at 9 a.m. Any two members of the Housing Authority of the City of San Diego (Housing Authority) or San Diego City Council (City Council) may request that these hearings not take place and instead be heard by the Housing Authority and City Council by giving notice to the Housing Commission's President & Chief Executive Officer, or designee, within seven days of the date of this notice.

Approve: 1) the transfer and extension of an existing San Diego Housing Commission loan, currently estimated at \$2,248,782, from the owner Winona Gardens Housing Associates, L.P., to Winona Avenue Housing Associates, LP, a California limited partnership and 2) take the initial steps to issue up to \$13,000,000 in Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds to facilitate the acquisition and rehabilitation of an affordable housing development at 3810 Winona Avenue, San Diego, CA 92105, in the City Heights neighborhood of San Diego, which consists of 67 units that are affordable for 55 years for families earning 45 percent to 50 percent of San Diego's Area Median Income, and one unrestricted manager's unit.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) take the following actions, as described in this report.

- 1) Approve the transfer and extension of an existing Housing Commission loan, currently estimated at \$2,248,782 from the owner Winona Gardens Housing Associates, L.P., to Winona Avenue Housing Associates, LP, a California limited partnership.
- 2) Authorize the Housing Commission's President and Chief Executive Officer (President & CEO), or designee, to:

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- a. Execute all necessary documents and instruments to effectuate these transactions and implement the project, in a form approved by the General Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement the approvals upon advice of the General Counsel, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner;
 - b. Adjust financing terms/conditions, as necessary, for consistency with requirements of other funding sources or to accommodate market changes that may occur for the existing Housing Commission loan; and
 - c. Substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President & CEO, or designee, to take such actions as are necessary, convenient, and/or appropriate to implement this approval and delegation of authority by the Housing Commission upon advice of the General Counsel.
- 3) Approve the following steps to issue up to \$13,000,000 in Housing Authority of the City of San Diego (Housing Authority) tax-exempt Multifamily Housing Revenue Bonds to facilitate Winona Avenue Housing Associates, LP's acquisition and rehabilitation of the Bandar Salaam Apartments at 3810 Winona Avenue, San Diego, CA 92105, in the City Heights neighborhood, which consists of 67 units affordable for 55 years for individuals and families earning 45 percent to 50 percent of San Diego's Area Median Income (AMI) and one unrestricted manager's unit:
- a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$13,000,000 in tax-exempt Multifamily Housing Revenue Bonds supporting the preservation of the Bandar Salaam Apartments by a to-be-formed California limited partnership;
 - b. Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount up to \$13,000,000 for the Bandar Salaam Apartments; and
 - c. Approve the financing team of Quint and Thimmig as the Bond Counsel and CSG Advisors as the Financial Advisor
- 4) Authorize the Housing Commission's President and Chief Executive Officer (President & CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and Bond Counsel and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or the Bond Counsel.
- 5) Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$13,000,000 to facilitate the development of the Bandar Salaam Apartments.

SUMMARY

Table 1 – Development Details

| | |
|---------------------|---|
| Address | 3810 Winona Avenue, San Diego, CA 92105 |
| Council District | Council District 9 |
| Community Plan Area | City Heights Area Community Plan |
| Developer | Community Housing Works |

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| | |
|---|---|
| Development Type | Preservation; Acquisition and Rehabilitation |
| Construction Type | Type V, three 2-story buildings |
| Parking Type | 82 total parking stalls; 24 Solar panel covered spaces, 58 uncovered spaces |
| Mass Transit | Public bus stop (route 7) located within 0.3 miles from Bandar Salaam Apartments at University and Winona Avenue. |
| Housing Type | Affordable Large Family |
| Accessibility | Wheelchair accessibility in 10 percent of the units, and 4 percent of the units accessible to residents with visual and/or hearing impairment. |
| Lot Size | 2.92 Acres |
| Units | 67 affordable units and one unrestricted manager's unit |
| Density | 23 dwelling units/acre; (68 units ÷ 2.92 acres) |
| Unit Mix | 16 one-bedroom, 31 two-bedroom (includes 1 unrestricted manager unit), 17 three-bedroom, 2 four-bedroom units and 2 five-bedroom units |
| Gross Building Area | 56,976 square feet |
| Net Rentable Area | 52,268 square feet |
| Affordable Units in Service by Council District | Council District 9 includes 2,933 affordable rental housing units currently in service, which represents 11percent of the 25,527 affordable rental housing units in service citywide. |

The Development

Acquired by Community Housing Works in 1999, Bandar Salaam Apartments at 3810 Winona Avenue consists of a 68-unit multifamily apartment complex made up of three residential buildings and one maintenance shed. The development currently serves families earning between 45% and 50% of AMI. The project was constructed in 1971 on a single 2.92-acre parcel of land with a concrete slab-on-grade foundation with perimeter and interior footings under load-bearing structures. A site map is included as Attachment 1.

The residential buildings are conventional wood-frame and have been constructed in a two-story garden-style walk-up configuration with exterior stair access. The exterior façade is painted stucco with pitched asphalt shingle roofs installed in 2000. The current use of the property will be consistent with the post-renovation property use of serving the large families who reside in the development.

Currently, there is significant degradation of existing unit interiors due to long-term occupancy of the units. The proposed rehabilitation prioritizes health and safety, seismic and accessibility, and replacement of systems and will help preserve the affordability of the property for a new 55-year term. Interiors scope will include mold identification and remediation, unit floors, cabinet, countertop and bathtub resurfacing, windows and screens, appliances and carpet. Exteriors scope includes Americans with Disabilities Act (ADA) parking improvements, a complete revamp of the existing community center with a computer lab, central courtyard and a repaved basketball court, landscape and drainage improvement, and reroofing of all three residential buildings. Community Housing Works spent \$115,000 in 2022 to replace all playground equipment. The site has 24 solar array covered (offsets common area utilities) parking spaces and 58 uncovered spaces, totaling 82 total parking spots. The Bandar Salaam units will be accessible in accordance with the Americans with Disabilities Act and Section 504.

Bandar Salaam is owned by Winona Gardens Housing Associates, LP, of which the General Partner and managing member is CHW. Upon re-syndication, Winona Avenue Housing Associates, LP will purchase

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the property at its appraised value, with CHW Winona Avenue, LLC as the General Partner and CHW as the managing member.

In July 2000, the Housing Commission provided a \$2,100,000 residual receipts loan, with 3 percent simple interest, to Winona Gardens Housing Associates, L.P., for Bandar Salaam. . The Housing Commission's existing 55-year loan affordability restrictions remain in effect until August 31, 2056. With the above-listed action items, the original loan (principal plus interest) from 2000 would be recast in its entirety to a new 55-year term, which is deemed necessary in order to secure necessary financing and ensure the project is financially feasible. By recasting the loan, the property's affordability will be preserved for an additional 22 years. The new 55-year term will expire in 2078 instead of 2056.

The Property

The property is a block south of University Avenue on Winona Avenue and just west of 54th Street in the Mid-City San Diego neighborhood of Colina Park. The development was built in 1971 and includes three buildings that consist of a mix of 68 one-, two-, three-, four- and five-bedroom apartments on a 2.92-acre site.

To the north are Colina Del Sol Park and Golf Course, Fay Elementary School and Vien Dong supermarket. Northgate Market, Burlington Coat Factory, Jacob Healthcare Center and New Roots Community Farm are all within a half mile. The several major transit lines that run along both 54th street and University Avenue serve the property.

Building Conditions/Proposed Rehabilitation Work

Bandar Salaam needs substantial rehabilitation work to address hazardous structural and building systems defects, as well as deferred maintenance and capital improvements that are approaching the end of their useful life. The scope of the proposed rehabilitation work per the Physical Conditions Report dated April 27, 2023 is included as Attachment 2. The developer's pro forma currently estimates full tax credit rehabilitation costs at \$4,057,030 (\$59,662 per unit) including all hard costs for interior and exterior renovations and a 10 percent construction cost contingency.

Resident Services

All residents will have access to a range of organized community activities, including social events and celebrations, health and wellness classes, and financial education provided by Community Housing Works, at no cost to the resident. In addition to a year-round service coordinator, 10 hours per week of after-school tutoring will be available, per CDLAC/TCAC minimum requirements.

Prevailing Wages

The proposed development is not subject to payment of California state nor federal prevailing wages because the developer is not proposing to use either California state or federal financing that requires prevailing wages.

Appraisal

An appraisal of the subject property with an effective date of June 15, 2023, valued the property at \$11,000,000. The appraisal was obtained by the developer and was conducted by James G. Palmer Appraisals, Inc.

Relocation

No residents of Bandar Salaam will be permanently displaced due to this rehabilitation. Preliminary Relocation Plans confirm residents will be temporarily relocated during the rehabilitation of their unit for a period of approximately two weeks. During this time, all residents will have arrangements made for a nearby hotel at no cost or will be given a stipend in lieu of the hotel, if they prefer to make their own arrangements. Residents will also receive a meal stipend to ensure that they have no out-of-pocket

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costs. Prior to CDLAC application, a comprehensive final Relocation Plan will be finalized in accordance with CTCAC Regulation 10322(H)(28). The developer intends that the temporary relocation will comply with all local, state and federal relocation laws, including the Federal Uniform Relocation Act. The development team has budgeted \$243,000 for temporary relocation expenses during the rehabilitation period.

Accessibility

CTCAC requires wheelchair accessibility in 10 percent of the units, and an additional 4 percent of the units are required to have communication features for residents with visual and/or hearing impairment. The same units can satisfy both accessibility requirements. The Bandar Salaam Apartments units will be accessible in accordance with the ADA and Section 504.

Project Sustainability

Bandar Salaam Apartments' rehabilitation will meet or exceed relevant CTCAC minimum energy efficiency standards. To achieve this, CHW's rehabilitation of Bandar Salaam will include the installation of sitewide LED lighting updates, water-efficient landscaping, energy star appliances, and replacement of solar water heaters and photovoltaic solar panels (as required).

Development Team

In 1999, Winona Gardens Housing Associates, L.P., purchased what is now referred to as the Bandar Salaam Apartments at 3810 Winona Avenue, San Diego, CA 92105. CHW is the General Partner of Winona Gardens Housing Associates, L.P.

Prior to the re-syndication of Bandar Salaam, the newly formed limited partnership in the name of Winona Avenue Housing Associates, L.P. will acquire the property. CHW Winona Avenue, LLC is the General Partner of Winona Avenue Housing Associates, L.P. The Sole member/Manager of the limited liability company (CHW Winona Avenue LLC) is CHW. ConAm Management Corporation currently manages and will continue to manage the property after re-syndication. See Attachment 3 – Organization.

Founded in 1988, CHW is a nationally recognized 501(c)(3) nonprofit organization that develops, rehabilitates, preserves and operates affordable apartment communities in San Diego and throughout California.

In addition to providing working families and seniors with stable homes in healthy communities, they layer in programs, services and connections to resources. These tools help people attain financial stability, improve their health and overall well-being, and set school-age children up for success in the classroom and beyond.

CHW owns over 4,200 apartments in 47 communities in California and Texas, serving more than 11,000 working families, children and seniors. They are an exemplary-ranked member of the national NeighborWorks Network®, an award-winning affiliate of UnidosUS and a member of the prestigious Housing Partnership Network.

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

Table 2 - Development Team Summary

| ROLE | FIRM/CONTACT |
|-------------|------------------------|
| Developer | Community HousingWorks |

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| | |
|-------------------------------------|--------------------------------------|
| Owner/Borrower | Winona Avenue Housing Associates, LP |
| Managing General Partner | CHW Winona Avenue, LLC |
| Administrative General Partner | To be determined |
| Tax Credit Investor Limited Partner | To be determined |
| Architect | The John Stewart Company |
| General Contractor | Sun Country Builders |
| Property Management | ConAm Management Corporation |
| Construction and Permanent Lender | To be determined |
| Tenant Services Providers | Community Housing Works |

Property Management

ConAm Management Corporation (ConAm) will manage Bandar Salaam Apartments. Established in 1975, ConAm is a nationwide management company, based in San Diego, with a management portfolio of approximately 53,000 units in more than 26 metropolitan areas. It is experienced in property management, marketing, maintenance, renovations and tax credit developments. ConAm manages 25 developments for CHW.

FINANCING STRUCTURE

Bandar Salaam Apartments has an estimated total development cost of \$21,389,405 (\$314,550/unit). Financing will include a combination of sources as described in Table 3. The developer’s pro forma is included as Attachment 4 and summarized below. No new Housing Commission cash loan funds are proposed for Bandar Salaam Apartments, only the proposed recast existing loan from 2000 to a new 55-year term, which preserves the property’s affordable status.

Table 3 – Estimated Sources and Uses of Financing

| Financing Sources | Amount | Financing Uses | Amount | Per Unit |
|----------------------------|---------------------|-----------------------------|---------------------|------------------|
| Tax Credit Equity | \$7,594,630 | Acquisition & Closing Costs | \$11,004,500 | 161,831 |
| Bond Financed Perm Loan | 2,790,000 | Hard Costs | 4,087,030 | 60,103 |
| SDHC Rollover Soft Loan | 2,248,782 | Architecture & Engineering | 545,000 | 8,015 |
| Rolled Reserves | 370,997 | Financial Costs | 1,525,666 | 22,436 |
| Seller Carryback Note | 7,102,471 | Soft Debt Accrued Interest | 67,463 | 992 |
| Deferred Developer Fee | 448,603 | Reserves | 523,536 | 7,699 |
| GP “In-Kind” Contribution | 480,585 | Local Permits & Fees | 125,000 | 1,838 |
| Accrued Soft Debt Interest | 67,463 | Fees & Syndication | 70,000 | 261 |
| Income from Operations | 230,568 | Other Soft Costs | 903,729 | 13,290 |
| Refunds | 55,306 | Developer Fee | 2,537,480 | 9,468 |
| | | | | |
| Total Sources | \$21,389,405 | Total Uses | \$21,389,405 | \$314,550 |

Developer Fee

\$2,537,480 - gross developer fee
 - 480,585 - minus GP “In-Kind” Contribution
- 448,603 - minus deferred developer’s fee
 \$1,568,292 - net cash developer’s fee

On April 25, 2017, the Housing Authority approved the “Request for Approval of Updated Developer Fees” (Report No. HAR17-011; Resolution No. HA-1727). That report approved certain developer fee guidelines for multifamily loans and bond issuances. Attachment 1 to that report stated: “Developer Fee [for] 4% tax credits, in project costs: 15% eligible basis....” The proposed developer’s fee complies with the HAR 17-011 “Request for Approval of Updated Developer Fees” guidelines approved by the Housing Authority on April 25, 2017.

Development Cost Key Performance Indicators

Housing Commission staff has identified development cost performance indicators, which were used to evaluate the proposed development. The key performance indicators listed in Table 4 are commonly used by real estate industry professionals and affordable housing developers.

Table 4 – Key Performance Indicators

| | | |
|---|---|-----------|
| Development Cost Per Unit | $\$21,389,405 \div 68 =$ | \$314,550 |
| Housing Commission Subsidy Per Unit Recast Loan | $\$2,248,782 \div 68 =$ | \$33,070 |
| Acquisition Cost Per Unit | $\$11,004,500 \div 68 =$ | \$161,831 |
| Gross Building Square Foot Hard Cost | $\$4,087,030 \div 56,976 \text{ sq. ft.} =$ | \$72 |
| Net Rentable Square Foot Hard Cost | $\$4,087,030 \div 52,268 \text{ sq. ft.} =$ | \$78 |

Project Comparison Chart

Multiple factors and variables influence the cost of developing multifamily affordable housing, including but not limited to project location, site conditions, environmental factors, land use approval process, community involvement, construction type, design requirements/constraints, economies of scale, City fees, developer experience and capacity, and the mission and goals of the organization developing the project. Similar construction-type developments (completed or approved) over recent years are listed in Table 5.

These developments are similar in terms of preservation, rehabilitation, development size and construction type and are provided as a comparison to the subject development.

Table 5 – Comparable Development Projects

| New Construction Project Name | Year | Units | Total Development Cost | Cost Per Unit | HC Subsidy Per Unit | Gross Hard Cost Per Sq. Ft. |
|---|-------------|-----------|---|------------------|---------------------|-----------------------------|
| Proposed Subject – Bandar Salaam | 2023 | 68 | \$21,389,405 (w/o prevailing wage) | \$314,550 | \$33,070 | \$72 |
| Tizon | 2021 | 178 | \$50,377,343 (with prevailing wage) | \$283,019 | \$22,568 | \$128 |
| Hacienda Townhomes | 2023 | 52 | \$23,735,118 (with prevailing wage) | \$456,445 | \$99,269 | \$159 |
| Cerro Pueblo | 2023 | 46 | \$17,412,081 (w/o prevailing wage) | \$378,524 | \$0 | \$123 |

TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS

The Housing Commission utilizes the Housing Authority’s tax-exempt borrowing status to pass on lower interest rate financing (and make 4 percent low-income housing tax credits available) to developers of

affordable rental housing. The Housing Authority’s ability to issue bonds is limited under the U.S. Internal Revenue Code. To issue bonds for a development, the Housing Authority must first submit an application to CDLAC for a bond allocation. Prior to submitting applications to CDLAC, developments are brought before the Housing Commission. Housing Commission bond inducement resolutions must be obtained prior to application submittal, and Housing Authority TEFRA resolutions must be secured by the time of project closing. These actions do not obligate the Housing Authority to issue bonds.

The Housing Commission Board is authorized to hold TEFRA hearings pursuant to Multifamily Mortgage Revenue Bond Program Policy Amendments the Housing Authority approved March 9, 2021 (Report No. HAR20-043; Resolution No. HA-1906).

The developer plans to submit a bond allocation application to CDLAC on September 6, 2023, for a December 6, 2023, bond allocation meeting (dates are subject to change at CDLAC’s discretion). However, if necessary, staff will submit additional applications to CDLAC to secure a bond allocation for the proposed development.

The developer will be seeking a CDLAC bond allocation of approximately \$13,000,000 in tax-exempt Multifamily Housing Revenue Bonds. The developer proposes to have the Housing Authority issue the bonds through a tax-exempt private placement bond issuance. The bonds will meet all requirements of the Housing Commission’s Multifamily Housing Revenue Bond Program policy and will fully comply with the City of San Diego’s (City) ordinance on bond disclosure. The developer proposes that the bonds will be used to provide construction and permanent financing for the project. Housing Commission staff will later return to both the Housing Commission and Housing Authority for approval of the final bonds and transaction documents. A general description of the Multifamily Housing Revenue Bond Program and actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings are described in Attachment 5.

Staff recommends assigning Quint and Thimmig as Bond Counsel and CSG Advisors as Bond Financial Advisor to work on the development. The proposed bond financing team members have been selected in accordance with the existing policy for the issuance of bonds. Financial Advisors and Bond Counsels are selected in accordance with the Housing Commission’s Bond Program Policy.

AFFORDABLE HOUSING IMPACT

Affordability

The Bandar Salaam Apartments development will be subject to applicable tax credit and bond regulatory agreements, which will restrict affordability of 67 units for a new 55-year term. The rent and occupancy restrictions required by the CTCAC will be applicable.

Table 6 – Affordability & Monthly Estimated Rent Table

| Unit Type | AMI | Units | CTCAC Gross Rents |
|-----------------------------------|--|-----------|-------------------|
| One bedroom | 45% (\$49,600/year for two-person household) | 4 | \$1,240 |
| One bedroom | 50% (\$55,150/year for two-person household) | 12 | \$1,292 |
| Subtotal One Bedroom Units | -- | 16 | -- |
| Two bedrooms | 45% (\$55,800/year for three-person household) | 7 | \$1,395 |
| Two bedrooms | 50% (\$62,050/year for three-person household) | 23 | \$1,551 |
| Subtotal Two Bedroom Units | -- | 30 | -- |
| Three bedrooms | 45% (\$62,000/year for four-person household) | 16 | \$1,550 |

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|-------------------------------------|---|-----------|---------|
| Three bedrooms | 50% (\$68,900/year for four-person household) | 1 | \$1,791 |
| Subtotal Three Bedroom Units | -- | 17 | -- |
| Four bedrooms | 45% (\$67,000/year for five-person household) | 1 | \$1,675 |
| Four bedrooms | 50% (\$74,450/year for five-person household) | 1 | \$1,998 |
| Subtotal Four Bedroom Units | -- | 2 | -- |
| Five bedrooms | 45% (\$71,950/year for six-person household) | 2 | \$1,799 |
| Subtotal Five Bedroom Units | -- | 2 | -- |
| Manager's two-bedroom unit | -- | 1 | |
| Total Units | -- | 68 | -- |

Under the proposed actions, the Bandar Salaam rent and occupancy restrictions will be extended by an additional 22 years (from 2056 to 2078) with the bond regulatory agreement restrictions taking priority as they will have the strictest affordability terms. By securing the funding, the property's affordable status will be preserved for a new 55-year term. The AMI levels per bedroom type is anticipated to remain the same from pre-rehabilitation to post-rehabilitation.

FISCAL CONSIDERATIONS

The funding sources and uses approved by this proposed action are included in the Fiscal Year (FY) 2024 Housing Commission Budget.

Funding sources approved by this action will be as follows

Bond Issuer Fee – \$13,000,000 (Tax-exempt bonds) X 0.0025 = \$32,500

Total Funding Sources – up to \$32,500

Funding uses approved by this action

Administrative costs - \$32,500

Total Funding Uses - up to \$32,500

Housing Commission approval of the bond inducement and TEFRA resolutions does not commit the Housing Authority to issue the bonds. The bonds would not constitute a debt of the City. If bonds are ultimately issued for the development, the bonds will not financially obligate the City, the Housing Authority or the Housing Commission because security for the repayment of the bonds will be limited to specific private revenue sources of the development. Neither the faith and credit nor the taxing power of the City or the Housing Authority would be pledged to the payment of the bonds. The developer is responsible for the payment of all costs under the financing, including the Housing Commission annual administrative fee, as well as Housing Commission Bond Counsel and Financial Advisor fees.

Estimated Development Schedule

The estimated development timeline is as follows:

| Milestones | Estimated Dates |
|---|------------------------|
| • CDLAC bond & CTCAC tax credit applications | • September 6, 2023 |
| • CDLAC & CTCAC allocation meetings | • December 6, 2023 |
| • Housing Commission final bond authorization | • April 2024 |
| • Housing Authority final bond authorization | • May 2024 |
| • Estimated Bond issuance and escrow/loan closing | • June 2024 |
| • Estimated start of construction work | • June 2024 |
| • Estimated completion of construction work | • April 2025 |

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HOUSING COMMISSION STRATEGIC PLAN

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

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

Community Housing Works anticipates presenting the proposed rehabilitation as an action item to the City Heights Community Planning Group prior to final bond authorization approvals and bond issuance.

EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE

Community Housing Works has stated it is committed to equity and inclusion as both an employer and a service provider. Community Housing Works demonstrates a commitment to advancing racial equity and inclusion through project design and operational policies, throughout the proposed project timeline.

STATEMENT for PUBLIC DISCLOSURE

The developer's Disclosure Statement is at Attachment 6.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders include Community Housing Works as the developer, the Housing Authority as bond issuer and the City Heights neighborhood. The Bandar Salaam Apartments development is anticipated to have a positive impact on the community as it will continue to contribute to the quality of the surrounding neighborhood.

ENVIRONMENTAL REVIEW

This activity is not a "project" and is therefore not subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15060(c)(3). This determination is predicated on Section 15004 of the Guidelines, which provides direction to lead agencies on the appropriate timing for environmental review. This action does not constitute approval of a project. Approval will occur once the environmental review has been completed in accordance with CEQA Section 15004. This action will not foreclose review of alternatives or mitigation measures by the public as part of the CEQA process. The proposed actions are approval of preliminary steps to issue Bonds and do not constitute approval of the development activity or authorization for the issuance of Bonds. Future actions to consider and approve development entitlement approvals related to the future development of the site will require additional review under the provisions of CEQA by the lead agency. Processing under the National Environmental Policy Act (NEPA) is not required as no new federal funds are involved in this action.

Respectfully submitted,

Jennifer Kreutter

Jennifer Kreutter

Vice President, Multifamily Housing Finance
Real Estate Division

Approved by,

Jeff Davis

Jeff Davis

Interim President and Chief Executive Officer
San Diego Housing Commission

- Attachments: 1) Site Map
2) Rehabilitation Summary
3) Organization Chart
4) Developer's Project Pro Forma
5) Multifamily Housing Revenue Bond Program
6) Developer's Disclosure Statements

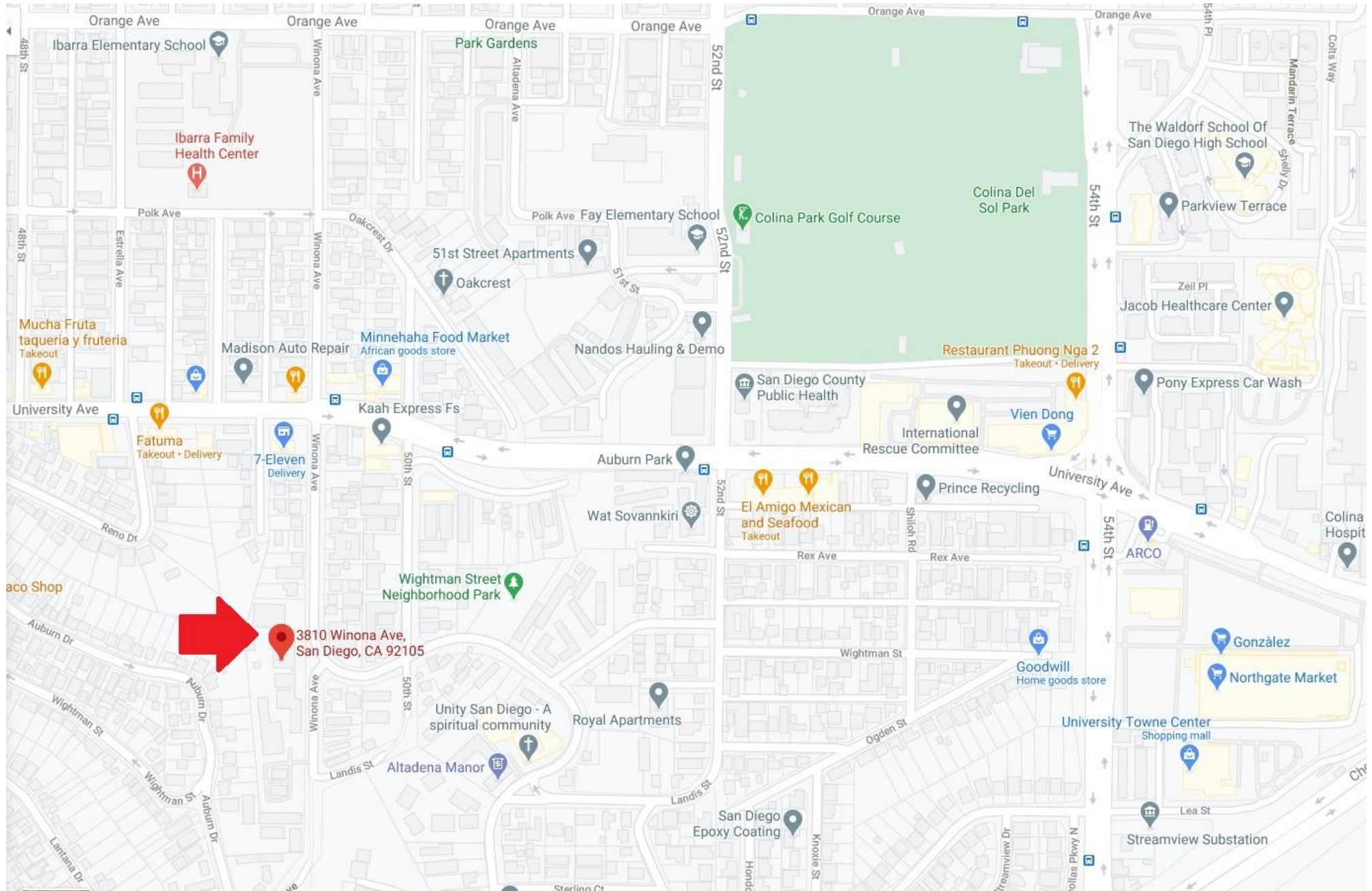
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Hard copies are available for review during business hours at the information desk in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101. Docket materials are also available in the “Governance & Legislative Affairs” section of the San Diego Housing Commission website at www.sdhc.org

Attachment 1 – Site Map





Attachment 2 - Rehabilitation Summary

REHAB SUMMARY

Property Information:

Name: Bandar Salaam Apartments
Site Address: 3810 Winona Avenue, San Diego 92105
APN: 471-702-28-00

Summary

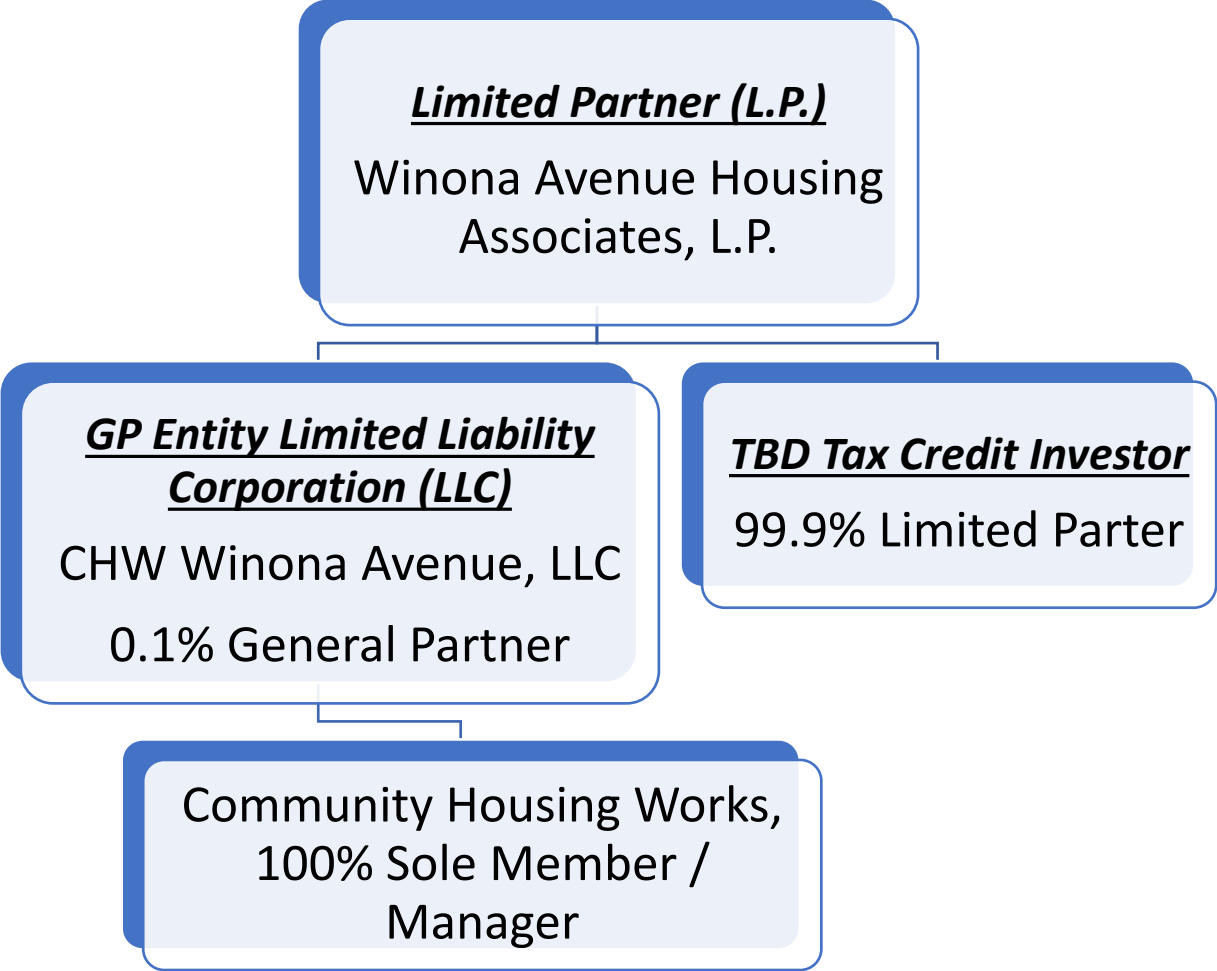
Bandar Salaam Apartments is a rehabilitation of a 68 affordable apartment community serving families and individuals earning between 45% and 50% of the Area Median Income (AMI). The rehabilitation will include renovation of one-, two-, three-, four-, and five-bedroom units situated on nearly 3-acres in a small canyon area of City Heights, San Diego. The site is conveniently located near transportation lines, schools, & a public park.

Community HousingWorks approaches every rehabilitation project with three primary goals in mind: (1) Extend the productive life of the existing building well beyond the new 55-year affordability period and upgrade to current ADA standards; (2) Reduce operating expenses for the property and residents with energy and water efficient materials and renewable energy; and (3) improve resident comfort and building functionality including healthy indoor materials and amenities..

In the property's current state, there is significant degradation of the existing development due to high and long-term occupancy of the units. Unit interiors have damaged cabinetry and countertops, excessive wear of flooring and casework, damaged windows/screens and general health and safety concerns, including mold, that need to be addressed immediately. The exterior drainage system has proven inadequate and many of the common areas flood during heavy rain events.

Full tax credit renovations estimated budgeting at \$54,238 per unit or \$3,688,209 in hard costs for interior and exterior renovations. The scope of work will be prioritized by health and safety, seismic and accessibility, and replacement of systems. Interiors scope will include mold removal where needed and replacement of windows screens, bathtubs (as needed), appliances, and carpet. Exteriors include ADA improvements, drainage improvements, and re-roofing.

Attachment 3 – Organization Chart



Attachment 4 - Developer's Project Pro Forma

| | A | B | C | D | E | F | G | H | I | J |
|----|---|------------------------------------|---------------|--------------|--|--------------|-----------|-------------|------------|------------|
| 1 | Community HousingWorks | | | | | | | | | |
| 2 | Bandar Salaam San Diego, CA | | | | | | | | | |
| 3 | 4% Tax Credits (68 Units) | | | | | | | | | |
| 4 | Development Summary | | | | | | | | | |
| 5 | 6/29/2023 | | | | | | | | | |
| 6 | | | | | | | | | | |
| 7 | DEVELOPMENT ASSUMPTIONS | | | | | | | | | |
| 8 | Site & Structures | | | | PERMANENT FINANCING SOURCES | | | | | |
| 9 | Site (Square Feet / Acres) | | 127,195 | 2.92 | | | | | PER UNIT | % OF TOTAL |
| 10 | Site 1 | | | 2.92 | | | | | | |
| 11 | Site 2 | | | 0.00 | | | | | | |
| 12 | Assessor's P. Number(s) | | | | | | | | | |
| 13 | Address | 3810 Winona Ave San Diego CA 92105 | | | | | | | | |
| 14 | Purchase Price | Per Unit | Total | | | | | | | |
| 15 | | \$161,765 | \$11,000,000 | | | | | | | |
| 16 | Bldg Value (Acq. Basis) | 97% | \$157,382 | \$10,702,000 | | | | | | |
| 17 | Land Value | | \$4,382 | \$298,000 | | | | | | |
| 18 | Valuation | | | | PERMANENT FINANCING SOURCES | | | | | |
| 19 | CAP Rate (Current NOI) | | \$0 | | | | | | | |
| 20 | CAP Rate (Appraisal) | | \$0 | | | | | | | |
| 21 | CAP Rate (This Proforma) | | \$256,323 | 2.33% | | | | | | |
| 22 | | | | | TOTAL SOURCES | | | | | |
| 23 | Residential/Commercial Space | | | | | | | | | |
| 24 | Number of Buildings | | | 3 | | | | | | |
| 25 | Number of Units | | | 68 | | | | | | |
| 26 | Restricted Units | | | 67 | | | | | | |
| 27 | Density/Acre | | | 23 | | | | | | |
| 28 | Residential - Net Rentable SF | | | 52,268 | | | | | | |
| 29 | Residential - Corridor Space | 5% | | 2,708 | | | | | | |
| 30 | Residential - Community Space | | | 2,000 | | | | | | |
| 31 | Commercial | | | 0 | | | | | | |
| 32 | Total Building SF | | | 56,976 | | | | | | |
| 33 | Parking Calculation | | | | PERMANENT FINANCING SOURCES | | | | | |
| 34 | | ratio | unit mix | total spaces | | | | | | |
| 35 | 0 Bed Units | 1.00 | 0 | 0.0 | | | | | | |
| 36 | 1 Bed Units | 1.00 | 16 | 16.0 | | | | | | |
| 37 | 2 Bed Units | 1.00 | 31 | 31.0 | | | | | | |
| 38 | 3+ Bed Units | 1.00 | 19 | 19.0 | | | | | | |
| 39 | Total Spaces Required | 0.97 | | 66 | | | | | | |
| 40 | Total Spaces Provided | 1.21 | | 82 | | | | | | |
| 41 | Surplus (Deficit) | | | 16 | | | | | | |
| 42 | SF Per Parking Stall | 434 | Total Pkng SF | 35,588 | | | | | | |
| 43 | Construction Cost | | | | PERMANENT FINANCING USES | | | | | |
| 44 | Prevailing Wages | | | No | | | | | | |
| 45 | Site Work psf | | | \$ - | | | | | | |
| 46 | Hard Cost/GSF | | | \$ 50 | | | | | | |
| 47 | Hard Cost/NRSF | | | \$ 55 | | | | | | |
| 48 | Hard Cost/Prkng GSF | \$ - | | \$ - | | | | | | |
| 49 | Hard Cost/Parking Spc. | | | \$ - | | | | | | |
| 50 | | | | | PERMANENT FINANCING USES | | | | | |
| 51 | General Conditions (/month) | | | \$40,000 | | | | | | |
| 52 | GC Fee | | | 10.00% | | | | | | |
| 53 | Contractor Bonds | | | 1.25% | | | | | | |
| 54 | Liability Insurance (GC) | | | 0.80% | | | | | | |
| 55 | Months Construction | | | 12 | | | | | | |
| 56 | Owner's Contingency | | | 10.0% | | | | | | |
| 57 | Total Hard Cost Per Unit | | \$ | 60,103 | | | | | | |
| 58 | | | | | DEVELOPER FEE | | | | | |
| 59 | OPERATING/UNDERWRITING ASSUMPTIONS | | | | | | | | | |
| 60 | Income Inflation | | | 2.50% | | | | | | |
| 61 | Expenses Inflation | | | 3.50% | | | | | | |
| 62 | Property Tax Inflation | | | 2.00% | | | | | | |
| 63 | Vacancy - Housing | | | 5.00% | | | | | | |
| 64 | Loss to Lease - Year 1 | | | \$70,582 | | | | | | |
| 65 | Loss to Lease - Year 2 | | | \$57,181 | | | | | | |
| 66 | Replacement Reserves/unit/year | | | \$300 | | | | | | |
| 67 | Initial Replacement Res. | \$0 /unit = | | \$0 | | | | | | |
| 68 | Asset Management Fee | | | \$20,000 | | | | | | |
| 69 | Partnership Fee | | | \$5,000 | | | | | | |
| 70 | Investor Cash Flow Participation | | | 10% | | | | | | |
| 71 | Sponsor Cash Flow Participation | | | 90% | | | | | | |
| 72 | Resident Services (Above the Line) | | | \$30,000 | | | | | | |
| 73 | Resident Services (From Cash Flow) | | | \$0 | | | | | | |
| 74 | Total Resident Services | | | \$30,000 | | | | | | |
| | | | | | CONSTRUCTION FINANCING SOURCES AND USES | | | | | |
| | | | | 11,061,129 | \$11,061,129 | \$162,664 | 50.88% | | | |
| | | | | | \$370,997 | \$5,456 | 1.71% | | | |
| | | | | | | | 0.00% | | | |
| | | | | | | | 0.00% | | | |
| | | | | | \$7,102,471 | \$104,448 | 32.67% | | | |
| | | | | | \$230,568 | \$3,391 | 1.06% | | | |
| | | | | | \$1,608,875 | \$23,660 | 7.40% | | | |
| | | | | 18% | \$1,367,033 | \$20,103 | 6.29% | | | |
| | | | | | \$21,741,073 | \$319,722 | 100.00% | | | |
| | | | | | | | | | | |
| | | | | | \$351,668 | | | | | |
| | | | | | PERMANENT FINANCING USES | | | | | |
| | | | | | 11,004,500 | \$161,831 | 51.45% | | | |
| | | | | | 4,087,030 | \$60,103 | 19.11% | | | |
| | | | | | 545,000 | \$8,015 | 2.55% | | | |
| | | | | | 1,525,666 | \$22,436 | 7.13% | | | |
| | | | | | 67,463 | \$992 | 0.32% | | | |
| | | | | | 523,536 | \$7,699 | 2.45% | | | |
| | | | | | 125,000 | \$1,838 | 0.58% | | | |
| | | | | | 2,607,480 | \$38,345 | 12.19% | | | |
| | | | | | \$903,729 | \$13,290 | 4.23% | | | |
| | | | | | \$21,389,405 | \$314,550 | 100.00% | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | ANALYSIS | | | | | |
| | | | | | \$1,608,292 | 75% | | | | |
| | | | | | \$537,887 | 25% | | | | |
| | | | | | \$2,146,179 | NPV @ | 5.00% | \$2,448,465 | | |
| | | | | | Year 1 | Year 5 | Year 10 | Year 15 | | |
| | | | | | 74% | 73% | 75% | 79% | | |
| | | | | | \$42,434 | \$104,820 | \$114,599 | \$106,030 | | |
| | | | | | | | | | | |
| | | | | | \$0.81 | \$0.86 | \$0.88 | \$0.90 | | |
| | | | | | creates surplus(gap) of: | \$ (441,548) | \$ (0) | \$ 176,619 | \$ 353,238 | |

Attachment 4 - Developer's Project Pro Forma

Bandar Salaam | San Diego, CA
4% Tax Credits (68 Units)
Financing Summary

| FINANCING ASSUMPTIONS | |
|------------------------------------|---------------------|
| Predevelopment Loan | \$681,220 |
| Assumed Balance | 50% |
| Interest Rate | 7.00% |
| Term (months) | 24 |
| Construction Loan | \$11,061,129 |
| Index (One Month SOFR- 03/01/2023) | 4.53% |
| Bank spread | 2.25% |
| Cushion | 1.00% |
| Interest Rate | 7.78% |
| Term (months) | 18 |
| Assumed Balance | 50% |
| Lease-up and Conversion Term | 6 |
| Const Interest | 430,278 |
| Lease Up Interest | 430,278 |
| Total Construction Interest | 860,556 |
| CONSTRUCTION Loan LTV | 93% |
| Cap Rate | 6.00% |
| Value of Restricted NOI | 4,272,053 |
| Value of tax Credits | 7,594,630 |
| Total Value | 11,866,683 |

| | |
|------------------------------------|--------------------|
| Perm Loan | \$2,790,000 |
| Index (10 Year Treasury- 3/1/2023) | 4.00% |
| Bank spread | 2.50% |
| Cushion | 0.50% |
| Interest Rate | 7.00% |
| Amortization | 35 |
| Debt C. Ratio | 1.200 |
| Term (years) | 17 |
| Annual Debt Svc. - Housing | \$213,889 |
| Amount Due at end of Term | \$2,185,658 |

| 50% BASIS TEST | | Y |
|-----------------------------|------------|-------------------|
| Eligible Basis | 19,454,016 | |
| Land Cost | 298,000 | |
| Total Aggregate Basis | 19,752,016 | |
| Required Bond Amount | 56% | 11,061,129 |

| Gap/Surplus | |
|----------------------|-----------------------|
| (Gap)/Surplus | Balanced (\$0) |

| INCOME FROM OPERATIONS | |
|--------------------------------|----------------------------|
| EGI | \$82,792 |
| LESS ADDITIONAL VACANCY | 10% (\$8,279) |
| LESS EXPENSES | (\$55,299) |
| Total Monthly | \$19,214 |
| x no of months | 12 \$230,568 |

| Residual Loan Funding Sources | |
|---------------------------------|--------------------|
| SDHC | \$2,248,782 |
| Interest | Compounding 3.00% |
| Term (years) | 0 |
| Minimum Annual Payment | \$10,000 |
| Residual Annual Payment | N |
| Accrued Interest - During Const | \$67,463 |
| Assumed Interest | |
| Rolled Reserves | \$370,997 |
| Interest Rate | Simple 0.00% |
| Term (years) | 55 |
| Minimum Annual Payment | \$0 |
| Residual Payment | N |
| Accrued Interest - During Const | \$0 |
| Assumed Interest | |
| Soft Loan #3 | \$0 |
| Interest Rate | Simple 3.00% |
| Term (years) | 0 |
| Minimum Annual Payment | \$0 |
| Residual Payment | Y |
| Accrued Interest - During Const | \$0 |
| Assumed Interest | |
| Soft Loan #4 | \$0 |
| Interest Rate | Simple 3.00% |
| Term (years) | 0 |
| Minimum Annual Payment | \$0 |
| Residual Payment | Y |
| Accrued Interest - During Const | \$0 |
| Assumed Interest | |

| Other Funding Sources | |
|--------------------------------------|-----------------------|
| Land Lease/Grant Value | \$ - |
| Minimum Annual Payment | \$0 |
| Residual Annual Payment | N 0% |
| Seller Carryback | Y \$ 7,102,471 |
| Sales Price (Appraised Value) | \$ 11,000,000 |
| Existing debt & Def return | \$ 3,897,529 |
| Cash proceeds to seller | |
| Interest Rate | Simple 3.00% |
| Term (years) | 55 |
| Minimum Annual Payment | - |
| Residual Annual Payment | Y 50% |
| Held by CHW | Y |

| RESIDUAL LOAN CALCULATION | | 50% |
|---------------------------|------|----------|
| SDHC | 0.0% | - |
| Rolled Reserves | 0.0% | - |
| Soft Loan #3 | 0.0% | - |
| Soft Loan #4 | 0.0% | - |
| TOTAL | | - |

Attachment 4 - Developer's Project Pro Forma

| Bandar Salaam San Diego, CA 4% Tax Credits (68 Units) Equity Summary | | | | |
|---|---------------------|--|---------------------|---------------------|
| TAX CREDIT EQUITY | | | | |
| Project Info: | | | | |
| County | SAN DIEGO | | | |
| Threshold Basis Year | 2023 | | | |
| 4% or 9% Credits | 4.00% | | | |
| 4% Current Tax Credit Rate | 4.00% | As of: March-23 | | |
| 9% Current Tax Credit Rate | 9.00% | | | |
| Threshold Basis: | | | | |
| | # UNITS | Type | LIMIT | TOTAL |
| | 0 | 0 | \$353,173 | \$0 |
| | 16 | 1 | \$407,205 | \$6,515,280 |
| | 30 | 2 | \$491,200 | \$14,736,000 |
| | 17 | 3 | \$628,736 | \$10,688,512 |
| | 2 | 4 | \$700,451 | \$1,400,902 |
| | 65 | TOTAL THRESHOLD BASIS LIMIT (TBL) | | \$33,340,694 |
| ADJUSTMENTS: | | | | |
| Prevailing Wages (1) | No | 20.0% | | 0 |
| Parking Beneath Units(1) | No | 7.0% | | 0 |
| Day Care Center (1) | No | 2.0% | | 0 |
| 100% Special Needs (1) | No | 2.0% | | 0 |
| Energy Title 24 | No | 4.0% | | 0 |
| Seismic/Toxic Abatement | | at cost | | 0 |
| Elevator | No | 10.0% | | 0 |
| Energy Technologies | | at cost | | 0 |
| Impact Fees | | at cost | | 0 |
| High Opp Area | No | 10.0% | | 0 |
| 50% - 36% AMI (4% only) | | 100% | | 33,340,694 |
| < 35% AMI (4% only) | | 0% | | 0 |
| | | ADJUSTED THRESHOLD BASIS LIMIT | | \$66,681,388 |
| Qualified Basis: | | | | |
| | Acquisition | Construction | Total | |
| Total Eligible Basis | 10,702,000 | \$8,752,016 | \$19,454,016 | |
| % of Adjusted TBL / High Cost Test | | | 29% | |
| Ineligible Amounts | \$0 | \$0 | \$0 | |
| % Voluntarily Excluded | 0% | 0.0% | 0.0% | |
| Voluntarily Excluded (bc over Threshold Limit) | | \$0 | \$0 | |
| Voluntarily Excluded | \$0 | \$0 | \$0 | |
| Unadjusted Eligible Basis | \$10,702,000 | \$8,752,016 | \$19,454,016 | |
| DDA/QCT- Yes | | \$2,625,605 | \$2,625,605 | |
| ADJUSTED ELIGIBLE BASIS | \$10,702,000 | \$11,377,621 | \$22,079,621 | |
| Percentage Affordable | 100% | 100% | | |
| ADJUSTED QUALIFIED BASIS | \$10,702,000 | \$11,377,621 | \$22,079,621 | |
| Tax Credit Construction Rate | 4.00% | 4.00% | | |
| Annual Federal Credit Amount (CALCULATED) | \$428,080 | \$455,105 | \$883,185 | |
| Annual Federal Credit Amount (MAX ALLOWED) | | | N/A | |
| FEDERAL CREDIT AMOUNT | | | \$8,831,848 | |
| Total State Credit Amount | | | \$0 | |
| Percentage of Credits Sold | | | 100.0% | |
| Price Per Tax Credit Dollar | | | 0.86 | |
| Price Per State Tax Credit Dollar | | | - | |
| Equity from Federal Credit | | | \$7,594,630 | |
| Equity from State Credit | | | \$0 | |
| Total Gross Proceeds | | | \$7,594,630 | |
| TOTAL TAX CREDIT EQUITY | | | \$7,594,630 | |
| Tax Credit Equity at Construction | | 18.00% | \$1,367,033 | |
| Tax Credit Equity at Takeout | | | \$6,227,597 | |
| Tie Breaker | | | 16% | |
| (Gap)/Surplus | | Balanced | (\$0) | |

Attachment 4 - Developer's Project Pro Forma

| Bandar Salaam San Diego, CA 4% Tax Credits (68 Units) Development Budget | | | | | | | | | | | |
|--|-----------------|----------------|-------------------|----------------|-------------------|------------------|--------------------|-------------------|----------|-------------------|----------------|
| Category | Notes/Calcs | Predev | TOTAL COST | Per Unit | ACQUIS BASIS | Const BASIS | Non Basis Eligible | Resid | Commerc | CONSTR | DEFER TO PERM. |
| Acquisition | | | | | | | | | | | |
| Escrow Deposits | | 0 | 0 | | 0 | | | | | | |
| Land Cost or Value | | | 298,000 | 4,382 | 0 | | 298,000 | 298,000 | | 298,000 | |
| Demolition | | 0 | 0 | | | 0 | | | | | |
| Existing Bldg / Improvements Value | | | 10,702,000 | 157,382 | 10,702,000 | | | 10,702,000 | | 10,702,000 | |
| Title Escrow and Recording-Acq | | 4,500 | 4,500 | 66 | 0 | | 4,500 | 4,500 | | 4,500 | |
| Land Loan Interest Cost | | 0 | 0 | | 0 | | | | | | |
| Broker Commission | | 0 | 0 | | 0 | | | | | | |
| Other - Acquisition | | 0 | 0 | | 0 | | | | | | |
| Escrow Extension Fees | | 0 | 0 | | 0 | | | | | | |
| Total Acquisition | | 4,500 | 11,004,500 | 161,831 | 10,702,000 | 0 | 302,500 | 11,004,500 | 0 | 11,004,500 | 0 |
| CONSTRUCTION | | | | | | | | | | | |
| GC Construction Work | | | | | | | | | | | |
| Sitework | | | 0 | | | | 0 | | | | |
| Off-Site Improvements (GC) | | | 0 | | | | 0 | | | | |
| Parking | | | 0 | | | | 0 | | | | |
| Renewables (Gross before rebate) | | | 0 | | | | 0 | | | | |
| Environmental Remediation (GC) | | | 0 | | | | 0 | | | | |
| Structures | | | 2,849,200 | 41,900 | | 2,849,200 | | 2,849,200 | 0 | 2,849,200 | |
| Contractor Overhead & Profit | 10.00% | | 284,920 | 4,190 | | 284,920 | | 284,920 | | 284,920 | |
| General Conditions | 30,000 | | 480,000 | 7,059 | | 480,000 | | 480,000 | | 480,000 | |
| Retention | | | 0 | | | 0 | | | | | |
| Contractor Performance Bonds | 1.25% | | 45,177 | 664 | | 45,177 | | 45,177 | | 45,177 | |
| Contractor Liability Insurance | 0.80% | | 28,913 | 425 | | 28,913 | | 28,913 | | 28,913 | |
| Total GC Construction Work | | 0 | 3,688,209 | 54,238 | 0 | 3,688,209 | 0 | 3,688,209 | 0 | 3,688,209 | 0 |
| Construction Contingency | | | | | | | | | | | |
| Construction Contingency | 10.00% | | 368,821 | 5,424 | | 368,821 | | 368,821 | | 368,821 | |
| Total Construction Contingency | | 0 | 368,821 | 5,424 | 0 | 368,821 | 0 | 368,821 | 0 | 368,821 | 0 |
| Non-GC Construction Work | | | | | | | | | | | |
| Off-Site Improvements (Non-GC) | | | 0 | | | 0 | | | | | |
| Environmental Remediation (Non-GC) | | | 0 | | | 0 | | | | | |
| Owner Repair Costs | | | 30,000 | 441 | | 30,000 | | 30,000 | | 30,000 | |
| Termite Remediation | | | 0 | | | 0 | | | | | |
| Non GC Contract Other | | | 0 | | | 0 | | | | | |
| Furnishings / Equipment / Personal Property | | | 60,000 | 882 | | 60,000 | | 60,000 | | 60,000 | |
| Total Non-GC Construction Work | | 0 | 90,000 | 1,324 | 0 | 90,000 | 0 | 90,000 | 0 | 90,000 | 0 |
| TOTAL CONSTRUCTION | | 0 | 4,147,030 | 60,986 | 0 | 4,147,030 | 0 | 4,147,030 | 0 | 4,147,030 | 0 |
| A & E / CONST MGT / CONSULTANTS | | | | | | | | | | | |
| Architectural Fees | | | | | | | | | | | |
| Architect Design / Supervision | | 292,500 | 450,000 | 6,618 | | 450,000 | | 450,000 | | 450,000 | |
| Landscape Architect (if not under architect) | | | 0 | | | 0 | | | | | |
| Architectural Design Consultant | | | 0 | | | 0 | | | | | |
| Architect Expenses / Reimbursable | | 20,000 | 20,000 | 294 | | 20,000 | | 20,000 | | 20,000 | |
| Total Architectural fees | | 312,500 | 470,000 | 6,912 | 0 | 470,000 | 0 | 470,000 | 0 | 470,000 | 0 |
| Survey & Engineering Costs | | | | | | | | | | | |
| Civil Engineer | | 50,000 | 50,000 | 735 | | 50,000 | | 50,000 | | 50,000 | |
| Engineering - Drains | | 0 | | | | 0 | | | | | |
| Engineering - Soils Engineer (DD) | | 0 | | | | 0 | | | | | |
| Engineering - Soil Engineer - Field | | 0 | | | | 0 | | | | | |
| Engineering - ALTA Survey | | 25,000 | 25,000 | 368 | | 25,000 | | 25,000 | | 25,000 | |
| Engineering - Materials (Field) | | 0 | | | | 0 | | | | | |
| Engineering - Staking | | 0 | | | | 0 | | | | | |
| Engineering - Dry Utility Consultant | | 0 | | | | 0 | | | | | |
| Engineering - Reimbursables | | 0 | | | | 0 | | | | | |
| Engineering - Other | | 0 | | | | 0 | | | | | |
| Engineering - Traffic | | 0 | | | | 0 | | | | | |
| Total Survey & Engineering Costs | | 75,000 | 75,000 | 1,103 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 |
| Construction Management | | | | | | | | | | | |
| Prevailing Wages Monitoring | | | 0 | | | 0 | | | | | |
| Owner Rep Construction Manager | | | | | | 0 | | | | | |
| Bank Construction Monitoring | \$ 1,200 /month | | 14,400 | 212 | | 14,400 | | 14,400 | | 14,400 | |
| Total Construction Management | | 0 | 14,400 | 212 | 0 | 14,400 | 0 | 14,400 | 0 | 14,400 | 0 |
| Environmental & Other Consultants | | | | | | | | | | | |
| Energy Modeler | | | 0 | | | 0 | | | | | |
| Design-Green Certification | | | | | | 0 | | | | | |
| Environmental Phase I | | 5,000 | 5,000 | 74 | | 5,000 | | 5,000 | | 5,000 | |
| Environmental Phase II | | | 5,000 | 74 | | 5,000 | | 5,000 | | 5,000 | |
| Asbestos / Lead | | | 50,000 | 735 | | 50,000 | | 50,000 | | 50,000 | |
| Acoustical Study | | | | | | 0 | | | | | |
| Archaeology / Biology | | | | | | 0 | | | | | |
| Other Reports - Capital Needs Assessment | | | 10,000 | 147 | | 10,000 | | 10,000 | | 10,000 | |
| Specialty-Plumbing | | | | | | 0 | | | | | |
| Specialty-Seismic | | | | | | 0 | | | | | |
| HERS Rater | | | 20,000 | 294 | | 20,000 | | 20,000 | | 20,000 | |
| Entitlement Consultant | | | 0 | | | 0 | | | | | |
| Total Environmental & Other Consultants | | 5,000 | 90,000 | 1,324 | 0 | 90,000 | 0 | 90,000 | 0 | 90,000 | 0 |
| TOTAL A & E / CONST MGT / CONSULTANTS | | 317,500 | 654,400 | 9,548 | 0 | 654,400 | 0 | 654,400 | 0 | 654,400 | 0 |
| FINANCE / LEGAL / INSURANCE | | | | | | | | | | | |
| Predevelopment / Bridge Financing | | | | | | | | | | | |
| Bridge Loan Finance Costs & Fees | 1.00% | | 0 | | | | | | | | |
| Bridge Loan Interest | | | 0 | | | | | | | | |
| Predevelopment Loan Fee | 1.00% | | 6,812 | 100 | | | 6,812 | 6,812 | | 6,812 | |

Attachment 4 - Developer's Project Pro Forma

| Bandar Salaam San Diego, CA 4% Tax Credits (68 Units) Development Budget | | | | | | | | | | | |
|--|----------------|----------------|------------------|---------------|--------------|----------------|--------------------|------------------|---------|------------------|----------------|
| Category | Notes/Calcs | Predev | TOTAL COST | Per Unit | ACQUIS BASIS | Const BASIS | Non Basis Eligible | Resid | Commerc | CONSTR | DEFER TO PERM. |
| Predevelopment Loan Interest | | | 47,685 | 701 | | | 47,685 | 47,685 | | 47,685 | |
| Predevelopment Loan - Other | | | 0 | | | 0 | | | | | |
| Total Predevelopment/Bridge Financing | | 0 | 54,498 | 801 | 0 | 0 | 54,498 | 54,498 | 0 | 54,498 | 0 |
| Construction Financing | | | | | | | | | | | |
| Construction Loan Interest | | | 860,556 | 12,655 | | 430,278 | 430,278 | 860,556 | | 860,556 | |
| Construction Loan Fee | 1.00% | | 110,611 | 1,627 | | 110,611 | | 110,611 | | 110,611 | |
| Construction Loan Other | | 5,000 | 15,000 | 221 | | 15,000 | | 15,000 | | 15,000 | |
| Accrued Interest on Soft Debt | Yes | | 67,463 | 992 | | 67,463 | | 67,463 | | 0 | 67,463 |
| Real Estate Taxes | 0.00% | | 0 | | | 0 | | | | | |
| Title Escrow & Recording-Construction | | | 25,000 | 368 | | 25,000 | | 25,000 | | 25,000 | |
| Total Construction Financing | | 5,000 | 1,078,631 | 15,862 | 0 | 648,353 | 430,278 | 1,078,631 | 0 | 1,011,167 | 67,463 |
| Permanent Financing Costs | | | | | | | | | | | |
| Rate Lock Fee - Refundable | 0.00% | | 0 | | | | | | | | |
| Perm Loan - Fee | 1.00% | | 27,900 | 410 | | | 27,900 | 27,900 | | 0 | 27,900 |
| Rate Lock Fee | 0.00% | | 0 | | | | | | | | |
| Low Floater Cap | | | 0 | | | | | | | | |
| Title Escrow & Recording - Perm Loan | | | 25,000 | 368 | | | 25,000 | 25,000 | | 0 | 25,000 |
| Perm Loan - Other | | | 0 | | | | | | | | |
| Other Soft Lender Fees | | | 116,500 | 1,713 | | | 116,500 | 116,500 | | 116,500 | |
| Total Permanent Financing Costs | | 0 | 169,400 | 2,491 | 0 | 0 | 169,400 | 169,400 | 0 | 116,500 | 52,900 |
| Bond Fees-Cost of Issuance | | | | | | | | | | | |
| CDLAC Application Fee | | | | | | | | | | | |
| CDLAC Filing Fee | | 1,200 | 3,871 | 57 | | | 3,871 | 3,871 | | 3,871 | |
| Bond Issuer - Application Fee | | | 5,000 | 74 | | | 5,000 | 5,000 | | 5,000 | |
| Bond Issuer - Issuance Fee | | | 22,122 | 325 | | | 22,122 | 22,122 | | 22,122 | |
| TEFRA Fee to Agency | | | 0 | | | | | | | | |
| Lender - Expenses (non-legal) | | | 40,000 | 588 | | | 40,000 | 40,000 | | 40,000 | |
| CDLAC Performance Deposit-Refundable | | 55,306 | 55,306 | 813 | | | 55,306 | 55,306 | | 55,306 | |
| CDIAC fees | | | 3,000 | 44 | | | 3,000 | 3,000 | | 3,000 | |
| Trustee Fees | | | 3,000 | 44 | | | 3,000 | 3,000 | | 3,000 | |
| Total Bond Fees-Cost of Issuance | | 56,506 | 132,299 | 1,946 | 0 | 0 | 132,299 | 132,299 | 0 | 132,299 | 0 |
| Tax Credit Fees | | | | | | | | | | | |
| Tax Credit Fees- Application Fee | | 2,000 | 2,000 | 29 | | | 2,000 | 2,000 | | 2,000 | |
| Tax Credit Fees - Allocation Fee | | | 8,832 | 130 | | | 8,832 | 8,832 | | 8,832 | |
| Tax Credit Fees - Performance Deposit | | 0 | 0 | | | | | | | | |
| Tax Credit Fees - Monitoring Fee | | | 27,470 | 404 | | | 27,470 | 27,470 | | 27,470 | |
| Total Tax Credit Fees | | 2,000 | 38,302 | 563 | 0 | 0 | 38,302 | 38,302 | 0 | 38,302 | 0 |
| Syndication Costs | | | | | | | | | | | |
| Financial Consultant | | 5,000 | 70,000 | 1,029 | | | 70,000 | 70,000 | | 70,000 | |
| Tenant File Compliance Audit | | | 25,000 | 368 | | | 25,000 | 25,000 | | 25,000 | |
| Cost Cert / Stabilization | | | 20,000 | 294 | | | 20,000 | 20,000 | | 20,000 | |
| Partnership taxes and fees | | | 826 | 12 | | | 826 | 826 | | 826 | |
| Syndication -Other | | | 14,300 | 210 | | | 14,300 | 14,300 | | 14,300 | |
| Total Syndication Costs | | 5,000 | 130,126 | 1,914 | 0 | 0 | 130,126 | 130,126 | 0 | 130,126 | 0 |
| Legal Fees | | | | | | | | | | | |
| Owner Legal - Acquisition | | 4,450 | 4,450 | 65 | 0 | | 4,450 | 4,450 | | 4,450 | |
| Owner - Construction Loan Legal | | | 55,000 | 809 | | 55,000 | | 55,000 | | 55,000 | |
| Bank - Construction Loan Legal | | | 60,000 | 882 | | 60,000 | | 60,000 | | 60,000 | |
| Bank - Perm Loan Legal | | | | | | | | | | | 0 |
| Owner - Perm Loan Legal | | | | | | | | | | | 0 |
| Legal - P'ship Organization | | | | | | | | | | | |
| Owner Legal-Construction (Contracts) | | | | | | 0 | | | | | |
| Legal-Investor | | | 0 | | | | | | | | |
| Bank Legal - Bridge | | | 0 | | | | | | | | |
| Owner Legal - Bridge | | | 0 | | | | | | | | |
| Owner Legal- General | | | 0 | | | 0 | | | | | |
| Issuer - Counsel | | | 0 | | | | | | | | |
| Bond Counsel | | | 60,000 | 882 | | | 60,000 | 60,000 | | 60,000 | |
| Legal - Syndication | | | 0 | 60,000 | 882 | | 60,000 | 60,000 | | 60,000 | |
| Total Legal Fees | | 4,450 | 239,450 | 3,521 | 0 | 115,000 | 124,450 | 239,450 | 0 | 239,450 | 0 |
| Insurance | | | | | | | | | | | |
| Builder's Risk Insurance | 1.00% | | 36,141 | 531 | | 36,141 | | 36,141 | | 36,141 | |
| Liability Insurance | | | 3,000 | 44 | | 3,000 | | 3,000 | | 3,000 | |
| Flood / Seismic / Environmental Insurance | | | 0 | | | 0 | | | | | |
| 1st Year Operations Insurance | 400.00 | | 27,200 | 400 | | 27,200 | | 27,200 | | 27,200 | |
| Total Insurance | | 0 | 66,341 | 976 | 0 | 66,341 | 0 | 66,341 | 0 | 66,341 | 0 |
| TOTAL FINANCE / LEGAL / INSURANCE | | | | | | | | | | | |
| Reserves | | | | | | | | | | | |
| Reserve - Other | | | | | | | | | | | 0 |
| Resident Services Reserve | | | 0 | | | | | | | | 0 |
| Cap Replacement Reserves | 1,000 Per Unit | | 68,000 | 1,000 | | | 68,000 | 68,000 | | 0 | 68,000 |
| Cap Improvement Reserve - Other | | | 0 | | | | | | | | 0 |
| Cap Operating Reserves | 6 Months | | 455,536 | 6,699 | | | 455,536 | 455,536 | | 0 | 455,536 |
| Total Reserves | | 0 | 523,536 | 7,699 | 0 | 0 | 523,536 | 523,536 | 0 | 0 | 523,536 |
| Permits | | | | | | | | | | | |
| Engineering & Public Improvement Bonds Premium | | | 0 | | | 0 | | | | | |
| Building Permit & Processing Fees | | 125,000 | 125,000 | 1,838 | | 125,000 | | 125,000 | | 125,000 | |
| Refundable Deposits - Gov't Agencies | | | | | | | | | | | |
| Development Impact Fees | | | 0 | | | 0 | | | | | |
| Gov't Cash Deposits - Partially Refundable | | | | | | | | | | | |
| Utility Deposits - Refundable | | | 0 | | | | | | | | |
| Utility Deposits - Non-Refundable | | | 0 | | | | | | | | |
| Total Permits | | 125,000 | 125,000 | 1,838 | 0 | 125,000 | 0 | 125,000 | 0 | 125,000 | 0 |

Attachment 4 - Developer's Project Pro Forma

| Bandar Salaam San Diego, CA 4% Tax Credits (68 Units) Development Budget | | | | | | | | | | | |
|--|---------------|----------------|-------------------|----------------|-------------------|------------------|--------------------|-------------------|------------|------------------------------|------------------|
| Category | Notes/Calcs | Predev | TOTAL COST | Per Unit | ACQUIS BASIS | Const BASIS | Non Basis Eligible | Resid | Commerc | CONSTR | DEFER TO PERM. |
| MISCELLANEOUS | | | | | | | | | | | |
| Appraisal | | 5,000 | 5,000 | 74 | | 5,000 | | 5,000 | | 5,000 | |
| Accounting Audit (Non-Syndication) | | 1,600 | 20,000 | 294 | | 20,000 | | 20,000 | | 20,000 | |
| Leasing Commissions | | | | | | | | | | | |
| Marketing / Rent-Up | | | 30,000 | 441 | | | 30,000 | 30,000 | | 30,000 | |
| Transitional Costs | | | | | | | | | | | |
| Market Study | | 2,500 | 2,500 | 37 | | 2,500 | | 2,500 | | 2,500 | |
| TOTAL MISCELLANEOUS | | 9,100 | 57,500 | 846 | 0 | 27,500 | 30,000 | 57,500 | 0 | 57,500 | 0 |
| Relocation | | | | | | | | | | | |
| Relocation - Permanent | | | 0 | | | | | | | | |
| Relocation Consultant | | | 5,000 | 74 | | 5,000 | | 5,000 | | 5,000 | |
| Relocation - Temporary | | | 238,000 | 3,500 | | 238,000 | | 238,000 | | 238,000 | |
| Total Relocation | | 0 | 243,000 | 3,574 | 0 | 243,000 | 0 | 243,000 | 0 | 243,000 | 0 |
| Soft Cost Contingency | | | | | | | | | | | |
| Soft Cost Contingency | 5.50% | 77,165 | 192,912 | 2,837 | | 192,912 | | 192,912 | | 192,912 | |
| Total Soft Cost Contingency | | 77,165 | 192,912 | 2,837 | 0 | 192,912 | 0 | 192,912 | 0 | 192,912 | 0 |
| Developer Fee | | | | | | | | | | | |
| Developer Fee | | | 2,537,480 | 37,316 | | 2,537,480 | | 2,537,480 | | 1,572,505 | 964,975 |
| Total Developer Fee | | 0 | 2,537,480 | 37,316 | 0 | 2,537,480 | 0 | 2,537,480 | 0 | 1,572,505 | 964,975 |
| Total | | 681,220 | 21,389,405 | 314,550 | 10,702,000 | 8,752,016 | 1,935,389 | 21,389,405 | 0 | 19,780,530 | 1,608,875 |
| | | | 21,196,493 | | | | 21,389,405 | | 21,389,405 | | 21,389,405 |
| Refundable Deposits | | | | | | | | | | | |
| Utility Deposits - Refundable | | - | | | | | | | | | |
| Tax Credit Fees - Performance Deposit | | - | | | | | | | | | |
| CDLAC Performance Deposit-Refundable | 55,306 | | | | | | | | | | |
| Refundable Deposits - Gov't Agencies | | - | | | | | | | | | |
| Real Estate Taxes | | - | | | | | | | | | |
| Total | 55,306 | | | | | | | | | | |
| Developer Fee Calcs | | | | | | | | | | | |
| 9% Eligible Fee | | | | | | | | | | | |
| Eligible Basis | | | | | | 16,916,536 | | | | 9% Basis Eligible Fee | |
| High Cost Test | | | | | | 29.17% | | | | 200 | 1,400,000 |
| Max Fee @ 15% | | | | | | 2,537,480 | | | | 201 | 1,680,000 |
| 9% Cap | | | | | | 2,200,000 | | | | 251 | 1,750,000 |
| Min 15% or Cap | | | | | | 2,200,000 | | | | 300 | 1,820,000 |
| High Cost Factor | | | | | | 100.00% | | | | This project | 1,400,000 |
| Max Fee | | | | | | 2,200,000 | | | | | |
| 4% Eligible Fee | | | | | | | | | | | |
| Eligible Basis | | | | | | 16,916,536 | | | | | |
| Max Fee @ 15% | | | | | | 2,537,480 | | | | | |
| 4% Cap (Cash) | | | | | | 3,169,900 | | | | | |

Attachment 4 - Developer's Project Pro Forma

Property Name
Income Page

| HTF/HOME/TCAC | | | | | HTF/HOME | | | | | Section 8 | | | | Market Rent |
|---------------|-----------|----------|-------|----------|----------|----------|-----|----|---------|-----------|-------|----|-----------|-------------|
| AMI | # Units | TCAC | UA | Net | AMI | # Units | RDA | UA | Net RDA | # Units | Sec 8 | UA | Net Sec 8 | |
| 30% | | | | | | | | | | | | | | \$ 2,000 |
| 35% | | | | | | | | | | | | | | |
| 40% | | | | | | | | | | | | | | |
| 45% | 4 | \$ 1,163 | \$ 98 | \$ 1,065 | | | | | | | | | | \$ 2,000 |
| 50% | 12 | \$ 1,292 | \$ 98 | \$ 1,194 | | | | | | | | | | \$ 2,000 |
| 55% | | | | | | | | | | | | | | |
| 60% | | | | | | | | | | | | | | |
| 70% | | | | | | | | | | | | | | |
| 80% | | | | | | | | | | | | | | |
| MGR | | | | | | | | | | | | | | |
| Total | 16 | | | | | 0 | | | | 0 | | | | |

| Total Restricted | | Sec 8 Overhang | Square Footage | |
|------------------|-------------------|----------------|----------------|----------|
| Monthly | Annual | | Unit | Total |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ 4,260 | \$ 51,120 | | - | - |
| \$ 14,328 | \$ 171,936 | | - | - |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ 18,588 | \$ 223,056 | \$ - | | - |

| HTF/HOME/TCAC | | | | | HTF/HOME | | | | | Section 8 | | | | Market Rent |
|---------------|-----------|----------|--------|----------|----------|----------|-----|----|---------|-----------|-------|----|-----------|-------------|
| AMI | # Units | TCAC | UA | Net | AMI | # Units | RDA | UA | Net RDA | # Units | Sec 8 | UA | Net Sec 8 | |
| 30% | | | | | | | | | | | | | | \$ 2,300 |
| 35% | | | | | | | | | | | | | | |
| 40% | | | | | | | | | | | | | | |
| 45% | 7 | \$ 1,396 | \$ 131 | \$ 1,265 | | | | | | | | | | \$ 2,300 |
| 50% | 23 | \$ 1,551 | \$ 131 | \$ 1,420 | | | | | | | | | | \$ 2,300 |
| 55% | | | | | | | | | | | | | | |
| 60% | | | | | | | | | | | | | | |
| 70% | | | | | | | | | | | | | | |
| 80% | | | | | | | | | | | | | | |
| MGR | | | | | | | | | | | | | | |
| Total | 30 | | | | | 0 | | | | 0 | | | | |

| | | | | |
|------------------|-------------------|-------------|-----|---------------|
| \$ - | \$ - | | 625 | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ 8,855 | \$ 106,260 | | 625 | 4,375 |
| \$ 32,660 | \$ 391,920 | | 625 | 14,375 |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ 41,515 | \$ 498,180 | \$ - | | 18,750 |

| HTF/HOME/TCAC | | | | | HTF/HOME | | | | | Section 8 | | | | Market Rent |
|---------------|-----------|----------|--------|----------|----------|----------|-----|----|---------|-----------|-------|----|-----------|-------------|
| AMI | # Units | TCAC | UA | Net | AMI | # Units | RDA | UA | Net RDA | # Units | Sec 8 | UA | Net Sec 8 | |
| 30% | | | | | | | | | | | | | | \$ 2,500 |
| 35% | | | | | | | | | | | | | | |
| 40% | | | | | | | | | | | | | | |
| 45% | 16 | \$ 1,612 | \$ 168 | \$ 1,444 | | | | | | | | | | \$ 2,500 |
| 50% | 1 | \$ 1,791 | \$ 168 | \$ 1,623 | | | | | | | | | | \$ 2,500 |
| 50% | | | | | | | | | | | | | | |
| 60% | | | | | | | | | | | | | | |
| 60% | | | | | | | | | | | | | | |
| 80% | | | | | | | | | | | | | | |
| MGR | 1 | | | | | | | | | | | | | |
| Total | 18 | | | | | 0 | | | | 0 | | | | |

| | | | | |
|------------------|-------------------|-------------|-----|---------------|
| \$ - | \$ - | | 720 | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ 23,104 | \$ 277,248 | | 720 | 11,520 |
| \$ 1,623 | \$ 19,476 | | 842 | 842 |
| \$ - | \$ - | | 872 | |
| \$ - | \$ - | | 842 | |
| \$ - | \$ - | | 872 | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | 720 | 720 |
| \$ 24,727 | \$ 296,724 | \$ - | | 13,082 |

| HTF/HOME/TCAC | | | | | HTF/HOME | | | | | Section 8 | | | | Market Rent |
|---------------|---------|----------|--------|----------|----------|---------|-----|----|---------|-----------|-------|----|-----------|-------------|
| AMI | # Units | TCAC | UA | Net | AMI | # Units | RDA | UA | Net RDA | # Units | Sec 8 | UA | Net Sec 8 | |
| 30% | | | | | | | | | | | | | | \$ 3,000 |
| 35% | | | | | | | | | | | | | | |
| 40% | | | | | | | | | | | | | | |
| 45% | 1 | \$ 1,798 | \$ 206 | \$ 1,592 | | | | | | | | | | \$ 3,000 |
| 50% | 1 | \$ 1,998 | \$ 206 | \$ 1,792 | | | | | | | | | | \$ 3,000 |
| 55% | | | | | | | | | | | | | | |

| | | | | |
|----------|-----------|--|-------|-------|
| \$ - | \$ - | | 1,000 | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ 1,592 | \$ 19,104 | | 1,000 | 1,000 |
| \$ 1,792 | \$ 21,504 | | 1,000 | 1,000 |
| \$ - | \$ - | | | |

Attachment 4 - Developer's Project Pro Forma

Property Name
Income Page

| HTF/HOME/TCAC | | | | | HTF/HOME | | | | | Section 8 | | | | Market Rent |
|---------------|----------|------|----|-----|----------|----------|-----|----|---------|-----------|-------|----|-----------|-------------|
| AMI | # Units | TCAC | UA | Net | AMI | # Units | RDA | UA | Net RDA | # Units | Sec 8 | UA | Net Sec 8 | |
| 60% | | | | | | | | | | | | | | |
| 60% | | | | | | | | | | | | | | |
| 80% | | | | | | | | | | | | | | |
| MGR | | | | | | | | | | | | | | |
| Total | 2 | | | | | 0 | | | | 0 | | | | |

| Total Restricted | | Sec 8 | Square Footage | |
|------------------|------------------|-------------|----------------|--------------|
| Monthly | Annual | Overhang | Unit | Total |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ 3,384 | \$ 40,608 | \$ - | | 2,000 |

Five Bedroom

| | | | | | | | | | | | | | | | | | | |
|--------------|----------|----------|--------|----------|--|----------|--|--|--|----------|--|--|--|--|--|--|--|----------|
| 30% | | | | | | | | | | | | | | | | | | |
| 35% | | | | | | | | | | | | | | | | | | |
| 40% | | | | | | | | | | | | | | | | | | |
| 45% | 2 | \$ 1,985 | \$ 245 | \$ 1,740 | | | | | | | | | | | | | | \$ 3,300 |
| 50% | | | | | | | | | | | | | | | | | | |
| 55% | | | | | | | | | | | | | | | | | | |
| 60% | | | | | | | | | | | | | | | | | | |
| 70% | | | | | | | | | | | | | | | | | | |
| 80% | | | | | | | | | | | | | | | | | | |
| MGR | | | | | | | | | | | | | | | | | | |
| Total | 2 | | | | | 0 | | | | 0 | | | | | | | | |

| | | | | |
|-----------------|------------------|-------------|-------|--------------|
| \$ - | \$ - | | 1,308 | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ 3,480 | \$ 41,760 | | 1,308 | 2,616 |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ 3,480 | \$ 41,760 | \$ - | | 2,616 |

| | | | | | | | | | | | | | | |
|--------------------------|-----------|--|--|--|----------|--|--|--|--|----------|--|--|--|--|
| Total Residential | 68 | | | | 0 | | | | | 0 | | | | |
|--------------------------|-----------|--|--|--|----------|--|--|--|--|----------|--|--|--|--|

| | | | | |
|------------------|---------------------|-------------|--|---------------|
| \$ 91,694 | \$ 1,100,328 | \$ - | | 36,448 |
|------------------|---------------------|-------------|--|---------------|

| TCAC AMI | Overall project summary | | | | | Total |
|------------------|-------------------------|-----------|-----------|----------|----------|-----------|
| | Bedrooms | | | | | |
| | 1 | 2 | 3 | 4 | 5 | |
| 30% | 0 | 0 | 0 | 0 | 0 | 0 |
| 35% | 0 | 0 | 0 | 0 | 0 | 0 |
| 40% | 0 | 0 | 0 | 0 | 0 | 0 |
| 45% | 4 | 7 | 16 | 1 | 2 | 30 |
| 50% | 12 | 23 | 1 | 1 | 0 | 37 |
| 55% | 0 | 0 | 0 | 0 | 0 | 0 |
| 60% | 0 | 0 | 0 | 0 | 0 | 0 |
| 70% | 0 | 0 | 0 | 0 | 0 | 0 |
| 80% | 0 | 0 | 0 | 0 | 0 | 0 |
| Aff Units | 16 | 30 | 17 | 2 | 2 | 67 |
| MGR | 0 | 1 | 0 | 0 | 0 | 1 |
| Total | 16 | 31 | 17 | 2 | 2 | 68 |

| OTHER INCOME | Unit/Mo |
|-------------------|-----------------|
| Misc Revenue | \$ 20.00 |
| Retail | \$ - |
| Utility Reimburse | \$ - |
| Interest Income | \$ - |
| Laundry & Vending | \$ - |
| Fees | \$ - |
| Damages | \$ - |
| Cable | \$ - |
| TOTAL | \$ 20.00 |

| Monthly | Total Annual |
|-----------------|------------------|
| \$ 1,360 | \$ 16,320 |
| \$ - | \$ - |
| \$ - | \$ - |
| \$ - | \$ - |
| \$ - | \$ - |
| \$ - | \$ - |
| \$ - | \$ - |
| \$ - | \$ - |
| \$ - | \$ - |
| \$ 1,360 | \$ 16,320 |

Total Income **\$ 93,054 \$ 1,116,648**

| | |
|-----------------------|-----------|
| TCAC 9% Points | 30 |
|-----------------------|-----------|

Attachment 4 - Developer's Project Pro Forma

Bandar Salaam | San Diego, CA
4% Tax Credits (68 Units)
Operating Income/Expenses

| PROJECTED OPERATING EXPENSES | Notes | ANNUAL TOTAL | Percentage of Total | ANNUAL PER UNIT | PER MONTH | PER UNIT PER MONTH |
|--|----------------|-----------------|------------------------|--------------------|---------------|-----------------------|
| | | increase | 0.00% | | | |
| ADMINISTRATIVE EXPENSES | | | | | | |
| Security | | 3,158 | 0.43% | 46.44 | 263.17 | 3.87 |
| Advertising | | 109 | 0.01% | 1.60 | 9.08 | 0.13 |
| Resident Services | | 0 | 0.00% | 0.00 | 0.00 | 0.00 |
| Resident Services-Tenant Relations | | 0 | 0.00% | 0.00 | 0.00 | 0.00 |
| Admin | | 21,768 | 2.99% | 320.12 | 1,814.00 | 26.68 |
| Auditing Services | | 6,300 | 0.87% | 92.65 | 525.00 | 7.72 |
| TOTAL ADMINISTRATIVE EXPENSES | | 31,335 | 4.31% | 460.81 | 2,611 | 38.40 |
| MANAGEMENT FEE | Per Unit/Month | \$ 51 | | 612.00 | 3,468 | 51.00 |
| UTILITY EXPENSES increase (Reduction) | | | | | | |
| Util-Electricity-Common Area | | 239 | 0.03% | 3.51 | 20 | 0.29 |
| Util-Electricity-Vacant Units | | 104 | 0.01% | 1.53 | 9 | 0.13 |
| Util-Garbage And Trash Collection | | 34,989 | 4.81% | 514.54 | 2,916 | 42.88 |
| Util-Gas-Common Area | | 23,486 | 3.23% | 345.38 | 1,957 | 28.78 |
| Util-Other | | 614 | 0.08% | 9.03 | 51 | 0.75 |
| Util-Sewer | | 70,717 | 9.72% | 1,039.96 | 5,893 | 86.66 |
| Util-Telephone & Communications | | 5,980 | 0.82% | 87.94 | 498 | 7.33 |
| Util-Water | | 97,215 | 13.37% | 1,429.63 | 8,101 | 119.14 |
| Util-Solar Svc Fee | | 18,850 | 2.59% | 277.21 | 1,571 | 23.10 |
| TOTAL UTILITY EXPENSES | | 252,194 | 34.68% | 3,708.74 | 21,016 | 309.06 |
| PAYROLL EXPENSES | | | | | | |
| Sal P/M-Community Director | | 54,120 | 7.44% | 795.88 | 4,510 | 66.32 |
| Sal P/M-Bonus-Office | | 0 | 0.00% | 0.00 | 0 | 0.00 |
| Sal P/M-Bonus-Maintenance | | 0 | 0.00% | 0.00 | 0 | 0.00 |
| Sal Maint-Other | | 176 | 0.02% | 2.59 | 15 | 0.22 |
| Sal Maint-Supervisor | | 50,852 | 6.99% | 747.82 | 4,238 | 62.32 |
| Sal P/M-Assn'T Resident Mgr | | 1,064 | 0.15% | 15.65 | 89 | 1.30 |
| Payroll Taxes/Bene * | 29.81% | 31,658 | 4.35% | 465.56 | 2,638 | 38.80 |
| TOTAL PAYROLL EXPENSES | | 137,870 | 18.96% | 2,027.50 | 11,489 | 168.96 |
| INSURANCE | | | | | | |
| | | 38,275 | 5.26% | 562.87 | 3,190 | 46.91 |
| REPAIRS & MAINTENANCE | | | | | | |
| Landscaping | | 23,516 | 3.23% | 345.82 | 1,960 | 28.82 |
| R & M | | 102,826 | 14.14% | 1,512.15 | 8,569 | 126.01 |
| R & M - Plumbing | | 25,754 | 3.54% | 378.74 | 2,146 | 31.56 |
| Turnover | | 10,202 | 1.40% | 150.03 | 850 | 12.50 |
| Other: "Non-Routine" Maintenance Items | | 0 | 0.00% | 0.00 | 0 | 0.00 |
| TOTAL REPAIRS & MAINTENANCE | | 162,298 | 22.32% | 2,386.74 | 13,525 | 198.89 |
| TOTAL RESIDENTIAL OPERATING EXPENSES | | | | | | |
| | | 663,588 | 91.25% | 9,758.65 | 55,299 | 813.22 |
| RESIDENT SERVICES (Above the line) | | | | | | |
| | | 30,000 | 4.13% | 441.18 | 2,500 | 36.76 |
| Trustee Fee | | | | | | |
| | | 3,000 | 0.41% | 44.12 | 250 | 3.68 |
| Issuer Fee | | | | | | |
| | | 10,000 | 1.38% | 147.06 | 833 | 12.25 |
| REPLACEMENT RESERVES | | | | | | |
| | | 20,400 | 2.81% | 300.00 | 1,700 | 25.00 |
| REAL ESTATE TAXES & ASSESSMENTS | | | | | | |
| | | 195 | 0.03% | 4.33 | 16 | 0.36 |
| TOTAL ANNUAL OPERATING EXPENSES | | | | | | |
| | | 727,183 | 100.00% | 10,693.87 | 60,599 | 891.16 |

NOTES

2022 OP Min 5500/unit
 Resident Services shown above the line
 T12 Jan 2023 + 3.50%

Attachment 4 - Developer's Project Pro Forma

Table with columns for Year (1-30) and rows for various financial metrics under 'Bandar Salaam | San Diego, CA 4% Tax Credits (68 Units) Cash Flow Projections'. Rows include GSI Analysis, Housing Portion, Net Operating Income - Resi, After DS Cash Flow, Cash Flow Distribution, Deferred Developer Fee, Land Lease, Seller Carryback Note, Residual Note Payments, and Developer Residual. Values are presented in thousands of dollars.

ATTACHMENT 5
HOUSING COMMISSION MULTIFAMILY
HOUSING REVENUE BOND PROGRAM SUMMARY

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

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

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

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

Approval Process:

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

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

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

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

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

Attachment 6 - Developer's Disclosure Statements



SAN DIEGO
HOUSING
COMMISSION

Real Estate Department

DEVELOPERS/CONSULTANTS/SELLERS/CONTRACTORS/ ENTITY SEEKING GRANT/BORROWERS (Collectively referred to as "CONTRACTOR" herein)

Statement for Public Disclosure

1. Name of CONTRACTOR: Community HousingWorks
2. Email: cbloom@chworks.org
2. Address and Zip Code: 3111 Camino del Rio North Suite 800, San Diego, CA 92108
3. Telephone Number: (619) 450-8710
4. Name of Principal Contact for CONTRACTOR: Chris Bloom
5. Federal Identification Number or Social Security Number of CONTRACTOR: 33-317950
6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as (*select and upload requested documents*):
 - A corporation (*Upload Articles of Incorporation*)
 - A nonprofit or charitable institution or corporation. (*Upload copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status*)
 - A partnership known as (Name): _____

Check one:

 - General Partnership (*Upload statement of General Partnership*)
 - Limited Partnership (*Upload Certificate of Limited Partnership*)
 - A business association or a joint venture known as: _____
(*Upload 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, give date of organization:
1988

Attachment 6 - Developer's Disclosure Statements



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8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:
- a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
 - b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.
 - c. If the CONTRACTOR is a partnership, each partner, whether a general or limited, and either the percent of interest or a description of the character and extent of interest.
 - d. If the CONTRACTOR is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
 - e. If the CONTRACTOR is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%. (Attach extra sheet if necessary)

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

9. Has the makeup as set forth in Item 8(a) through 8(e) changed within the last twelve (12) months? If yes, please explain in detail.

Members may have changed. No change in the total count of board members has occurred

10. Is it *anticipated* that the makeup as set forth in Item 8(a) through 8(e) will change within the next twelve (12) months? If yes, please explain in detail.

A small number of board members may transition due to term limits and will be replaced

Attachment 6 - Developer's Disclosure Statements



Real Estate Department

11. Provide name, address, telephone number, and nature and extent of interest of each person or entity (not named in response to Item 8) who has a beneficial interest in any of the shareholders or investors named in response to Item 8 which gives such person or entity more than a computed 10% interest in the CONTRACTOR (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the CONTRACTOR or more than 50% of the stock in the corporation which holds 20% of the stock of the CONTRACTOR):

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

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

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

Attachment 6 - Developer's Disclosure Statements



SAN DIEGO
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Real Estate Department

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

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

14. Provide 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: PLEASE REFER TO THE CHW CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS 2021 AND 2020

15. If funds for the development/project are to be obtained from sources other than the CONTRACTOR's own funds, provide a statement of the CONTRACTOR's plan for financing the development/project: PLEASE REFER TO THE ATTACHED PROFORMA SOURCES AND USES

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

a. In banks/savings and loans:

Name: _____
 Address: _____
 Amount: \$ _____

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

Name: _____
 Address: _____
 Amount: \$ _____

Attachment 6 - Developer's Disclosure Statements



Real Estate Department

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

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

Additional Information, as needed: COMMUNITY HOUSINGWORKS WILL PROVIDE A COMPLETE LIST OF THESE SOURCES AND THE AMOUNT OF CASH AVAILABLE TO MEET THE PROPOSED EQUITY REQUIREMENTS AT A LATER DATE

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

| Name and Address | Contact Name |
|------------------|--------------------------------------|
| Name: | PLEASE SEE ATTACHED BANK REFERENCE # |
| Address: | |
| | |
| Name: | |
| Address: | |
| | |
| Name: | |
| Address: | |
| | |

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

Yes No

If yes, 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. Upload any explanation deemed necessary:

Attachment 6 - Developer's Disclosure Statements



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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 |
|--------------|----------------------------|--------------------|----------------|----------------|
| | PLEASE SEE ATTACHED LIST O | | | |
| | | | | |
| | | | | |
| | | | | |

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

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

| Name and Address | Affiliation |
|------------------|-------------|
| Name: | |
| Address: | |
| Name: | |
| Address: | |
| Name: | |
| Address: | |
| Name: | |
| Address: | |

Attachment 6 - Developer's Disclosure Statements



Real Estate Department

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

Yes No

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

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

General description of such work: _____

Complete one table for each project:

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

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

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

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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 |
|-----------------|--------|-------------|
| | | |
| | | |
| | | |

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

PLEASE REFER TO THE CHW DEVELOPER QUALIFICATIONS ATTACHED

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

Yes No

If yes, explain:

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

NOT APPLICABLE

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:

N/A

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

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

Check coverage(s) carried:

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

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

Check coverage(s) carried:

- Comprehensive Form
- Owned
- Hired
- Non-Owned

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

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

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

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

- 27. CONTRACTOR warrants and certifies that it will not during the term of the PROJECT, GRANT, LOAN, CONTRACT, DEVELOPMENT and/or RENDITIONS OF SERVICES discriminate against any employee, person, or applicant for employment because of race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by 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.

Attachment 6 - Developer's Disclosure Statements



Real Estate Department

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

| Government Complaint | Entity | Making | Date | Resolution |
|----------------------|--------|--------|------|------------|
| NONE | | | | |
| | | | | |
| | | | | |
| | | | | |

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

Yes No

If yes, please explain in detail: NOT APPLICABLE

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

| Government Agency | License Description | License Number | Date Issued (Original) | Status (Current) | Revocation (Yes/No) |
|-------------------|---------------------|----------------|------------------------|------------------|---------------------|
| CITY OF SAN DIEGO | BUSINESS LICENSE | B2004013671 | 1/1/2019 | CURRENT | NO |
| | LICENSE ATTACHE | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Attachment 6 - Developer's Disclosure Statements



Real Estate Department

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

NONE

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

Community HousingWorks has a proud history of successful contract administration that will assure its successful completion of this project. We have developed and currently own and operate 8 affordable housing projects in the city of San diego and have met our loan obligations with each

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

| Date | Entity Involved (i.e. City SDHC, etc) | Status (Current, delinquent, repaid, etc.) | Dollar Amount |
|------|--|---|---------------|
| | See Attached List | | |
| | | | |
| | | | |

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

Yes No

If yes, please explain: N/A

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

Yes No

If yes, please explain: N/A

Attachment 6 - Developer's Disclosure Statements



SAN DIEGO
HOUSING
COMMISSION

Real Estate Department

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

1. Name: PLEASE SEE ATTACHED LIST

Address: _____

Phone: _____

Project Name and Description: _____

2. Name: _____

Address: _____

Phone: _____

Project Name and Description: _____

3. Name: _____

Address: _____

Phone: _____

Project Name and Description: _____

39. 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.

NOT APPLICABLE

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

| Name | Experience |
|------|------------|
| TBD | |

Attachment 6 - Developer's Disclosure Statements



SAN DIEGO
HOUSING
COMMISSION

Real Estate Department

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 5 day of April, 2023, at San Diego, California.

CONTRACTOR

By: 

Signature

Anna Slaby Vice President of Development

Title

Attachment 6 - Developer's Disclosure Statements



SAN DIEGO
HOUSING
COMMISSION

Real Estate Department

CERTIFICATION

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

By: 
Anna Slaby

By: _____

Title: Vice President of Development

Title: _____

Dated: 4/5/2023

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 _____

Subscribed and sworn to (or affirmed) before me on this _____ day of _____, 20__

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

Signature of Notary

SEAL

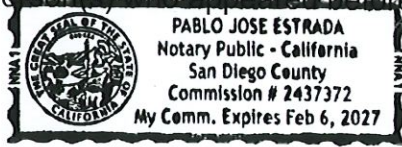
Attachment 6 - Developer's Disclosure Statements

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

State of California
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 5th
day of April, 2023, by Anna Slaby

proved to me on the basis of satisfactory evidence to be the
person(s) who appeared before me.



(Seal)

Signature 

Attachment 6 - Developer's Disclosure Statements

SAN DIEGO HOUSING COMMISSION DEVELOPER DISCLOSURE STATEMENT

COMMUNITY HOUSINGWORKS LIST OF ATTACHMENTS

| <u>QUESTION #</u> | <u>ATTACHMENT</u> |
|-------------------|---|
| 6 | Articles of Incorporation and Nonprofit Status |
| 8 & 12 | Board Roster of Community HousingWorks (CHW) |
| 14 | CHW 2020 and 2021 Consolidated Financial Statements |
| 15 | Pro Forma Sources and Uses |
| 17 | Bank References |
| 20 | List of Previous Undertakings |
| 22 | CHW Developer Qualifications |
| 26 | Insurance Certificates |
| 32 | Business License |
| 35 | List of Contracts |
| 38 | Local References |

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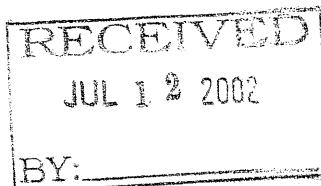
6. Articles of Incorporation and Nonprofit Status

Attachment 6 - Developer's Disclosure Statements

LUCE FORWARD

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

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



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

July 9, 2002

24214-00001

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

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

Dear Ms. Reynolds:

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

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

Very truly yours,

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

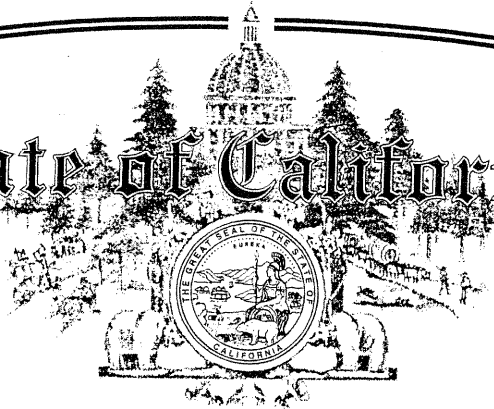
Nancy Crane
for
LUCE, FORWARD, HAMILTON & SCRIPPS LLP

NC/
Enclosure

cc: Dennis J. Doucette, Esq.

A0583277

State of California



SECRETARY OF STATE

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

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

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

JUL - 5 2002



Bill Jones

Secretary of State

State of California



SECRETARY OF STATE CERTIFICATE OF STATUS DOMESTIC CORPORATION

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

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

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

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

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

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

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



Bill Jones
BILL JONES
Secretary of State

ts

A0583277

Attachment 6 - Developer's Disclosure Statements

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

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

JUL - 1 2002

BILL JONES, Secretary of State

Jack Mawhinney and Michael Sprague certify that:

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

ARTICLE I

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

ARTICLE II

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

ARTICLE III

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

Attachment 6 - Developer's Disclosure Statements

ARTICLE IV

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

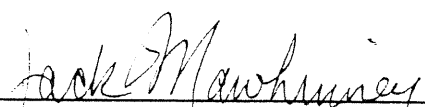
ARTICLE V

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

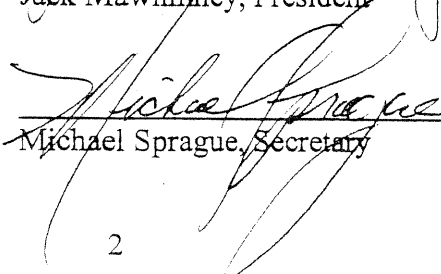
3. The foregoing amended and restated Articles of Incorporation have been duly approved by the board of directors.
4. The corporation has no members.

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

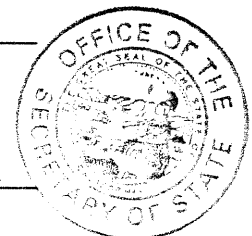
Date: 6/28, 2002



Jack Mawhinney, President



Michael Sprague, Secretary





Attachment 6 - Developer's Disclosure Statements

Department of the Treasury
Internal Revenue Service
P.O. Box 2508
Cincinnati OH 45201

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

00025408
BODC: TE

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

60198

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

Dear Taxpayer:

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

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

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

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

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

Attachment 6 - Developer's Disclosure Statements

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

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

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

Sincerely yours,



Doris Kenwright, Operation Mgr.
Accounts Management Operations 1

Attachment 6 - Developer's Disclosure Statements

LUCE FORWARD

ATTORNEYS AT LAW • FOUNDED 1873

LUCE, FORWARD, HAMILTON & SCRIPPS LLP

11988 El Camino Real

Suite 200

San Diego, CA 92130

858.720.6300

858.720.6306 fax

www.luce.com

DENNIS J. DOUCETTE, PARTNER

DIRECT DIAL NUMBER 858.720.6322

DIRECT FAX NUMBER 858.523.4305

EMAIL ADDRESS DDOUCETTE@LUCE.COM

September 5, 2002

24214/00001

Re: Name Change

Ladies and Gentlemen:

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

Very truly yours,



Dennis J. Doucette

of

LUCE, FORWARD, HAMILTON & SCRIPPS LLP

DJD/dzc

Attachment 6 - Developer's Disclosure Statements

COMMUNITY HOUSINGWORKS BOARD ROSTER

Attachment 6 - Developer's Disclosure Statements



2023 Board of Directors

| | | |
|--|---|--|
| <p>Don Ambrose <i>Board Chair</i> <i>Chair, Executive Committee</i> President Del Mar Healthcare, Inc. don@delmarhc.org 04/2020</p> | <p>Ken Krug <i>Vice-Chair</i> <i>Chair, Governance Committee</i> Partner FisherBroyles, LLP ken.krug@fisherbroyles.com 01/2022</p> | <p>Christie Ault <i>Secretary</i> Community Development Coordinator Pacific Premier Bank cault@ppbi.com 03/2019</p> |
| <p>Noni Ramos <i>Treasurer</i> <i>Chair, Finance Committee</i> Chief Executive Officer Housing Trust Silicon Valley noni@housingtrustsv.org 01/2022</p> | <p>Silvia Calzada <i>Community Representative</i> Community Health Worker Environmental Health Coalition silviamcalzada@gmail.com 06/2020</p> | <p>Antonio Barbosa <i>Chair, Audit Committee</i> VP, Community Development Wells Fargo Antonio.barbosa@wellsfargo.com 05/2017</p> |
| <p>Brandon Black <i>Chair, Fund Development Committee</i> Retired Executive bblack0828@gmail.com 01/2022</p> | <p>Robbie Calderon-Hass Broker/Owner The Hass Team Realty robbie@thehassteam.com 09/2019</p> | <p>Eleanor Evans Trustee Oceanside Unified School District eleanor.evans@oside.us 01/2023</p> |
| <p>Ricardo Flores Executive Director Local Initiatives Support Corporation RFlores@lisc.org 01/2023</p> | <p>Roberto Garcia Planning Commissioner City of National City roberto.garcia.ozua@gmail.com 09/2016</p> | <p>Pauline Hassan Burkey Project Manager PICO California pauline@picocalifornia.org 01/2023</p> |
| <p>Ted A. Holman <i>Chair, Strategy, Innovation, and Policy Committee</i> Director of Tax Credit Investments First Republic Bank tholman@firstrepublic.com 08/2017</p> | <p>Angela Nugent Real Estate Broker Keller Williams Orange County Coastal Realty teamnugent@gmail.com 08/2017</p> | <p>Sanat Patel Chief Lending Officer AVANA Companies sanat.patel@avanacompanies.com 01/2023</p> |
| <p>Dinora Reyna Gutierrez Executive Director dinora@sdop.net San Diego Organizing Project 01.2023</p> | | |

Executive Committee in Bold Updated: 1/30/2023 tc

Attachment 6 - Developer's Disclosure Statements

COMMUNITY HOUSINGWORKS 2020 AND 2021 CONSOLIDATED FINANCIAL STATEMENTS

CONFIDENTIAL

Attachment 6 - Developer's Disclosure Statements

14. 2020 and 2021 Consolidated Financial Statements of Community HousingWorks

Attachment 6 - Developer's Disclosure Statements



CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020



Leaf & Cole, LLP
Certified Public Accountants

Attachment 6 - Developer's Disclosure Statements

COMMUNITY HOUSINGWORKS CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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Attachment 6 - Developer's Disclosure Statements



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

Independent Auditor's Report

To the Board of Directors
Community HousingWorks

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Community HousingWorks (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Community HousingWorks as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Community HousingWorks and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Attachment 6 - Developer's Disclosure Statements

To the Board of Directors
Community HousingWorks

Page 2

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.

Attachment 6 - Developer's Disclosure Statements

To the Board of Directors
Community HousingWorks

Page 3

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 51 to 67 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2022, on our consideration of Community HousingWorks' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Community HousingWorks' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community HousingWorks' internal control over financial reporting and compliance.

Leaf & Cole LLP

San Diego, California
May 24, 2022

Attachment 6 - Developer's Disclosure Statements

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

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

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

Attachment 6 - Developer's Disclosure Statements

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

LIABILITIES AND NET ASSETS

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

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

Attachment 6 - Developer's Disclosure Statements

COMMUNITY HOUSINGWORKS CONSOLIDATED STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

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

Attachment 6 - Developer's Disclosure Statements

COMMUNITY HOUSINGWORKS CONSOLIDATED STATEMENTS OF ACTIVITIES (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

| | 2021 | | | 2020 | | |
|--|----------------------------|-------------------------|-----------------------|----------------------------|-------------------------|-----------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| Other Revenue and (Expense): | | | | | | |
| Gain on sale of property and equipment | \$ - | \$ - | \$ - | \$ 4,511,036 | \$ - | \$ 4,511,036 |
| Loan forgiveness and recovery | 1,291,708 | - | 1,291,708 | 278,480 | - | 278,480 |
| Obligation under interest rate swap change | 971,833 | - | 971,833 | 242,168 | - | 242,168 |
| Partnership loss | (201,733) | - | (201,733) | (357,734) | - | (357,734) |
| Total Other Revenue and (Expense) | <u>2,061,808</u> | <u>-</u> | <u>2,061,808</u> | <u>4,673,950</u> | <u>-</u> | <u>4,673,950</u> |
| Change in Net Assets | 10,634,459 | (372,053) | 10,262,406 | 19,774,901 | (513,997) | 19,260,904 |
| Net Assets at Beginning of Year | 136,016,048 | 906,780 | 136,922,828 | 113,584,379 | 1,420,777 | 115,005,156 |
| Acquisition of Partnership Interest | (2,846,595) | - | (2,846,595) | 2,826,153 | - | 2,826,153 |
| Contributions/(Distributions), net | <u>254,746</u> | <u>-</u> | <u>254,746</u> | <u>(169,385)</u> | <u>-</u> | <u>(169,385)</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 144,058,658</u> | <u>\$ 534,727</u> | <u>\$ 144,593,385</u> | <u>\$ 136,016,048</u> | <u>\$ 906,780</u> | <u>\$ 136,922,828</u> |

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

Attachment 6 - Developer's Disclosure Statements

COMMUNITY HOUSINGWORKS CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2021

| | Program Services | | | | Supporting Services | | | Total Expenses | |
|---|---------------------|---------------------|-------------------------|----------------------|-----------------------------|------------------------|-------------------|--------------------|----------------------|
| | Asset Management | Resident Services | Real Estate Development | Rental Real Estate | Supportive Housing Programs | Management and General | Fundraising | | Eliminations |
| <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/contract personnel | 7,496 | 16,916 | 32,411 | - | 1,153 | 29,284 | 27,907 | - | 115,167 |
| Total Personnel Expenses | <u>1,533,556</u> | <u>2,722,864</u> | <u>3,207,981</u> | <u>-</u> | <u>51,552</u> | <u>837,198</u> | <u>315,580</u> | <u>-</u> | <u>8,668,731</u> |
| <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>-</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>11,085</u> | <u>9,277</u> | <u>-</u> | <u>992</u> | <u>4,693</u> | <u>2,053</u> | <u>-</u> | <u>31,719</u> |
| <u>Supplies and Other Administrative Costs</u> | <u>68,983</u> | <u>118,043</u> | <u>190,285</u> | <u>-</u> | <u>8,637</u> | <u>85,808</u> | <u>60,438</u> | <u>-</u> | <u>532,194</u> |
| <u>Travel</u> | <u>4,019</u> | <u>20,256</u> | <u>8,178</u> | <u>-</u> | <u>108</u> | <u>1,838</u> | <u>505</u> | <u>-</u> | <u>34,904</u> |
| <u>Professional Fees:</u> | | | | | | | | | |
| Other professional services | 15,597 | 166,072 | 52,415 | - | 11,555 | 57,496 | 81,559 | - | 384,694 |
| Equipment/computer services | 10,915 | 49,919 | 24,592 | - | 2,223 | 27,133 | 9,551 | - | 124,333 |
| Accounting (Audit) | 8,872 | 10,891 | 17,973 | - | 1,067 | 3,163 | 2,061 | - | 44,027 |
| Total Professional Fees | <u>35,384</u> | <u>226,882</u> | <u>94,980</u> | <u>-</u> | <u>14,845</u> | <u>87,792</u> | <u>93,171</u> | <u>-</u> | <u>553,054</u> |
| <u>Program/Project Expenses:</u> | | | | | | | | | |
| Program/Project related expenses | 202 | 625,926 | 427 | - | 179,884 | 11,871 | 26,511 | - | 844,821 |
| Property operation cost | - | - | - | 12,786,461 | 134,674 | - | - | (2,853,513) | 10,067,622 |
| Total Program/Project Expenses | <u>202</u> | <u>625,926</u> | <u>427</u> | <u>12,786,461</u> | <u>314,558</u> | <u>11,871</u> | <u>26,511</u> | <u>(2,853,513)</u> | <u>10,912,443</u> |
| <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 | 3,767,511 | 20,998 | 27,017 | 5,229 | - | 3,876,011 |
| Contributions to others | 1,896 | 4,931 | 4,014 | - | 335 | 5,494 | 1,079 | - | 17,749 |
| Property loss | - | - | 8,746 | - | - | - | - | - | 8,746 |
| Total Other Expenses | <u>33,456</u> | <u>81,438</u> | <u>75,357</u> | <u>3,767,511</u> | <u>38,153</u> | <u>91,056</u> | <u>17,639</u> | <u>-</u> | <u>4,104,610</u> |
| <u>Less: Eliminations:</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(2,853,513)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,853,513</u> | <u>-</u> |
| TOTAL EXPENSES | <u>\$ 1,776,763</u> | <u>\$ 3,965,228</u> | <u>\$ 3,848,445</u> | <u>\$ 13,700,459</u> | <u>\$ 453,334</u> | <u>\$ 1,205,727</u> | <u>\$ 572,108</u> | <u>\$ -</u> | <u>\$ 25,522,064</u> |

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

Attachment 6 - Developer's Disclosure Statements

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

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

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

Attachment 6 - Developer's Disclosure Statements

COMMUNITY HOUSINGWORKS CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

(Continued)

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

Attachment 6 - Developer's Disclosure Statements

**COMMUNITY HOUSINGWORKS
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

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

Attachment 6 - Developer's Disclosure Statements

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

Note 1 - Organization:

The consolidated financial statements include the following entities which are collectively referred to as the “Organization”. The entities are summarized in the supplementary schedules of real estate entities on pages 51 - 54 for the years ended December 31, 2021 and 2020, respectively, which includes the partnership name, property name, and ownership details.

Community HousingWorks

Community HousingWorks (“CHW” or the “Organization”) is a Nonprofit California Corporation incorporated on June 20, 1988. CHW believes that opportunity begins with a stable home. The Organization provides and builds life-changing affordable apartment communities with resident-centered services for working families, seniors, and people with disabilities, to forge stronger futures. CHW has over 30 years of success developing new and renovating existing multi-family, affordable rental apartments in urban, suburban, and rural communities in San Diego and across California. With 3,741 rental apartments in 43 communities statewide, the Organization proudly served more than 9,800 residents in 2021.

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

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

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

Partnership and Limited Liability Companies

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

Attachment 6 - Developer's Disclosure Statements

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

Note 1 - Organization: (Continued)

Esperanza Housing and Community Development Corporation

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

Escondido Family Housing Corporation

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

Maplewood/Ashwood

Maplewood/Ashwood, a California Nonprofit Corporation has no assets at December 31, 2021 or 2020.

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

Rental Communities

Real Estate Development

CHW develops and owns affordable, attractive and sustainable rental communities across California that people are proud to call home. Over 9,800 people living on a limited income find home stability in the Organization’s award-winning apartment communities. CHW has been recognized nationally, statewide and within the San Diego region for excellence in development, from the national Gold Nugget Award to the Urban Land Institute Award of Excellence for the Americas. As of 2021, CHW operated 3,741 rental apartments in 43 communities, designed and managed to improve their neighborhoods and help residents build brighter futures. Extensive resident service programs further support resident success.

In 19 of our communities, residents can take advantage of a Community Center with after-school programs. In 2021, these services were offered remotely and in a hybrid approach of both on-site and remote services. All residents can also access our comprehensive asset-building programs, including Financial Fitness classes and financial coaching.

Asset Management

The Organization provides ongoing administrative support, management oversight, risk management review, and/or oversight of financial and repair plans for the communities developed by the Organization for very low-income and low-income residents in need. CHW’s asset management staff maintains high standards in a diverse portfolio. CHW’s permanent affordable housing portfolio operates at 98.8% occupancy and has consistently met all reserve and partnership management fee targets. Due to the Organization’s outstanding track record, banks and investors consider CHW among the highest-rated developers.

Attachment 6 - Developer's Disclosure Statements

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

Note 1 - Organization: (Continued)

Rental Communities (Continued)

Supportive Housing

The Organization provides stable homes for individuals and families in need, including formerly homeless families, seniors with disabilities, individuals with HIV/AIDS, youth transitioning out of foster care, and victims of domestic violence. CHW has 115 supportive housing apartments in 14 communities, and 29 Community Centers.

| 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 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 |

Attachment 6 - Developer's Disclosure Statements

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

Note 1 - Organization: (Continued)

Resident Services Programs

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

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

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

1. Financial Well-being

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

- **Financial Stability** (*address a current financial crisis*). Through our Rental Home Stability Program (RHSP), our accredited financial coaches help households at risk of eviction to regain stability. In 2021, RHSP was placed on hold to address the federal and state eviction moratoriums related to the Covid-19 pandemic. Instead, CHW pivoted to create and implement the Emergency Rental Assistance program, which allowed much needed rent relief, paired with financial counseling. A total of 202 resident households that experienced financial hardship due to the Covid-19 pandemic received CHW Rental Assistance payments. In addition, 187 of these resident households received financial counseling in 2021. RHSP will re-launch in 2022.
- **Financial Security** (*meet day-to-day financial obligations*). Community HousingWorks' Family Asset Building class uses a virtual group-coaching model to help residents more effectively manage their money and make positive financial choices to meet self-identified goals. In 2021, there was a total of 12 workshops and 47 participants. Through our Credit Strengthening Initiative program, there was a total of 45% of households who registered on the new property management platform (APTEXX) to pay their rent and 25% of households are now paying rent online. A total of 21% of these residents also opted-in to have their rental payments reported to the credit bureaus to strengthen their credit scores.
- **Financial Mobility** (*plan for the future*). We help low-income households reach their personal goals to build not just income, but wealth: increased savings, buying a house, purchasing a vehicle, starting a business, paying for education, or a retirement plan. Residents use individual coaching to set and attain an asset-building goal. In 2021, 17 residents joined a Financial Health Club.

Attachment 6 - Developer's Disclosure Statements

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

Note 1 - Organization: (Continued)

Resident Services Programs (Continued)

2. Next Generation Success

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

- **Study Stars Extended Learning Program.** Community HousingWorks' own Study Stars program focuses on achieving grade level reading for K-5th grade students, well-documented as the most important gateway to educational and life success. Study Stars uses a nationally evaluated on-line literacy program, i-Ready, that provides individualized success measures, and has shown significant gains in academic achievement for English learners, female, African American and Latino students. For the 2020-2021 school year, there were a total of 220 active study star students participating in the Study Stars Extended Learning Program.
- **Achievers Club.** The Achievers Club provides youth with an on-site leadership development and mentorship program, including workshops on post-secondary career pathways, community organizing and financial literacy, as well as opportunities to give back to their community through service activities.
- **VALOR Scholarships.** VALOR scholarships are offered to CHW youth and adult residents to support post-secondary education and career pathways, ranging from two and four-year college degrees to vocational training certificates. In 2021, 36 CHW residents from 20 communities won scholarships totaling \$36,000.

3. Health and Wellness

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

- **Senior Programs.** CHW offers onsite services and activities, to support senior health and independence, encourage an active lifestyle and mutual support, and reduce deadly isolation. Services are provided by CHW staff or by community partners.
- **Supportive Housing Programs.** Since 1989, CHW has been providing supportive and permanent supportive housing for homeless and disabled residents, with services provided by local service partners.
 - **Collaborating.** CHW was an early member of the County Regional Continuum of Care, has received HUD SHP funding for over 20 years, and actively uses the Coordinated Entry System.
 - **Integrating.** Some CHW communities are 100% supportive housing. More often, we have included homeless residents as part of larger affordable communities, starting with our innovative integration of homeless families into Cedar Apartments (Vista) in 1994.
 - **Serving a Range of Needs.** As of the end of 2021, CHW provided over 115 supportive and permanent supportive housing apartments across the county. CHW apartments serve homeless men and women with HIV/AIDS, homeless veterans, homeless and disabled seniors, TAY foster youth, CWS-at-risk young mothers and children, adults with developmental disabilities, and homeless CWS-client parents reuniting with their children after substance abuse treatment. CHW partners with various county agencies to support the specific needs of our residents.

Attachment 6 - Developer's Disclosure Statements

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

Note 2 - Significant Accounting Policies:

Consolidated Financial Statements

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

Accounting Method

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

Financial Statement Presentation

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

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

Estimates

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

Attachment 6 - Developer's Disclosure Statements

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

Note 2 - Significant Accounting Policies: (Continued)

Fair Value Measurements

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

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

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

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

Cash and Cash Equivalents and Restricted Cash

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

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

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

Attachment 6 - Developer's Disclosure Statements

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

Note 2 - Significant Accounting Policies: (Continued)

Allowance for Doubtful Accounts

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding receivables. Management believes that all grants and contracts receivable were fully collectible; therefore, no allowance for doubtful grants and contracts receivable was recorded at December 31, 2021 and 2020. The allowance for doubtful accounts receivable-other totaled \$-0- and \$5,248 at December 31, 2021 and 2020, respectively.

Loans Receivable

Loans receivable are carried at unpaid principal balances, less an allowance for loan losses. The Organization has implemented policies and practices for assessing impairment of its loans receivable and the recognition of income on impaired loans. Loans receivable are recorded at the lower of cost or estimated net realizable value. Allowance for loan losses are analyzed by the Organization and include any loan where full recovery of principal and interest is considered in doubt based on the current evaluation of the loan and its security. The Organization may include an additional provision for losses based on any loan where it feels that a provision may become necessary in the future for any reason. The Organization has recorded an allowance for collection losses totaling \$26,000 and \$35,000 at December 31, 2021 and 2020, respectively. Collection (recoveries) and losses are recorded as other revenue and expense in the consolidated statement of activities. There were no collection losses for the years ended December 31, 2021 and 2020, respectively. The Organization is not funding any new loans to homeowners.

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

Impaired loans are those loans for which write-downs or specific provisions have been taken. The Organization recognizes interest income on its impaired loans based on the actual cash flow of payments received from borrowers. There were no impaired loans at December 31, 2021 and 2020.

Capitalization and Depreciation

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

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

Attachment 6 - Developer's Disclosure Statements

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

Note 2 - Significant Accounting Policies: (Continued)

Capitalization and Depreciation (Continued)

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

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

Maintenance and repairs are charged to operations as incurred.

Impairment of Long-Lived Assets

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

The Organization's test for impairment at December 31, 2021 and 2020 was based on the most current information available to it, if the Organization's plans regarding its real estate assets and related debt obligations change, it could result in impairment charges in the future. Based on the Organization's plans with respect to the rental property and related debt financings, management believes that the carrying amounts are recoverable and therefore, under applicable accounting and reporting standards, no impairment losses have been recorded for the years ended December 31, 2021 and 2020. Accordingly, the Organization will continue to monitor circumstances and events in future periods to determine whether any impairment is warranted.

Investments in Limited Partnerships

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

Other Assets and Amortization

Acquisition costs totaling \$71,000 net of accumulated amortization totaling \$30,932 and \$29,379 at December 31, 2021 and 2020, respectively, are amortized using the straight-line method over the term of the related costs ranging from 48 to 480 months. Amortization expense totaled \$1,553 for the years ended December 31, 2021 and 2020.

Compensated Absences

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

Attachment 6 - Developer's Disclosure Statements

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

Note 2 - Significant Accounting Policies: (Continued)

Security Deposits

Security deposits are restricted to the extent of the security deposit liability totaling \$665,404 and \$653,778 at December 31, 2021 and 2020, respectively.

Debt Issuance Costs

Debt issuance costs are incurred in order to obtain permanent financing. Debt issuance costs are amortized on a straight-line basis over the term of the related loan, which approximates the interest method. Unamortized deferred financing costs are presented as a direct reduction from the carrying value of the related obligation to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense (which is included in property operation cost in the statements of functional expenses) and totaled \$363,364 and \$30,814 for the years ended December 31, 2021 and 2020, respectively.

Derivative Instrument

The accounting and reporting standards related to Derivative Instruments requires that every derivative instrument be recorded on the balance sheet as either an asset or liability as measured at its fair value. The Organization's Interest Rate Swap Contract ("IRSC") related to the La Costa Paloma bonds discussed in Note 14 is considered a derivative instrument and is measured at fair value. The gains and losses are recognized as an expense in the period of the change. The Organization enters into interest rate swaps to manage risks on the changes in market interest rates. The IRSC is considered a Level 2 asset or liability. For the valuation of the interest rate swap at December 31, 2021, the Organization used significant other observable inputs as of the valuation date (Level 2), including prices of instruments with similar maturities and characteristics, interest rate yield curves and measures of interest rate volatility. The value was determined and adjusted to reflect nonperformance risk of both the counterparty and the Organization. The change in the fair value of the IRSC liability is as follows for the year ended December 31:

| | <u>2021</u> | <u>2020</u> |
|---|------------------|-------------------|
| Balance at Beginning of Year | \$ 989,513 | \$ 948,438 |
| Change in Fair Value of Obligation Under Interest Rate Swap | (697,124) | 41,075 |
| Payoff of swap contract | (274,709) | - |
| Balance at End of Year | <u>\$ 17,680</u> | <u>\$ 989,513</u> |

Revenue and Expense Recognition

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

Attachment 6 - Developer's Disclosure Statements

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

Note 2 - Significant Accounting Policies: (Continued)

Revenue and Expense Recognition (Continued)

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

| | <u>2021</u> | <u>2020</u> |
|---------------------------------------|----------------------|----------------------|
| Accounts receivable – related parties | \$ 13,675,937 | \$ 11,924,297 |
| Notes receivable – related parties | <u>3,111,501</u> | <u>3,737,518</u> |
| Total Contract Asset | <u>\$ 16,787,438</u> | <u>\$ 15,661,815</u> |

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

Management fees and program income are received in connection with management and services provided in accordance with agreements with affordable low-income housing projects. The Organization recognizes revenue as the services are performed in accordance with the agreements. Deferred management fees totaled \$159,303 and \$202,255 at December 31, 2021 and 2020, respectively.

Rental income is recognized for apartment rentals, other rentals, and laundry contracts as it accrues. Advance receipts of rental income and laundry contracts are deferred or classified as liabilities until earned. Deferred rental income totaled \$108,053 and \$101,852 at December 31, 2021 and 2020, respectively.

Sales of property and equipment are recognized on the date the sale occurs. Upon sale or disposition of land, buildings and equipment, the asset account is relieved of the cost and the accumulated depreciation is charged with depreciation taken prior to the sale and any resultant gain or loss is credited or charged to earnings net of any costs of the sale.

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

Rent expense is recognized on a straight-line basis over the term of the operating lease. The deferred lease liability represents discounted rent received in excess of the rent expense recognized. The deferred lease liability totaled \$282,236 and \$281,170 at December 31, 2021 and 2020, respectively.

Attachment 6 - Developer's Disclosure Statements

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

Note 2 - Significant Accounting Policies: (Continued)

Donated Services and Equipment

The Organization utilizes the services of many volunteers throughout the year. This contribution of services by the volunteers is not recognized in the consolidated financial statements unless the services received (a) create or enhance nonfinancial assets or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The donated services for the years ended December 31, 2021 and 2020 did not meet the requirements above, therefore no amounts were recognized in the consolidated financial statements.

Functional Allocation of Expenses

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

Income Taxes

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

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

The Entities' Returns of Organization Exempt from Income Tax for the years ended December 31, 2021, 2020, 2019 and 2018 are subject to examination by the Internal Revenue Service and State taxing authorities, generally three to four years after the returns were filed.

Concentrations

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

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

Attachment 6 - Developer's Disclosure Statements

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

Note 2 - Significant Accounting Policies: (Continued)

Reclassification

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

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 24, 2022, the date the consolidated financial statements were available to be issued, and concluded that there were no events or transactions that needed to be disclosed.

Attachment 6 - Developer's Disclosure Statements

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

Note 3 - Liquidity and Availability:

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

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

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

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization has a line-of-credit agreement with available borrowings totaling \$5,500,000 as described in Note 11. In addition, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

The Organization's governing board has designated a portion of its resources without donor restrictions for an operating reserve and a Housing Futures Fund as described in Note 15. The amounts not expected to be used for operations within one year are identified as cash held for board-designated purposes in the table above. These funds are held in highly liquid cash and cash equivalents but remain available and may be spent at the discretion of the Board of Directors.

Attachment 6 - Developer's Disclosure Statements

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

Note 4 – Investments and Fair Value Measurements:

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

| | 2021 | | | |
|--------------------------------------|--|---|--|------------------------------------|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Balance at December 31, 2021 |
| 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> |
| | | | | |
| | 2020 | | | |
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Balance at December 31, 2020 |
| Investments: | | | | |
| Fixed income funds | \$ 3,078,719 | \$ - | \$ - | \$ 3,078,719 |
| Equity funds | 1,460,477 | - | - | 1,460,477 |
| Equities | 578,942 | - | - | 578,942 |
| U.S. Treasury bills | - | 3,574,045 | - | 3,574,045 |
| Corporate bonds | - | 945,353 | - | 945,353 |
| Total Investments | <u>5,118,138</u> | <u>4,519,398</u> | <u>-</u> | <u>9,637,536</u> |
| Restricted Reserves: (Note 6) | | | | |
| Equity funds | 191,819 | - | - | 191,819 |
| Corporate bonds | - | 222,983 | - | 222,983 |
| Total Restricted Reserves | <u>191,819</u> | <u>222,983</u> | <u>-</u> | <u>414,802</u> |
| | <u>\$ 5,309,957</u> | <u>\$ 4,742,381</u> | <u>\$ -</u> | <u>\$ 10,052,338</u> |

Attachment 6 - Developer's Disclosure Statements

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

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

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

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

Attachment 6 - Developer's Disclosure Statements

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

Note 5 - Accounts Receivable - Related Parties:

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

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

Attachment 6 - Developer's Disclosure Statements

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

Note 6 - Restricted Reserves:

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

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

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

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

Attachment 6 - Developer's Disclosure Statements

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

Note 7 - Loans Receivable:

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

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

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

Note 8 - Notes Receivable - Related Parties:

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

| | <u>2021</u> | <u>2020</u> |
|---|-------------|-------------|
| The Organization loaned \$270,000 from a Neighborhood Reinvestment Corporation capital contribution to Alabama Manor Housing Associates, L.P. The note receivable from Alabama Manor Housing Associates, L.P. is noninterest-bearing. Principal is due at maturity on December 31, 2064. | \$ 270,000 | \$ 270,000 |
| The note receivable from Cedar Nettleton Housing Associates, L.P. in the original amount of \$2,731,129 bears interest at 3.8% compounded annually. Principal and interest are payable from residual receipts determined on an annual basis. Principal and accrued interest are due December 31, 2073. Accrued interest totaled \$99,862 and \$186,734 at December 31, 2021 and 2020, respectively. | 2,731,129 | 2,731,129 |

(Continued)

Attachment 6 - Developer's Disclosure Statements

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

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

| | <u>2021</u> | <u>2020</u> |
|---|-------------|-------------|
| The note receivable from Cedar Nettleton Housing Associates, L.P. in the original amount of \$513,201 bears interest at 3.8% compounded annually. Principal and interest are payable from residual receipts determined on an annual basis. Principal and accrued interest are due December 31, 2073. Accrued interest totaled \$106,246 and \$83,743 at December 31, 2021 and 2020, respectively. | \$ 513,201 | \$ 513,201 |
| The note receivable from Cedar Nettleton Housing Associates, L.P. in the original amount of \$858,689 is noninterest-bearing. Principal is payable from residual receipts determined on an annual basis. Principal is due no later than December 31, 2073. | 623,587 | 623,587 |
| The deferred developer fee from Cypress Cove Housing Associates, L.P. bears interest at 4% compounded annually. Accrued interest totaled \$4,689 and \$19,095 at December 31, 2021 and 2020, respectively. | 8,866 | 250,571 |
| The note receivable from East Mountain Housing Associates, L.P. in the original amount of \$1,885,000 bears interest at 2.57%. No payments shall be due until the maturity date provided that following the repayment of the \$760,000 loan above, annual payments shall be made equal to 25% of residual receipts until the senior note is paid in full and then, 100% of residual receipts. Principal and accrued interest are due February 1, 2072. Accrued interest totaled \$63,724 and \$114,398 at December 31, 2021 and 2020, respectively. | 1,326,789 | 1,326,789 |
| The note receivable from El Norte Housing Associates, L.P. in the original amount of \$462,889 bears interest at 3%. Beginning in 2014, payments from residual receipts (100%) generated in the preceding year are due by April 30, with any remaining principal and accrued interest due December 31, 2068. Accrued interest totaled \$30,126 and \$32,518 at December 31, 2021 and 2020, respectively. | 462,889 | 462,889 |
| The note receivable from Foothill Oak Housing Associates, L.P. in the original amount of \$25,000 bears interest at 4.32%. Principal and accrued interest are due December 31, 2067. Accrued interest totaled \$3,293 and \$2,908 at December 31, 2021 and 2020, respectively. | 6,000 | 6,000 |
| The deferred developer fee from Fruit Avenue Housing Associates, LP bears interest at 1.53% annually. Accrued interest totaled \$1,195 and \$57,351 at December 31, 2021 and 2020, respectively. | 3,167,851 | 3,545,414 |

(Continued)

Attachment 6 - Developer's Disclosure Statements

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

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

| | <u>2021</u> | <u>2020</u> |
|--|--------------|--------------|
| The note receivable from Fruit Avenue Housing Associates, LP in the original amount of \$8,251,620 bears interest at 2.26% compounded annually. Principal and interest are payable from residual receipts determined on an annual basis. Principal and accrued interest are due December 31, 2073. Accrued interest totaled \$984,671 and \$780,544 at December 31, 2021 and 2020, respectively. | \$ 8,251,620 | \$ 8,251,620 |
| The note receivable from Keeler Court Housing Associates, L.P. in the original amount of \$700,000 is noninterest-bearing. Principal is payable from residual receipts determined on an annual basis. Principal is due no later than December 1, 2074. | 700,000 | 700,000 |
| The note receivable from Keeler Court Housing Associates, L.P. in the original amount of \$940,000 bears interest at 3%. Accrued interest totaled \$33,302 and \$-0- at December 31, 2021 and 2020, respectively. Principal is payable from residual receipts determined on an annual basis. Principal is due no later than December 1, 2076. | 940,000 | 735,030 |
| The deferred developer fee from Keeler Court Housing Associates, L.P. in the amount of \$178,573 is noninterest-bearing. | 178,573 | - |
| The note receivable from Lindo Housing Associates, L.P. in the original amount of \$2,246,408 bears interest at 2.57%. Principal and interest are payable from residual receipts determined on an annual basis. Principal and accrued interest are due December 31, 2072. Accrued interest totaled \$81,857 and \$102,474 at December 31, 2021 and 2020, respectively. | 2,133,540 | 2,133,540 |
| The deferred developer fee from Monument Boulevard Housing L.P. in the amount of \$3,093,853 is noninterest-bearing. | 1,278,552 | 1,904,569 |
| The note receivable from Monument Boulevard Housing, L.P. in the original amount of \$9,917,907 bears interest at 2.58% compounded annually. Principal and interest are payable from residual receipts determined on an annual basis. Principal and accrued interest are due no later than July 1, 2062. Accrued interest totaled \$235,343 and \$15,256 at December 31, 2021 and 2020, respectively. | 8,515,249 | 8,515,249 |
| The note receivable from North Santa Fe Housing Associates, L.P. in the original amount of \$370,120 bears interest at 4%. Beginning in the calendar year following receipt of a certificate of occupancy for the Project, payments from residual receipts generated in the preceding year are due by May 1, with any remaining principal and accrued interest due December 31, 2075. Accrued interest totaled \$26,272 and \$26,064 December 31, 2021 and 2020, respectively. | 370,120 | 370,120 |

(Continued)

Attachment 6 - Developer's Disclosure Statements

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

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

| | <u>2021</u> | <u>2020</u> |
|---|-------------|-------------|
| The Organization loaned \$210,000 to Oak Knoll Housing Associates, L.P. The note receivable from Oak Knoll Housing Associates, L.P. is noninterest-bearing. Payments of principal shall be paid from surplus cash calculated annually. Any unpaid principal is due May 1, 2064. | \$ 195,469 | \$ 195,469 |
| The note receivable from Texas Street Senior Housing Associates, L.P. in the original amount of \$2,727,985 bears interest at 2.24% compounded annually. Principal and interest are payable annually from residual receipts determined on an annual basis beginning no later than June 1, 2019 for the calendar year ended December 31, 2018. Principal and accrued interest are due no later than December 31, 2073. Accrued interest totaled \$99,306 and \$53,070 at December 31, 2021 and 2020, respectively. | 2,011,028 | 2,011,028 |
| The note receivable from Texas Street Senior Housing Associates, L.P. in the original amount of \$750,000 bears interest at 2.24% compounded annually. Principal and accrued interest are due July 1, 2073. Accrued interest totaled \$95,922 and \$77,438 at December 31, 2021 and 2020, respectively. | 750,000 | 750,000 |
| The note receivable from Tripp Avenue Housing Associates L.P. in the original amount of \$28,256,476 bears interest at 2.09% per annum. Principal and interest are payable from residual receipts determined on an annual basis. Principal and accrued interest are due December 1, 2064. Accrued interest totaled \$1,224,624 and \$621,083 at December 31, 2021 and 2020, respectively. | 28,256,476 | 28,256,476 |
| The note receivable from Turnagain Renaissance Housing Associates, L.P. in the original amount of \$200,000 bears interest at 4.32% per annum. Payments of principal and interest are due at maturity on December 31, 2064. Accrued interest totaled \$113,503 and \$104,864 at December 31, 2021 and 2020, respectively. | 200,000 | 200,000 |
| The deferred developer fee from Windsor Gardens Housing Associates, L.P. in the amount of \$1,832,949 is noninterest-bearing. | 1,832,949 | 1,832,949 |

(Continued)

Attachment 6 - Developer's Disclosure Statements

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

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

| | <u>2021</u> | <u>2020</u> |
|--|---------------|---------------|
| The note receivable from Woodcroft Street Housing Associates, L.P. in the original amount of \$1,500,000 bears interest at 4.00%. Interest is payable annually beginning May 1, 2014. Principal and accrued interest are due March 1, 2054. Secured by a deed of trust. Accrued interest totaled \$9,771 and \$26,035 at December 31, 2021 and 2020, respectively. | | |
| Total Notes Receivable - Related Parties | \$ 64,840,246 | \$ 65,976,195 |

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

Note 9 - Property and Equipment:

Property and equipment consist of the following at December 31:

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

Attachment 6 - Developer's Disclosure Statements

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

Note 10 - Investments in Limited Partnerships:

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

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

Attachment 6 - Developer's Disclosure Statements

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

Note 10 - Investments in Limited Partnerships: (Continued)

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

| | 2021 | | |
|--|----------------------------|---------------------------|---------------------------|
| | <u>Management Fees</u> | <u>Other Services</u> | <u>Developer Fees</u> |
| 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> |

Attachment 6 - Developer's Disclosure Statements

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

Note 10 - Investments in Limited Partnerships: (Continued)

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

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

Attachment 6 - Developer's Disclosure Statements

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

Note 11 – Lines-of-Credit

The unsecured revolving line of credit note, which was originated on March 28, 2019, is held by Pacific Premier Bank in the original amount of \$2,000,000 and bears interest at the WSJ prime rate per annum (3.25% at December 31, 2021 and 2020). Interest is payable monthly. The line-of-credit note expires April 1, 2023. The outstanding balance on the line-of-credit totaled \$-0- at December 31, 2021 and 2020.

The unsecured revolving line of credit note which was originated on October 27, 2014, is held by Western Alliance Bank in the original amount of \$2,000,000 and bears interest at the index rate plus 1% per annum. Interest is payable monthly. The line-of-credit note expired September 15, 2019 and was renewed on February 4, 2020 with an expiration date of September 15, 2023. There was no outstanding balance on the line-of-credit at December 31, 2021 and 2020.

The secured revolving line of credit note, which was originated on May 29, 2014, is held by JPMorgan Chase Bank, N.A. in the original amount of \$1,500,000 and bears interest at the index rate plus 3.00% per annum. Interest is payable monthly. The line-of-credit note expires April 12, 2023. There was no outstanding balance on the line-of-credit at December 31, 2021 and 2020.

Attachment 6 - Developer's Disclosure Statements

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

Note 12 - Notes Payable – Amortized Debt

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

| <u>Community HousingWorks</u> | <u>2021</u> | <u>2020</u> |
|---|------------------|------------------|
| The note payable, which was originated on July 7, 2008, is held by Northern Trust Company in the original amount of \$1,000,000. The note bears interest at 2% per annum. Principal and accrued interest are due July 30, 2023. Unsecured. | \$ 1,000,000 | \$ 1,000,000 |
| The note payable, which was originated on March 1, 2020, is held by Union Bank, N.A. in the original amount of \$3,000,000, and bears interest at .80% per annum. Interest is payable quarterly. Principal and accrued interest are due March 1, 2025. Unsecured. | 3,000,000 | 3,000,000 |
| The note payable, which was originated on August 13, 2013, is held by Union Bank, N.A. in the original amount of \$750,000, and bears interest at 2.50% per annum. Interest is payable quarterly. Principal and accrued interest are due September 1, 2021. Paid in full. | - | 750,000 |
| The note payable, which was originated March 25, 2015, is held by Union Bank, N.A. in the original amount of \$650,000, and bears interest at 2% per annum. Interest is payable quarterly. Principal and accrued interest are due April 1, 2023. Unsecured. | 650,000 | 650,000 |
| The note payable, which was originated on January 31, 2011 is held by Sunwest Bank in the original amount of \$250,000, and bears interest at 3.0% per annum. Interest is payable quarterly. Principal and accrued interest are due August 31, 2021. Unsecured. Paid in full. | - | 250,000 |
| The note payable, which was originated on March 17, 2016, is held by Poway Villas Community Housing Association in the original amount of \$2,500,000, and bears interest at 3.00% per annum. Interest is payable quarterly. Principal and accrued interest are due April 1, 2026. Unsecured. | 2,500,000 | 2,500,000 |
| The note payable, which was originated on March 5, 2019, is held by the Wells Fargo Bank, N.A. in the original amount of \$500,000, and bears interest at 2% per annum. Interest is payable quarterly and principal payments of \$62,500 are due quarterly beginning March 2023 through the maturity date of March 5, 2025. Unsecured. | 500,000 | 500,000 |
| The note payable, which was originated on July 13, 2021, is held by the U.S. BanCorp Community Development Corporation in the original amount of \$2,000,000, and bears interest at 3% per annum. Interest is payable quarterly and principal payments are due quarterly beginning July 2024 through the maturity date of July 2028. Unsecured. | <u>2,000,000</u> | <u>-</u> |
| Total Community HousingWorks | <u>9,650,000</u> | <u>8,650,000</u> |

(Continued)

Attachment 6 - Developer's Disclosure Statements

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

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

Esperanza Housing and Community Development Corporation

2021

2020

The note payable, which was originated in December 2003, is held by JPMorgan Chase Bank in the original amount of \$1,500,000, and bears interest at 7.74% per annum. Principal and interest are payable in monthly installments of \$10,736 commencing January 1, 2004. Principal and accrued interest are due December 1, 2033. Secured by a deed of trust on Hillside Village.

\$ 1,004,993 \$ 1,053,960

The mortgage note, which was originated on May 7, 2004, is held by CalHFA in the original amount of \$980,000, and bears interest at 5.25% per annum. Principal and interest are payable in the amount of \$5,412 each month through May 2034. Secured by a deed of trust on Old Grove Apartments.

594,302 627,100

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

92,645 133,287

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

31,509 43,944

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

255,352 291,712

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

929,870 1,024,240

(Continued)

Attachment 6 - Developer's Disclosure Statements

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

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

Esperanza Housing and Community Development Corporation (Continued)

2021

2020

The 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.

\$ 592,212 \$ 628,631

The bonds payable, which were originated on June 1, 2003, are held by the City of Carlsbad in the original amount of \$20,000,000, and bear interest at a variable rate determined weekly. Accrued interest is payable monthly. The principal of each bond is payable upon the presentation and surrender of such bond, when due through June 1, 2046. Secured by all of the revenues of La Costa Paloma and a letter of credit (Note 18). An IRSC agreement, effective July 1, 2005, effectively fixed the interest rate on the bonds payable at 4.309% until the termination date of July 1, 2022 (Note 15). The note payable was repaid in full.

- 12,215,000

The note payable, which was originated on December 16, 2019, is held by Neighborworks Capital in the original amount of \$3,645,000, and bears interest at 5.75% per annum. Interest only payments are payable monthly. Principal and accrued interest are due no later than December 1, 2023. Secured by a deed of trust on Las Haciendas. The note payable was repaid in full.

- 3,645,000

The note payable, which was originated on December 16, 2019, is held by Neighborworks Capital in the original amount of \$1,200,000 (\$0- advanced at December 31, 2021 and 2020), and bears interest at 5.50% per annum. Interest only payments are payable monthly. Principal and accrued interest are due no later than December 1, 2023. Secured by a deed of trust on Las Haciendas. The note payable was repaid in full.

- 5,453

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.

505,333 573,010

(Continued)

Attachment 6 - Developer's Disclosure Statements

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

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

Esperanza Housing and Community Development Corporation (Continued)

2021

2020

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

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

\$ 18,000,000 \$ -

The bonds payable which were originated on June 1, 2005 are held by the Housing Authority of the City of San Diego in the original amount of \$9,000,000, and bear interest at a variable rate determined weekly (.093% at December 31, 2020). Accrued interest is payable monthly. The principal of each bond is payable upon the presentation and surrender of such bond, when due through June 1, 2035. Secured by all of the revenues of the Partnership and a letter of credit. On January 1, 2007, entered agreement that effectively fixed the interest rate on the bonds at 4.14% which expired on January 1, 2022 and was not renewed. Secured by a deed of trust on Delta Village Apartments.

\$ 4,900,000 \$ 5,100,000

Total Esperanza Housing and Community Development Corporation

26,906,216 25,341,337

Less: Unamortized debt issuance costs

(1,709,215) (591,705)

Total Esperanza Housing and Community Development Corporation, Net

25,197,001 24,749,632

Total Notes Payable – Amortized Debt, Net

\$ 34,847,001 \$ 33,399,632

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

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

Years Ended
December 31

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

Attachment 6 - Developer's Disclosure Statements

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

Note 13 - Notes Payable - Residual Receipts Debt:

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

Debt issuance costs total \$10,767, less accumulated amortization of \$8,040 and \$7,770 at December 31, 2021 and 2020, respectively.

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

Attachment 6 - Developer's Disclosure Statements

COMMUNITY HOUSINGWORKS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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

| | Property | Rate | Maturity Date | 2021 | | 2020 | |
|---|------------------------|------|--------------------|---------------|---------------|---------------|---------------|
| | | | | 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 | 124,868 | 182,355 | 119,427 | 182,355 |
| City of Escondido | Las Casitas Maple | 3% | September 27, 2073 | 7,760 | 139,000 | 3,590 | 139,000 |
| City of Escondido | Las Casitas Washington | 3% | March 2, 2039 | 83,550 | 122,000 | 79,910 | 122,000 |
| MUFG Union Bank (AHP) | Keeler Court | 0% | December 1, 2074 | - | 700,000 | - | 700,000 |
| SD Dept. of Housing and Community Development | Las Casitas Washington | 0% | October 29, 2022 | - | 24,500 | - | 49,000 |
| Western Alliance Bank (AHP) | North Park Seniors | 0% | January, 2033 | - | 750,000 | - | 750,000 |
| Esperanza Housing and Community Development Corporation: | | | | | | | |
| San Diego Housing Commission | Bandar Salaam | 3% | July 2055 | 1,205,317 | 2,100,000 | 1,187,864 | 2,100,000 |
| First Republic Bank (AHP) | Bandar Salaam | 0% | July 2032 | - | 482,000 | - | 482,000 |
| CA Dept. of Housing and Community Development | Daybreak Grove/Sunrise | 3% | February 1, 2054 | 588,717 | 846,000 | 596,138 | 846,000 |
| City of Escondido | Daybreak Grove/Sunrise | 3% | December 4, 2021 | 387,537 | 502,407 | 391,666 | 502,407 |
| San Diego Housing Commission | Delta Village | 3% | June 1, 2036 | 2,723,651 | 6,100,000 | 2,579,682 | 6,100,000 |
| City of Escondido | Eucalyptus View | 3% | October 2055 | 13,194 | 125,000 | 45,156 | 125,000 |
| City of Escondido | Eucalyptus View | 3% | October 2055 | 305,511 | 480,945 | 268,544 | 480,945 |
| California Housing Finance Agency | Eucalyptus View | 0% | November 1, 2056 | - | 63,092 | - | 63,092 |
| CA Dept. of Housing and Community Development | Fallbrook View | 3% | October 24, 2042 | 799,668 | 1,400,000 | 757,668 | 1,400,000 |
| SD Dept. of Housing and Community Development | Fallbrook View | 3% | October 24, 2057 | 725,121 | 1,263,000 | 687,231 | 1,263,000 |
| Poway Housing Authority | Hillside Village | 3% | June 2058 | 1,743,884 | 3,930,370 | 1,657,584 | 3,930,370 |
| JPMorgan Chase Bank (AHP) | Hillside Village | 0% | December 1, 2021 | - | - | - | 280,000 |
| Real Estate Collateral Management Company | La Costa Paloma | 0% | April 1, 2060 | - | - | - | 279,068 |
| County of San Diego | Marisol Apartments | 3% | January 15, 2052 | 180,906 | 249,746 | 176,572 | 249,746 |
| City of Oceanside | Marisol Apartments | 0% | February 20, 2052 | - | 310,797 | - | 310,797 |
| City of Oceanside | Marisol Apartments | 0% | August 19, 2036 | - | 70,000 | - | 70,000 |
| County of San Diego | Marisol Apartments | 3% | February 20, 2052 | 264,264 | 400,000 | 262,529 | 400,000 |
| SD Dept. of Housing and Community Development | Old Grove Apartments | 3% | September 1, 2058 | 120,000 | 200,000 | 114,000 | 200,000 |
| City of Oceanside | Old Grove Apartments | 3% | August 2058 | 610,297 | 1,385,000 | 610,897 | 1,385,000 |
| Bank of America (AHP) | Old Grove Apartments | 0% | December 1, 2019 | - | - | - | 534,654 |
| California Housing Finance Agency | Old Grove Apartments | 0% | May 2059 | - | 96,160 | - | 96,160 |
| CA Dept. of Housing and Community Development | Old Grove Apartments | 3% | May 2059 | 900,124 | 2,490,000 | 835,882 | 2,490,000 |
| City of Escondido | Orange Place | 3% | July 20, 2050 | 248,681 | 400,000 | 243,941 | 400,000 |
| City of Escondido | Orange Place | 3% | February 11, 2051 | 470,926 | 763,516 | 461,879 | 763,516 |
| City of Escondido | Orange Place | 0% | December 31, 2049 | - | 250,000 | - | 250,000 |
| Bank of America (AHP) | Parkview Terrace | 0% | October 1, 2054 | - | 90,000 | - | 90,000 |
| SDCF Charitable Real Estate Fund | Parkview Terrace | 5.5% | March 15, 2039 | 3,678,804 | 3,708,006 | 3,521,111 | 3,708,006 |
| Escondido Family Housing Corporation: | | | | | | | |
| CA Dept. of Housing and Community Development | Esperanza Gardens | 3% | May, 2035 | 572,373 | 1,000,000 | 552,373 | 1,000,000 |
| Total Notes Payable - Residual Receipts Debt | | | | 15,755,153 | 30,793,894 | 15,153,644 | 31,912,116 |
| Less: Unamortized debt issuance costs | | | | - | (2,727) | - | (2,997) |
| Total Notes Payable - Residual Receipts Debt, Net | | | | \$ 15,755,153 | \$ 30,791,167 | \$ 15,153,644 | \$ 31,909,119 |

Attachment 6 - Developer's Disclosure Statements

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

Note 14 - Interest Rate Swap Contracts:

The bonds payable for La Costa Paloma to the City of Carlsbad bear interest at a variable rate determined weekly. To minimize the effect of changes in the prime rate, an interest rate swap contract (swap) was entered into under which interest is paid at a fixed rate of 4.309% beginning on the effective date of the swap through the termination date of July 1, 2022. The swap agreement was terminated on December 30, 2021.

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

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

Note 15 - Net Assets:

Board-Designated Net Assets

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

Housing Futures Fund

The Housing Futures Fund (HFF) was established to provide financial resources for the development of affordable housing units when appropriate investment opportunities are identified. The HFF has a total commitment of \$32,355,999 of which CHW has committed \$17,205,999 of unrestricted resources and \$15,150,000 available through various financing instruments. The HFF has outstanding investments of \$16,100,553 and \$9,528,171 at December 31, 2021 and 2020, respectively. The HFF has \$10,755,446 and \$21,452,828 and available at December 31, 2021 and 2020, respectively, including \$5,500,000 available through debt financing for the years ended December 31, 2021 and 2020.

Long-Term Operating Reserve

The long-term operating reserve has been established to ensure the stability of the mission, programs, employment and ongoing operations of CHW. The long-term operating reserve has been established with a range of four to six months of operating expenses, and totaled \$6,620,016 and \$6,298,276 at December 31, 2021 and 2020, respectively.

Attachment 6 - Developer's Disclosure Statements

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

Note 15 - Net Assets: (Continued)

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of contributions received or receivable by the Organization with donor restrictions for which the funds were not spent for their intended use at December 31, 2021 and 2020. Net assets with donor restrictions are summarized as follows at December 31:

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

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

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

Attachment 6 - Developer's Disclosure Statements

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

Note 16 - Commitments and Contingencies:

Operating Leases

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

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

Rent, common area and maintenance expense net of the sublease rental income totaled \$599,952 and \$600,122 for the years ended December 31, 2021 and 2020, respectively.

Lease Agreement

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

Retirement Plan

CHW has established a 401(k) safe-harbor profit-sharing plan (the “Plan”) for eligible employees. The Plan allows for employee contributions to the Plan up to the maximum amount allowed by the Internal Revenue Code. CHW makes a matching contribution equal to 100% of the first 3%, and 50% of the amount that exceeds 3% up to 5%. CHW contributed \$213,269 and \$197,139 for the years ended December 31, 2021 and 2020, respectively.

Letter of Credit

The bonds payable to the City of Carlsbad require the Partnership to provide an irrevocable Letter of Credit. The Letter of Credit was issued by Citibank, N.A. in the amount of the bonds outstanding (\$-0- and \$12,215,000 at December 31, 2021 and 2020, respectively). The Letter of Credit will expire on July 1, 2022, unless it expires earlier or is extended in accordance with its terms. There is a monthly fee paid on the Letter of Credit to Citibank, N.A. No demands for payment were made on the Letter of Credit was terminated on December 30, 2021.

Attachment 6 - Developer's Disclosure Statements

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

Note 16 - Commitments and Contingencies: (Continued)

Capital Contribution Commitments and Operating Guarantees

The Partnership and Operating Agreements provide for various obligations of the Organization as the General Partner or Managing Member, including their obligation to provide funds for any development and operating deficits, and the Organization is obligated as a guarantor on certain debt obligations. The Organization has not incurred any losses related to these obligations at December 31, 2021 and 2020.

Legal Matters

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

Grant Awards and Notes Receivables

CHW has evaluated the projected cash flow available for repayment of the notes receivable and has recorded an allowance for uncollectible amounts equal to the balance of the notes receivable. Interest earned on the notes receivable is expected to be collected, and has been accrued at December 31, 2021 and 2020. Payments received are recorded as revenue in the period that they are received.

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

In 2011, CHW was awarded a grant in the amount of \$14,957,000 for the sole purpose of CHW making a loan to PCHP. The note receivable dated November 19, 2014 bears interest at .25% beginning after construction has been completed. Payments of principal and interest are payable annually from cash flow, with any remaining balance due November 19, 2069. The balance of the note receivable and interest receivable totals \$14,536,474 and \$27,380 and \$14,652,523 and \$27,599 at December 31, 2021 and 2020, respectively. Payments on the note receivable and interest totaled \$146,399 and \$149,384 for the years ended December 31, 2021 and 2020, respectively.

In 2011, CHW was awarded a grant in the amount of \$5,350,800 for the sole purpose of CHW making a loan to PCHP. The note receivable dated November 19, 2014 is noninterest-bearing. Principal payments are payable annually from cash flow, as defined, with any remaining balance due November 19, 2069. The balance of the note receivable totals \$5,107,945 and \$5,172,113 at December 31, 2021 and 2020, respectively. Payments on the note receivable totaled \$61,538 and \$62,793 for the years ended December 31, 2021 and 2020, respectively.

In 2015, CHW was awarded a grant in the amount of \$14,909,000 for the sole purpose of CHW making a loan to PCHP-II. The note receivable dated October 2015 bears interest at .25% beginning after construction has been completed. Payments of principal and interest are payable annually from cash flow, with any remaining balance due 55 years after the expiration of the stabilization period, as defined. The balance of the note receivable and interest receivable totals \$14,786,615 and \$27,851 and \$14,859,347 and \$27,988, respectively, at December 31, 2021 and 2020, respectively. Payments on the note receivable and interest totaled \$109,172 and \$117,847 for the years ended December 31, 2021 and 2020, respectively.

Attachment 6 - Developer's Disclosure Statements

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

Note 16 - Commitments and Contingencies: (Continued)

Grant Awards and Notes Receivables (Continued)

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

In 2015, CHW was awarded a grant in the amount of \$4,000,000 for the sole purpose of CHW making a loan to PCHP-II. The note receivable dated October 2015 is noninterest-bearing. Principal payments are payable annually from cash flow, as defined, with any remaining balance due 55 years after the expiration of the stabilization period, as defined. The balance of the note receivable totals \$3,938,906 and \$3,968,382 and payments on the note receivable totaled \$29,290 and \$31,618 for the years ended December 31, 2021 and 2020, respectively.

Fruit Avenue Housing Associates, L.P.

In 2017, CHW was awarded a grant in the amount of \$1,714,806, which it loaned to Fruit Housing Associates, L.P. to complete a weatherization program at Parks at Fig Apartments. The note receivable dated December 16, 2016 bears interest at 7.0% per annum. Principal and interest payments are payable annually from cash flow, as defined, with any remaining balance due November 30, 2071. The balance of the note receivable and interest receivable totals \$1,745,723 and \$428,696 and \$1,745,723 and \$306,496 at December 31, 2021 and 2020, respectively. There were no grant advances totaling recorded as grant revenue for the years ended December 31, 2021 and 2020, respectively.

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

| | <u>2021</u> | <u>2020</u> |
|-----------------------------------|---------------------|---------------------|
| Notes receivable | \$ 40,115,663 | \$ 40,398,088 |
| Less: Allowance for uncollectible | <u>(40,115,663)</u> | <u>(40,398,088)</u> |
| Notes Receivable, Net | <u>\$ -</u> | <u>\$ -</u> |
| Interest receivable | \$ 483,927 | \$ 362,083 |
| Less: Allowance for uncollectible | <u>(428,696)</u> | <u>(306,496)</u> |
| Interest Receivable, Net | <u>\$ 55,231</u> | <u>\$ 55,587</u> |
| Interest income | \$ 177,432 | \$ 196,553 |
| Less: Allowance for uncollectible | <u>(122,201)</u> | <u>(122,586)</u> |
| Interest Income, Net | <u>\$ 55,231</u> | <u>\$ 73,967</u> |

Attachment 6 - Developer's Disclosure Statements

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

Note 16 - Commitments and Contingencies: (Continued)

Coronavirus Pandemic Contingency

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

Note 17 - Acquisitions and Dispositions of Partnership Interests:

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

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

During 2020, the Organization deconsolidated Arden Way Housing Associates, L.P., South Santa Fe Housing Associates, Ulric Street Housing Associates, L.P. and Windsor Gardens Housing Associates, L.P. The assets and liabilities have been removed from the consolidated statement of financial position, which had no effect on net assets for the year ended December 31, 2021.

Attachment 6 - Developer's Disclosure Statements
COMMUNITY HOUSINGWORKS
SUPPLEMENTARY SCHEDULE OF REAL ESTATE ENTITIES - CONSOLIDATED
DECEMBER 31, 2021

| Partnership Name | Property Name | Units | Location | CHW Equity Owned Through LLC | CHW Equity | Esperanza | Escondido | Accounting Method |
|--|--|--------------|-----------------|--|-------------------|------------------|------------------|-------------------------------|
| 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)

Attachment 6 - Developer's Disclosure Statements

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 | | | | | | |

Attachment 6 - Developer's Disclosure Statements
COMMUNITY HOUSINGWORKS
SUPPLEMENTARY SCHEDULE OF REAL ESTATE ENTITIES - CONSOLIDATED
DECEMBER 31, 2020

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

(Continued)

Attachment 6 - Developer's Disclosure Statements

COMMUNITY HOUSINGWORKS

SUPPLEMENTARY SCHEDULE OF REAL ESTATE ENTITIES - EQUITY

DECEMBER 31, 2020

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

Attachment 6 - Developer's Disclosure Statements

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> |

Attachment 6 - Developer's Disclosure Statements

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 |
|---|---------------------------|---|---|--|------------------------|-----------------------|
| Current Liabilities: | | | | | | |
| 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> |
| Noncurrent Liabilities: | | | | | | |
| 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> |
| Obligation Under Interest Rate Swap | <u>-</u> | <u>-</u> | <u>17,680</u> | <u>-</u> | <u>-</u> | <u>17,680</u> |
| Net Assets: | | | | | | |
| 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> |

Attachment 6 - Developer's Disclosure Statements

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

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

Attachment 6 - Developer's Disclosure Statements

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

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

Attachment 6 - Developer's Disclosure Statements

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 |
|--|---------------------------|---|---|--|--------------------|-------------------|
| <u>Net Assets Without Donor Restrictions:</u> | | | | | | |
| <u>Revenues and Support:</u> | | | | | | |
| 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> |
| <u>Expenses:</u> | | | | | | |
| <u>Program Services:</u> | | | | | | |
| 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> |
| <u>Supporting Services:</u> | | | | | | |
| 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)

Attachment 6 - Developer's Disclosure Statements

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 |
|--|---------------------------|---|---|--|-----------------------|-----------------------|
| Other Revenue and (Expenses): | | | | | | |
| 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> |
| Net Assets With Donor Restrictions: | | | | | | |
| 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 | <u>-</u> | <u>(21,933)</u> | <u>(2,678,993)</u> | <u>(13,335)</u> | <u>2,968,907</u> | <u>254,646</u> |
| NET ASSETS AT END OF YEAR | <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> |

Attachment 6 - Developer's Disclosure Statements

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

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

Attachment 6 - Developer's Disclosure Statements

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

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

Attachment 6 - Developer's Disclosure Statements

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 | 1,533,556 | 2,722,864 | 3,207,981 | 51,552 | 837,198 | 315,580 | 8,668,731 |
| <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 | 97,544 | 158,734 | 261,960 | 24,489 | 85,471 | 56,211 | 684,409 |
| <u>Insurance</u> | 3,619 | 11,085 | 9,277 | 992 | 4,693 | 2,053 | 31,719 |
| <u>Supplies and Other Administrative Costs</u> | 68,983 | 118,043 | 190,285 | 8,637 | 85,808 | 60,438 | 532,194 |
| <u>Travel</u> | 4,019 | 20,256 | 8,178 | 108 | 1,838 | 505 | 34,904 |
| <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 | 35,384 | 226,882 | 94,980 | 14,845 | 85,348 | 93,171 | 550,610 |
| <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 | 202 | 625,926 | 427 | 314,558 | 11,871 | 26,511 | 979,495 |
| <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 | 33,456 | 81,438 | 75,357 | 38,153 | 91,056 | 17,639 | 337,099 |
| TOTAL EXPENSES | \$ 1,776,763 | \$ 3,965,228 | \$ 3,848,445 | \$ 453,334 | \$ 1,203,283 | \$ 572,108 | \$ 11,819,161 |

Attachment 6 - Developer's Disclosure Statements

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

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

Attachment 6 - Developer's Disclosure Statements

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

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

Attachment 6 - Developer's Disclosure Statements

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

| | Program Services - 2021 | | | | | | | | | | | | | | | | | |
|--|-----------------------------|------------------------------|-----------------------------|----------------------|--------------------|------------------------------|------------------------|--------------------------------|-------------------------------|-----------------------|-------------------------|----------------------------|--------------------------------|---------------------|-------------------------|---------------------|--------------------|----------------------|
| | Bandar Salaam Apartments | Daybreak Grove Apartments | Delta Village Apartments | Esperanza Housing | Eucalyptus View | Fallbrook View Apartments | Haley Ranch Estates | Hillside Village Apartments | La Costa Paloma Apartments | Marisol Apartments | Old Grove Apartments | Orange Place Apartments | Parkside Terrace Apartments | Parkview Terrace | Sun Ridge Apartments | Ulric Apartments | Windsor Gardens | Total 2021 |
| Administrative | \$ 146,497 | \$ 47,588 | \$ 335,667 | \$ 9,064 | \$ 104,739 | \$ 182,428 | \$ 205,894 | \$ 166,672 | \$ 447,470 | \$ 89,345 | \$ 129,399 | \$ 46,900 | \$ 199 | \$ 237,487 | \$ 5,936 | \$ 71,921 | \$ - | \$ 2,227,206 |
| Amortization | - | - | - | - | - | - | 1,000 | - | - | - | - | - | - | 553 | - | - | - | 1,553 |
| Depreciation | 229,661 | 73,390 | 407,159 | 415,714 | 119,999 | 473,596 | 237,680 | 378,862 | 671,874 | 31,790 | 263,427 | 155,557 | - | 307,249 | - | - | - | 3,765,958 |
| Grant to Community HousingWorks | - | - | - | 1,199,036 | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,199,036 |
| Marketing and leasing | 2,086 | - | 2,087 | - | 560 | - | 891 | 692 | 3,098 | 902 | - | 273 | - | 459 | - | - | - | 11,048 |
| Mortgage interest - amortized debt | 54,195 | 2,600 | 273,255 | - | - | 6,360 | - | 81,156 | 945,012 | - | 35,546 | 14,507 | - | 83,069 | - | 114,848 | - | 1,610,548 |
| Mortgage interest - residual receipts debt | 80,413 | 40,514 | 182,492 | - | 21,700 | 79,890 | - | 117,911 | - | 20,053 | 107,429 | 34,905 | - | 203,940 | - | - | - | 889,247 |
| Operating and maintenance | 232,556 | 63,936 | 389,007 | - | 65,270 | 285,553 | 229,272 | 201,238 | 597,400 | 58,515 | 206,711 | 137,725 | - | 175,034 | - | 33,318 | - | 2,675,535 |
| Partnership management fee | 36,124 | 29,240 | 130,381 | - | 9,032 | - | 32,101 | 70,771 | 60,000 | 20,328 | 58,013 | 25,634 | - | 75,383 | - | - | - | 547,007 |
| Taxes, insurance and other financial | 62,154 | 19,353 | 119,624 | - | 29,100 | 81,488 | 106,244 | 74,921 | 1,471,172 | 15,478 | 78,283 | 40,117 | 4,216 | 83,164 | 300 | 77,396 | - | 2,263,010 |
| Utilities | 162,394 | 27,422 | 152,898 | - | 41,197 | 137,567 | 26,366 | 92,494 | 248,863 | 18,928 | 64,918 | 84,717 | - | 92,176 | - | 20,797 | - | 1,170,737 |
| 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 |

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

Attachment 6 - Developer's Disclosure Statements

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

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

Attachment 6 - Developer's Disclosure Statements

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

| Federal Grants/Pass-Through Grantor/ Program or Cluster Title | Assistance Listing Number | Agency or Pass-Through Number | Federal Revenues Recognized | Passed Through to Subrecipient | Federal Expenditures | Total Federal Expenditures |
|--|---------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|-------------------------|----------------------------------|
| U.S. Department of Housing and Urban Development: | | | | | | |
| Direct Program: | | | | | | |
| Continuum of Care Program | 14.267 | CA0709L9D011912 / CA0709L9D011913 | \$ 70,892 | \$ - | \$ 70,892 | \$ 70,892 |
| Total Direct Program | | | <u>70,892</u> | <u>-</u> | <u>70,892</u> | <u>70,892</u> |
| Pass-Through Programs From: | | | | | | |
| Supportive Housing Program: | 14.235 | | | | | |
| County of San Diego Department of Community Development (Loan) | | N/A | - | - | 49,000 | 49,000 |
| HOME Investment Partnerships Program: | 14.239 | | | | | |
| City of Escondido (Loan) | | N/A | - | - | 139,000 | 139,000 |
| City of Escondido (Loan) | | N/A | - | - | 182,355 | 182,355 |
| Total HOME Investment Partnerships Program | | | <u>-</u> | <u>-</u> | <u>321,355</u> | <u>321,355</u> |
| Continuum of Care Program: | 14.267 | | | | | |
| County of San Diego Department of Community Development | | CA1025L9D011905 / CA1025L9D012006 | 125,213 | | 125,213 | 125,213 |
| Total Pass-Through Programs | | | <u>125,213</u> | <u>-</u> | <u>495,568</u> | <u>495,568</u> |
| Total U.S. Department of Housing and Urban Development | | | <u>196,105</u> | <u>-</u> | <u>566,460</u> | <u>566,460</u> |
| Neighborhood Reinvestment Corporation: | | | | | | |
| Direct Programs: | | | | | | |
| Expendable Grant | 99.999 | N/A | 955,715 | - | 955,715 | 955,715 |
| Total Direct Programs | | | <u>955,715</u> | <u>-</u> | <u>955,715</u> | <u>955,715</u> |
| Total Neighborhood Reinvestment Corporation | | | <u>955,715</u> | <u>-</u> | <u>955,715</u> | <u>955,715</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 1,151,820</u> | <u>\$ -</u> | <u>\$ 1,522,175</u> | <u>\$ 1,522,175</u> |

Attachment 6 - Developer's Disclosure Statements

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

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Community HousingWorks under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Community HousingWorks, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Community HousingWorks.

Note 2 - Significant Accounting Policies:

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

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

Note 3 - Loan Programs:

The following is the activity of the loans payable for the year ended December 31, 2021:

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

Attachment 6 - Developer's Disclosure Statements



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

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

To the Board of Directors
Community HousingWorks

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Community HousingWorks, which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended and the related notes to the consolidated financial statements, and have issued our report thereon dated May 24, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Attachment 6 - Developer's Disclosure Statements

To the Board of Directors
Community HousingWorks

Page 2

Report on Internal Control over Financial Reporting

Report on Compliance and Other Matters

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

Purpose of this Report

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

Leaf & Cole LLP

San Diego, California
May 24, 2022

Attachment 6 - Developer's Disclosure Statements



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

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

To the Board of Directors
Community HousingWorks

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

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

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

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Attachment 6 - Developer's Disclosure Statements

To the Board of Directors
Community HousingWorks

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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.

Attachment 6 - Developer's Disclosure Statements

To the Board of Directors
Community Housing Works

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

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

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

Leaf & Cole LLP

San Diego, California
May 24, 2022

Attachment 6 - Developer's Disclosure Statements

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

Section I - Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued on whether the consolidated financial statements audited were prepared in accordance with U.S. GAAP: Unmodified

Internal control over financial reporting:

| | | |
|--------------------------------------|-----------------------|-----------------|
| Material weaknesses identified? | <u> </u> Yes | <u> X </u> No |
| Significant deficiencies identified? | <u> </u> Yes | <u> X </u> No |

Noncompliance material to consolidated financial statements noted? Yes X No

Federal Awards

Type of auditor's report issued on compliance for the major program: Unmodified

Internal control over major program:

| | | |
|--------------------------------------|-----------------------|-----------------|
| Material weaknesses identified? | <u> </u> Yes | <u> X </u> No |
| Significant deficiencies identified? | <u> </u> Yes | <u> X </u> No |

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X 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 <u> </u> No |

Section II - Financial Statement Findings:

None

Section III - Federal Award Findings and Questioned Costs:

None

Attachment 6 - Developer's Disclosure Statements

PROJECT PRO FORMA SOURCES AND USES

Attachment 6 - Developer's Disclosure Statements

**Bandar Salaam | San Diego, CA
4% Tax Credits (68 Units)
Financing Summary**

| FINANCING ASSUMPTIONS | | |
|------------------------------------|------------|---------------------|
| Predevelopment Loan | | \$680,649 |
| Assumed Balance | 50% | |
| Interest Rate | 7.00% | |
| Term (months) | 24 | |
| Construction Loan | | \$11,060,187 |
| Index (One Month SOFR- 03/01/2023) | 4.53% | |
| Bank spread | 2.25% | |
| Cushion | 1.00% | |
| Interest Rate | 7.78% | |
| Term (months) | 18 | |
| Assumed Balance | 50% | |
| Lease-up and Conversion Term | 6 | |
| Const Interest | | 430,241 |
| Lease Up Interest | | 430,241 |
| Total Construction Interest | | 860,483 |
| CONSTRUCTION Loan LTV | | 100% |
| Cap Rate | 6.00% | |
| Value of Restricted NOI | | 3,465,997 |
| Value of tax Credits | | 7,593,878 |
| Total Value | | 11,059,875 |
| Perm Loan | | \$2,260,000 |
| Index (10 Year Treasury- 3/1/2023) | 4.00% | |
| Bank spread | 2.50% | |
| Cushion | 0.50% | |
| Interest Rate | 7.00% | |
| Amortization | 35 | |
| Debt C. Ratio | 1.200 | |
| Term (years) | 17 | |
| Annual Debt Svc. - Housing | | \$173,258 |
| Amount Due at end of Term | | \$1,770,462 |
| 50% BASIS TEST | | |
| | Y | |
| Eligible Basis | | 19,452,334 |
| Land Cost | | 298,000 |
| Total Aggregate Basis | | 19,750,334 |
| Required Bond Amount | 56% | 11,060,187 |
| Gap/Surplus | | |
| (Gap)/Surplus | Gap | \$1 |
| INCOME FROM OPERATIONS | | |
| EGI | | \$78,345 |
| LESS ADDITIONAL VACANCY | 10% | (\$7,835) |
| LESS EXPENSES | | (\$55,299) |
| Total Monthly | | \$15,212 |
| x no of months | 12 | \$182,541 |

| Residual Loan Funding Sources | | |
|--------------------------------------|-------------|----------------------|
| SDHC | | \$2,248,782 |
| Interest | Compounding | 3.00% |
| Term (years) | | 0 |
| Minimum Annual Payment | | \$10,000 |
| Residual Annual Payment | N | |
| Accrued Interest - During Const | | \$67,463 |
| Assumed Interest | | |
| Rolled Reserves | | \$370,997 |
| Interest Rate | Simple | 0.00% |
| Term (years) | | 55 |
| Minimum Annual Payment | | \$0 |
| Residual Payment | N | |
| Accrued Interest - During Const | | \$0 |
| Assumed Interest | | |
| Soft Loan #3 | | \$0 |
| Interest Rate | Simple | 3.00% |
| Term (years) | | 0 |
| Minimum Annual Payment | | \$0 |
| Residual Payment | Y | |
| Accrued Interest - During Const | | \$0 |
| Assumed Interest | | |
| Soft Loan #4 | | \$0 |
| Interest Rate | Simple | 3.00% |
| Term (years) | | 0 |
| Minimum Annual Payment | | \$0 |
| Residual Payment | Y | |
| Accrued Interest - During Const | | \$0 |
| Assumed Interest | | |
| Other Funding Sources | | |
| Land Lease/Grant Value | | \$ - |
| Minimum Annual Payment | | \$0 |
| Residual Annual Payment | N | 0% |
| Seller Carryback | Y | \$ 7,102,471 |
| Sales Price (Appraised Value) | | \$ 11,000,000 |
| Existing debt & Def return | | \$ 3,897,529 |
| Cash proceeds to seller | | |
| Interest Rate | Simple | 3.00% |
| Term (years) | | 55 |
| Minimum Annual Payment | | - |
| Residual Annual Payment | Y | 50% |
| Held by CHW | | Y |
| RESIDUAL LOAN CALCULATION | | |
| | | 50% |
| SDHC | 0.0% | - |
| Rolled Reserves | 0.0% | - |
| Soft Loan #3 | 0.0% | - |
| Soft Loan #4 | 0.0% | - |
| TOTAL | | - |

Attachment 6 - Developer's Disclosure Statements

Bandar Salaam | San Diego, CA
4% Tax Credits (68 Units)
Equity Summary

| TAX CREDIT EQUITY | | | | |
|--|---------------------------------------|--|---------------------|---------------------|
| Project Info: | | | | |
| County | SAN DIEGO | | | |
| Threshold Basis Year | 2023 | | | |
| 4% or 9% Credits | 4.00% | | | |
| 4% Current Tax Credit Rate | 4.00% | As of: March-23 | | |
| 9% Current Tax Credit Rate | 9.00% | | | |
| Threshold Basis: | | | | |
| | # UNITS | Type | LIMIT | TOTAL |
| | 0 | 0 | \$353,173 | \$0 |
| | 16 | 1 | \$407,205 | \$6,515,280 |
| | 31 | 2 | \$491,200 | \$15,227,200 |
| | 16 | 3 | \$628,736 | \$10,059,776 |
| | 2 | 4 | \$700,451 | \$1,400,902 |
| | 65 | TOTAL THRESHOLD BASIS LIMIT (TBL) | | \$33,203,158 |
| ADJUSTMENTS: | | | | |
| Prevailing Wages (1) | No | 20.0% | 0 | |
| Parking Beneath Units(1) | No | 7.0% | 0 | |
| Day Care Center (1) | No | 2.0% | 0 | |
| 100% Special Needs (1) | No | 2.0% | 0 | |
| Energy Title 24 | No | 4.0% | 0 | |
| Seismic/Toxic Abatement | | at cost | 0 | |
| Elevator | No | 10.0% | 0 | |
| Energy Technologies | | at cost | 0 | |
| Impact Fees | | at cost | 0 | |
| High Opp Area | No | 10.0% | 0 | |
| 50% - 36% AMI (4% only) | | 100% | 33,203,158 | |
| < 35% AMI (4% only) | | 0% | 0 | |
| | ADJUSTED THRESHOLD BASIS LIMIT | | | \$66,406,316 |
| Qualified Basis: | | | | |
| | Acquisition | Construction | Total | |
| Total Eligible Basis | 10,702,000 | \$8,750,334 | \$19,452,334 | |
| % of Adjusted TBL / High Cost Test | | | 29% | |
| Ineligible Amounts | \$0 | \$0 | \$0 | |
| % Voluntarily Excluded | 0% | 0.0% | 0.0% | |
| Voluntarily Excluded (bc over Threshold Limit) | | \$0 | \$0 | |
| Voluntarily Excluded | \$0 | \$0 | \$0 | |
| Unadjusted Eligible Basis | \$10,702,000 | \$8,750,334 | \$19,452,334 | |
| DDA/QCT- Yes | | \$2,625,100 | \$2,625,100 | |
| ADJUSTED ELIGIBLE BASIS | \$10,702,000 | \$11,375,435 | \$22,077,435 | |
| Percentage Affordable | 100% | 100% | | |
| ADJUSTED QUALIFIED BASIS | \$10,702,000 | \$11,375,435 | \$22,077,435 | |
| Tax Credit Construction Rate | 4.00% | 4.00% | | |
| Annual Federal Credit Amount (CALCULATED) | \$428,080 | \$455,017 | \$883,097 | |
| Annual Federal Credit Amount (MAX ALLOWED) | | | N/A | |
| FEDERAL CREDIT AMOUNT | | | \$8,830,974 | |
| Total State Credit Amount | | | \$0 | |
| Percentage of Credits Sold | | | 100.0% | |
| Price Per Tax Credit Dollar | | | 0.86 | |
| Price Per State Tax Credit Dollar | | | - | |
| Equity from Federal Credit | | | \$7,593,878 | |
| Equity from State Credit | | | \$0 | |
| Total Gross Proceeds | | | \$7,593,878 | |
| TOTAL TAX CREDIT EQUITY | | | \$7,593,878 | |
| Tax Credit Equity at Construction | | 20.00% | \$1,518,776 | |
| Tax Credit Equity at Takeout | | | \$6,075,102 | |
| Tie Breaker | | | 16% | |
| (Gap)/Surplus | | Gap | \$1 | |

Attachment 6 - Developer's Disclosure Statements

| Bandar Salaam San Diego, CA 4% Tax Credits (68 Units) Development Budget | | | | | | | | |
|---|-------------------|-------------------|------------------|--------------------|-------------------|----------|-------------------|----------------|
| Category | TOTAL COST | ACQUIS BASIS | Const BASIS | Non Basis Eligible | Resid | Commerc | CONSTR | DEFER TO PERM. |
| Acquisition | | | | | | | | |
| Escrow Deposits | 0 | 0 | | | | | | |
| Land Cost or Value | 298,000 | 0 | | 298,000 | 298,000 | | 298,000 | |
| Demolition | 0 | | 0 | | | | | |
| Existing Bldg / Improvements Value | 10,702,000 | 10,702,000 | | | 10,702,000 | | 10,702,000 | |
| Title Escrow and Recording-Acq | 4,500 | 0 | | 4,500 | 4,500 | | 4,500 | |
| Land Loan Interest Cost | 0 | 0 | | | | | | |
| Broker Commission | 0 | 0 | | | | | | |
| Other - Acquisition | 0 | 0 | | | | | | |
| Escrow Extension Fees | 0 | 0 | | | | | | |
| Total Acquisition | 11,004,500 | 10,702,000 | 0 | 302,500 | 11,004,500 | 0 | 11,004,500 | 0 |
| CONSTRUCTION | | | | | | | | |
| GC Construction Work | | | | | | | | |
| Sitework | 0 | | 0 | | | | | |
| Off-Site Improvements (GC) | 0 | | 0 | | | | | |
| Parking | 0 | | 0 | | | | | |
| Renewables (Gross before rebate) | 0 | | 0 | | | | | |
| Environmental Remediation (GC) | 0 | | 0 | | | | | |
| Structures | 2,849,200 | | 2,849,200 | | 2,849,200 | 0 | 2,849,200 | |
| Contractor Overhead & Profit | 284,920 | | 284,920 | | 284,920 | | 284,920 | |
| General Conditions | 480,000 | | 480,000 | | 480,000 | | 480,000 | |
| Retention | 0 | | 0 | | | | | |
| Contractor Performance Bonds | 45,177 | | 45,177 | | 45,177 | | 45,177 | |
| Contractor Liability Insurance | 28,913 | | 28,913 | | 28,913 | | 28,913 | |
| Total GC Construction Work | 3,688,209 | 0 | 3,688,209 | 0 | 3,688,209 | 0 | 3,688,209 | 0 |
| Construction Contingency | | | | | | | | |
| Construction Contingency | 368,821 | | 368,821 | | 368,821 | | 368,821 | |
| Total Construction Contingency | 368,821 | 0 | 368,821 | 0 | 368,821 | 0 | 368,821 | 0 |
| Non-GC Construction Work | | | | | | | | |
| Off-Site Improvements (Non-GC) | 0 | | 0 | | | | | |
| Environmental Remediation (Non-GC) | 0 | | 0 | | | | | |
| Owner Repair Costs | 30,000 | | 30,000 | | 30,000 | | 30,000 | |
| Termite Remediation | 0 | | 0 | | | | | |
| Non GC Contract Other | 0 | | 0 | | | | | |
| Furnishings / Equipment / Personal Property | 60,000 | | 60,000 | | 60,000 | | 60,000 | |
| Total Non-GC Construction Work | 90,000 | 0 | 90,000 | 0 | 90,000 | 0 | 90,000 | 0 |
| TOTAL CONSTRUCTION | 4,147,030 | 0 | 4,147,030 | 0 | 4,147,030 | 0 | 4,147,030 | 0 |
| A & E / CONST MGT / CONSULTANTS | | | | | | | | |
| Architectural Fees | | | | | | | | |
| Architect Design / Supervision | 450,000 | | 450,000 | | 450,000 | | 450,000 | |
| Landscape Architect (if not under architect) | 0 | | 0 | | | | | |
| Architectural Design Consultant | 0 | | 0 | | | | | |
| Architect Expenses / Reimbursable | 20,000 | | 20,000 | | 20,000 | | 20,000 | |
| Total Architectural fees | 470,000 | 0 | 470,000 | 0 | 470,000 | 0 | 470,000 | 0 |
| Survey & Engineering Costs | | | | | | | | |
| Civil Engineer | 50,000 | | 50,000 | | 50,000 | | 50,000 | |
| Engineering - Drains | | | 0 | | | | | |
| Engineering - Soils Engineer (DD) | | | 0 | | | | | |
| Engineering - Soil Engineer - Field | | | 0 | | | | | |
| Engineering - ALTA Survey | 25,000 | | 25,000 | | 25,000 | | 25,000 | |
| Engineering - Materials (Field) | | | 0 | | | | | |
| Engineering - Staking | | | 0 | | | | | |
| Engineering - Dry Utility Consultant | | | 0 | | | | | |
| Engineering - Reimbursables | | | 0 | | | | | |
| Engineering - Other | | | 0 | | | | | |
| Engineering - Traffic | | | 0 | | | | | |
| Total Survey & Engineering Costs | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 |
| Construction Management | | | | | | | | |
| Prevailing Wages Monitoring | 0 | | 0 | | | | | |
| Owner Rep Construction Manager | | | 0 | | | | | |
| Bank Construction Monitoring | 14,400 | | 14,400 | | 14,400 | | 14,400 | |
| Total Construction Management | 14,400 | 0 | 14,400 | 0 | 14,400 | 0 | 14,400 | 0 |
| Environmental & Other Consultants | | | | | | | | |
| Energy Modeler | 0 | | 0 | | | | | |
| Design-Green Certification | | | 0 | | | | | |
| Environmental Phase I | 5,000 | | 5,000 | | 5,000 | | 5,000 | |

Attachment 6 - Developer's Disclosure Statements

| Bandar Salaam San Diego, CA 4% Tax Credits (68 Units) Development Budget | | | | | | | | |
|--|-------------------|-------------------|------------------|--------------------|-----------------------|------------|-------------------|------------------|
| Category | TOTAL COST | ACQUIS BASIS | Const BASIS | Non Basis Eligible | Resid | Commerc | CONSTR | DEFER TO PERM. |
| Owner Legal-Construction (Contracts) | | | 0 | | | | | |
| Legal-Investor | 0 | | | | | | | |
| Bank Legal - Bridge | 0 | | | | | | | |
| Owner Legal - Bridge | 0 | | | | | | | |
| Owner Legal- General | 0 | | 0 | | | | | |
| Issuer - Counsel | 0 | | | | | | | |
| Bond Counsel | 60,000 | | | 60,000 | 60,000 | | 60,000 | |
| Legal - Syndication | 60,000 | | | 60,000 | 60,000 | | 60,000 | |
| Total Legal Fees | 239,450 | 0 | 115,000 | 124,450 | 239,450 | 0 | 239,450 | 0 |
| Insurance | | | | | | | | |
| Builder's Risk Insurance | 36,141 | | 36,141 | | 36,141 | | 36,141 | |
| Liability Insurance | 3,000 | | 3,000 | | 3,000 | | 3,000 | |
| Flood / Seismic / Environmental Insurance | 0 | | 0 | | | | | |
| 1st Year Operations Insurance | 27,200 | | 27,200 | | 27,200 | | 27,200 | |
| Total Insurance | 66,341 | 0 | 66,341 | 0 | 66,341 | 0 | 66,341 | 0 |
| TOTAL FINANCE / LEGAL / INSURANCE | | | | | | | | |
| Reserves | | | | | | | | |
| Reserve - Other | | | | | | | | 0 |
| Resident Services Reserve | 0 | | | | | | | 0 |
| Cap Replacement Reserves | 68,000 | | | 68,000 | 68,000 | | 0 | 68,000 |
| Cap Improvement Reserve - Other | 0 | | | | | | | 0 |
| Cap Operating Reserves | 435,220 | | | 435,220 | 435,220 | | 0 | 435,220 |
| Total Reserves | 503,220 | 0 | 0 | 503,220 | 503,220 | 0 | 0 | 503,220 |
| Permits | | | | | | | | |
| Engineering & Public Improvement Bonds Premium | 0 | | 0 | | | | | |
| Building Permit & Processing Fees | 125,000 | | 125,000 | | 125,000 | | 125,000 | |
| Refundable Deposits - Gov't Agencies | | | | | | | | |
| Development Impact Fees | 0 | | 0 | | | | | |
| Gov't Cash Deposits - Partially Refundable | | | | | | | | |
| Utility Deposits - Refundable | 0 | | | | | | | |
| Utility Deposits - Non-Refundable | 0 | | | | | | | |
| Total Permits | 125,000 | 0 | 125,000 | 0 | 125,000 | 0 | 125,000 | 0 |
| MISCELLANEOUS | | | | | | | | |
| Appraisal | 5,000 | | 5,000 | | 5,000 | | 5,000 | |
| Accounting Audit (Non-Syndication) | 20,000 | | 20,000 | | 20,000 | | 20,000 | |
| Leasing Commissions | | | | | | | | |
| Marketing / Rent-Up | 30,000 | | | 30,000 | 30,000 | | 30,000 | |
| Transitional Costs | | | | | | | | |
| Market Study | 2,500 | | 2,500 | | 2,500 | | 2,500 | |
| TOTAL MISCELLANEOUS | 57,500 | 0 | 27,500 | 30,000 | 57,500 | 0 | 57,500 | 0 |
| Relocation | | | | | | | | |
| Relocation - Permanent | 0 | | | | | | | |
| Relocation Consultant | 5,000 | | 5,000 | | 5,000 | | 5,000 | |
| Relocation - Temporary | 238,000 | | 238,000 | | 238,000 | | 238,000 | |
| Total Relocation | 243,000 | 0 | 243,000 | 0 | 243,000 | 0 | 243,000 | 0 |
| Soft Cost Contingency | | | | | | | | |
| Soft Cost Contingency | 191,495 | | 191,495 | | 191,495 | | 191,495 | |
| Total Soft Cost Contingency | 191,495 | 0 | 191,495 | 0 | 191,495 | 0 | 191,495 | 0 |
| Developer Fee | | | | | | | | |
| Developer Fee | 2,537,261 | | 2,537,261 | | 2,537,261 | | 1,903,255 | 634,006 |
| Total Developer Fee | 2,537,261 | 0 | 2,537,261 | 0 | 2,537,261 | 0 | 1,903,255 | 634,006 |
| Total | 21,362,017 | 10,702,000 | 8,750,334 | 1,909,683 | 21,362,017 | 0 | 20,109,728 | 1,252,289 |
| | 21,170,522 | | | 21,362,017 | | 21,362,017 | | 21,362,017 |
| Refundable Deposits | | | | | | | | |
| Utility Deposits - Refundable | | | | | | | | |
| Tax Credit Fees - Performance Deposit | | | | | | | | |
| CDLAC Performance Deposit-Refundable | | | | | | | | |
| Refundable Deposits - Gov't Agencies | | | | | | | | |
| Real Estate Taxes | | | | | | | | |
| Total | | | | | | | | |
| Developer Fee Calcs | | | | | | | | |
| 9% Eligible Fee | | | | | 9% Basis Eligible Fee | | | |
| Eligible Basis | | | 16,915,073 | | Units | | Fee | |
| High Cost Test | | | 29.29% | | 200 | | 1,400,000 | |
| Max Fee @ 15% | | | 2,537,261 | | 201 | | 1,680,000 | |
| 9% Cap | | | 2,200,000 | | 251 | | 1,750,000 | |
| Min 15% or Cap | | | 2,200,000 | | 300 | | 1,820,000 | |
| High Cost Factor | | | 100.00% | | This project | | 1,400,000 | |
| Max Fee | | | 2,200,000 | | | | | |
| 4% Eligible Fee | | | | | | | | |
| Eligible Basis | | | 16,915,073 | | | | | |
| Max Fee @ 15% | | | 2,537,261 | | | | | |

Attachment 6 - Developer's Disclosure Statements

| Bandar Salaam San Diego, CA 4% Tax Credits (68 Units) Development Budget | | | | | | | | |
|---|------------|--------------|---------------|--------------------|-------|---------|--------|----------------|
| Category | TOTAL COST | ACQUIS BASIS | Const BASIS | Non Basis Eligible | Resid | Commerc | CONSTR | DEFER TO PERM. |
| | | | 4% Cap (Cash) | 3,169,900 | | | | |

Attachment 6 - Developer's Disclosure Statements

Property Name
Income Page

| HTF/HOME/TCAC | | | | | HTF/HOME | | | | | Section 8 | | | | Market Rent |
|---------------|----------|----------|--------|----------|----------|----------|-----|----|---------|-----------|-------|----|-----------|-------------|
| AMI | # Units | TCAC | UA | Net | AMI | # Units | RDA | UA | Net RDA | # Units | Sec 8 | UA | Net Sec 8 | |
| 30% | | | | | | | | | | | | | | \$ 3,000 |
| 35% | | | | | | | | | | | | | | |
| 40% | | | | | | | | | | | | | | |
| 45% | 2 | \$ 1,698 | \$ 178 | \$ 1,520 | | | | | | | | | | \$ 3,000 |
| 50% | | | | | | | | | | | | | | |
| 55% | | | | | | | | | | | | | | |
| 60% | | | | | | | | | | | | | | |
| 60% | | | | | | | | | | | | | | |
| 80% | | | | | | | | | | | | | | |
| MGR | | | | | | | | | | | | | | |
| Total | 2 | | | | | 0 | | | | 0 | | | | |

Four Bedroom

| HTF/HOME/TCAC | | | | | HTF/HOME | | | | | Section 8 | | | | Market Rent |
|---------------|----------|----------|--------|----------|----------|----------|-----|----|---------|-----------|-------|----|-----------|-------------|
| AMI | # Units | TCAC | UA | Net | AMI | # Units | RDA | UA | Net RDA | # Units | Sec 8 | UA | Net Sec 8 | |
| 30% | | | | | | | | | | | | | | \$ 3,300 |
| 35% | | | | | | | | | | | | | | |
| 40% | | | | | | | | | | | | | | |
| 45% | 2 | \$ 1,874 | \$ 211 | \$ 1,663 | | | | | | | | | | \$ 3,300 |
| 50% | | | | | | | | | | | | | | |
| 55% | | | | | | | | | | | | | | |
| 60% | | | | | | | | | | | | | | |
| 70% | | | | | | | | | | | | | | |
| 80% | | | | | | | | | | | | | | |
| MGR | | | | | | | | | | | | | | |
| Total | 2 | | | | | 0 | | | | 0 | | | | |

Five Bedroom

Total Residential 68 0 0

| Overall project summary | | | | | | |
|-------------------------|-----------|-----------|-----------|----------|----------|-----------|
| TCAC AMI | Bedrooms | | | | | Total |
| | 1 | 2 | 3 | 4 | 5 | |
| 30% | 0 | 0 | 0 | 0 | 0 | 0 |
| 35% | 0 | 0 | 0 | 0 | 0 | 0 |
| 40% | 0 | 0 | 0 | 0 | 0 | 0 |
| 45% | 4 | 6 | 16 | 2 | 2 | 30 |
| 50% | 12 | 25 | 0 | 0 | 0 | 37 |
| 55% | 0 | 0 | 0 | 0 | 0 | 0 |
| 60% | 0 | 0 | 0 | 0 | 0 | 0 |
| 70% | 0 | 0 | 0 | 0 | 0 | 0 |
| 80% | 0 | 0 | 0 | 0 | 0 | 0 |
| Aff Units | 16 | 31 | 16 | 2 | 2 | 67 |
| MGR | 0 | 0 | 1 | 0 | 0 | 1 |
| Total | 16 | 31 | 17 | 2 | 2 | 68 |

| OTHER INCOME | Unit/Mo |
|-------------------|-----------------|
| Misc Revenue | \$ 20.00 |
| Retail | \$ - |
| Utility Reimburse | \$ - |
| Interest Income | \$ - |
| Laundry & Vending | \$ - |
| Fees | \$ - |
| Damages | \$ - |
| Cable | \$ - |
| TOTAL | \$ 20.00 |

Total Income

TCAC 9% Points 30

| Total Restricted | | Sec 8 Overhang | Square Footage | |
|------------------|--------|----------------|----------------|-------|
| Monthly | Annual | | Unit | Total |

| | | | | |
|-----------------|------------------|-------------|-------|--------------|
| \$ - | \$ - | | 1,000 | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ 3,040 | \$ 36,480 | | 1,000 | 2,000 |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ 3,040 | \$ 36,480 | \$ - | | 2,000 |

| | | | | |
|-----------------|------------------|-------------|-------|--------------|
| \$ - | \$ - | | 1,308 | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ 3,326 | \$ 39,912 | | 1,308 | 2,616 |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ - | \$ - | | | |
| \$ 3,326 | \$ 39,912 | \$ - | | 2,616 |

\$ 87,013 \$ 1,044,156 \$ - 36,231

| Monthly | Total Annual |
|-----------------|------------------|
| \$ 1,360 | \$ 16,320 |
| \$ - | \$ - |
| \$ - | \$ - |
| \$ - | \$ - |
| \$ - | \$ - |
| \$ - | \$ - |
| \$ - | \$ - |
| \$ - | \$ - |
| \$ - | \$ - |
| \$ 1,360 | \$ 16,320 |

\$ 88,373 \$ 1,060,476

Attachment 6 - Developer's Disclosure Statements

Bandar Salaam | San Diego, CA
4% Tax Credits (68 Units)
Operating Income/Expenses

increase 0.00%

| PROJECTED OPERATING EXPENSES | Notes | ANNUAL TOTAL | Percentage of Total | ANNUAL PER UNIT | PER MONTH | PER UNIT PER MONTH |
|---|-----------------------------|-----------------|------------------------|--------------------|---------------|-----------------------|
| ADMINISTRATIVE EXPENSES | | | | | | |
| Security | | 3,158 | 0.44% | 46.44 | 263.17 | 3.87 |
| Advertising | | 109 | 0.02% | 1.60 | 9.08 | 0.13 |
| Resident Services | | 0 | 0.00% | 0.00 | 0.00 | 0.00 |
| Resident Services-Tenant Relations | | 0 | 0.00% | 0.00 | 0.00 | 0.00 |
| Admin | | 21,768 | 3.01% | 320.12 | 1,814.00 | 26.68 |
| Auditing Services | | 6,300 | 0.87% | 92.65 | 525.00 | 7.72 |
| TOTAL ADMINISTRATIVE EXPENSES | | 31,335 | 4.34% | 460.81 | 2,611 | 38.40 |
| MANAGEMENT FEE | Per Unit/Month | \$ 51 | | 41,616 | 5.76% | 612.00 |
| UTILITY EXPENSES | increase (Reduction) | | | | | |
| Util-Electricity-Common Area | | 239 | 0.03% | 3.51 | 20 | 0.29 |
| Util-Electricity-Vacant Units | | 104 | 0.01% | 1.53 | 9 | 0.13 |
| Util-Garbage And Trash Collection | | 34,989 | 4.84% | 514.54 | 2,916 | 42.88 |
| Util-Gas-Common Area | | 23,486 | 3.25% | 345.38 | 1,957 | 28.78 |
| Util-Other | | 614 | 0.09% | 9.03 | 51 | 0.75 |
| Util-Sewer | | 70,717 | 9.79% | 1,039.96 | 5,893 | 86.66 |
| Util-Telephone & Communications | | 5,980 | 0.83% | 87.94 | 498 | 7.33 |
| Util-Water | | 97,215 | 13.46% | 1,429.63 | 8,101 | 119.14 |
| Util-Solar Svc Fee | | 18,850 | 2.61% | 277.21 | 1,571 | 23.10 |
| TOTAL UTILITY EXPENSES | | 252,194 | 34.92% | 3,708.74 | 21,016 | 309.06 |
| PAYROLL EXPENSES | | | | | | |
| Sal P/M-Community Director | | 54,120 | 7.49% | 795.88 | 4,510 | 66.32 |
| Sal P/M-Bonus-Office | | 0 | 0.00% | 0.00 | 0 | 0.00 |
| Sal P/M-Bonus-Maintenance | | 0 | 0.00% | 0.00 | 0 | 0.00 |
| Sal Maint-Other | | 176 | 0.02% | 2.59 | 15 | 0.22 |
| Sal Maint-Supervisor | | 50,852 | 7.04% | 747.82 | 4,238 | 62.32 |
| Sal P/M-Assn'T Resident Mgr | | 1,064 | 0.15% | 15.65 | 89 | 1.30 |
| Payroll Taxes/Bene * | 29.81% | 31,658 | 4.38% | 465.56 | 2,638 | 38.80 |
| TOTAL PAYROLL EXPENSES | | 137,870 | 19.09% | 2,027.50 | 11,489 | 168.96 |
| INSURANCE | | 38,275 | 5.30% | 562.87 | 3,190 | 46.91 |
| REPAIRS & MAINTENANCE | | | | | | |
| Landscaping | | 23,516 | 3.26% | 345.82 | 1,960 | 28.82 |
| R & M | | 102,826 | 14.24% | 1,512.15 | 8,569 | 126.01 |
| R & M - Plumbing | | 25,754 | 3.57% | 378.74 | 2,146 | 31.56 |
| Turnover | | 10,202 | 1.41% | 150.03 | 850 | 12.50 |
| Other: "Non-Routine" Maintenance Items | | 0 | 0.00% | 0.00 | 0 | 0.00 |
| TOTAL REPAIRS & MAINTENANCE | | 162,298 | 22.47% | 2,386.74 | 13,525 | 198.89 |
| TOTAL RESIDENTIAL OPERATING EXPENSES | | 663,588 | 91.89% | 9,758.65 | 55,299 | 813.22 |
| RESIDENT SERVICES (Above the line) | | | | | | |
| | | 25,000 | 3.46% | 367.65 | 2,083 | 30.64 |
| Trustee Fee | | 3,000 | 0.42% | 44.12 | 250 | 3.68 |
| Issuer Fee | | 10,000 | 1.38% | 147.06 | 833 | 12.25 |
| REPLACEMENT RESERVES | | 20,400 | 2.82% | 300.00 | 1,700 | 25.00 |
| REAL ESTATE TAXES & ASSESSMENTS | | 195 | 0.03% | 4.33 | 16 | 0.36 |
| TOTAL ANNUAL OPERATING EXPENSES | | 722,183 | 100.00% | 10,620.34 | 60,182 | 885.03 |

NOTES

2022 OP Min 5700/unit
Resident Services shown above the line
T12 Jan 2023 + 3.50%

Attachment 6 - Developer's Disclosure Statements

COMMUNITY HOUSINGWORKS BANK REFERENCES

Attachment 6 - Developer's Disclosure Statements

17. Bank References

Attachment 6 - Developer's Disclosure Statements

San Diego Housing Commission – Developer Disclosure Statement

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

1. Name: **Sebastian Glowacki, Business Development Officer, US Bank**
Address: **633 W. 5th Street, 29th Floor, Los Angeles, CA 90071**
Phone: **303-585-4230**
Project Name and Description:
**North Park Seniors (New Construction, 76 Units, in San Diego);
Kimball Tower (Rehabilitation, 151 apts., in National City); and
Morgan Tower (Rehabilitation, 152 apts., in National City)**

2. Name: **Brian Roberts, Managing Director, Union Bank**
Address: **1901 Avenue of the Stars, Suite 600, Los Angeles, CA 90067**
Phone: **562-400-6407**
Project Name and Description:
Keeler Court (New construction, 71 apts., in San Diego)

3. Name: **Todd Fabian, Vice President, National Equity Fund**
Address: **500 S Grand Ave, #2300, Los Angeles, CA 90017**
Phone: **213-240-3144**
Project Name and Description:
**Las Serenas Apartments (Rehabilitation, 102 apts., in San Diego); and
Sun Ridge Apartments (New Construction, 198 apts., in Concord)**

Attachment 6 - Developer's Disclosure Statements

COMMUNITY HOUSINGWORKS LIST OF PREVIOUS UNDERTAKINGS

Attachment 6 - Developer's Disclosure Statements

20. List of Previous Undertakings

Attachment 6 - Developer's Disclosure Statements

San Diego Housing Commission – Developer Disclosure Statement

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

| Type of Bond | Project Description | Date of Completion | Amount of Bond | Action on Bond |
|--|---|--------------------|----------------|----------------|
| Kimball Highland Master Plan Public Improvements | Grading and improvement plans to build affordable housing | Est. 7/2024 | \$607,775 | Active |
| Kimball Highland Master Plan-Grading Permit | Site grading work related to development of affordable housing | Est. 7/2024 | \$1,370,605 | Active |
| Las Haciendas Apartments– Public Improvements | Offsite improvement work related to development of affordable housing | Est. 8/2023 | \$663,500 | Active |
| Las Haciendas Apartments- Public Improvements | Offsite improvement work related to development of affordable housing | Est. 8/2023 | \$331,750 | Active |

Attachment 6 - Developer's Disclosure Statements

COMMUNITY HOUSINGWORKS DEVELOPER QUALIFICATIONS

Attachment 6 - Developer's Disclosure Statements

22. CHW Developer Qualifications

Attachment 6 - Developer's Disclosure Statements

Community HousingWorks

QUALIFICATIONS

Community HousingWorks

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

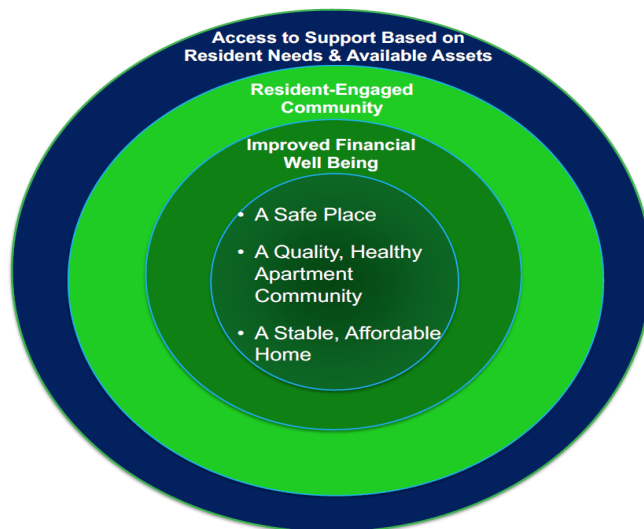


North Santa Fe | Vista, CA

CHW has successfully developed new and renovated existing multi-family, affordable rental apartments in urban, suburban and rural communities in California since 1988. With 4,051 rental apartments operating in 45 communities statewide as of November 2022, and with approximately 600 apartments currently in construction and another 800 apartments in predevelopment, CHW proudly serves more than more than 10,000 children and adults each year. CHW is an Exemplary member of the national NeighborWorks Network®, a founding member of the Housing Opportunities Collaborative, an award-winning affiliate of UnidosUS, and the national Housing Partnership Network.

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

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





Kalos | San Diego, CA

Developer Experience

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

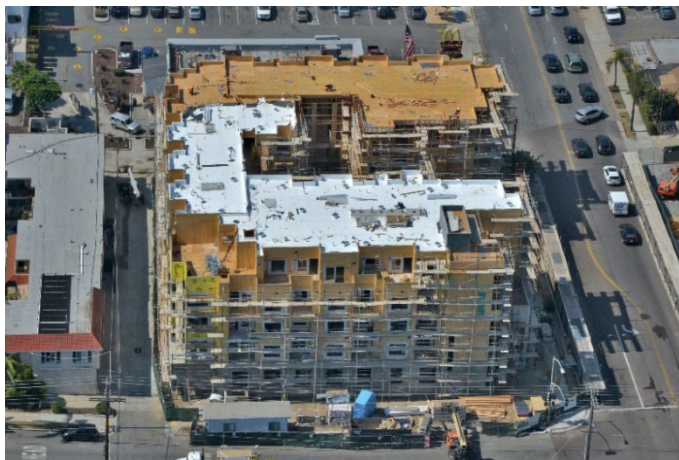
Developments like Kalos (San Diego), North Santa Fe (Vista), Mission Cove (Oceanside), Paradise Creek (National City), La Costa Paloma (Carlsbad), and SOLARA (Poway) illustrate CHW's experience with

large-scale new construction, complex sites, master plans, challenging site conditions from alluvial soils border blue line stream creeks to contaminated soil. We are experienced in construction types including Type V, Type III modified over Type I- the form that is comparable to the future of infill housing. The successful development and operation of these rental communities demonstrates our capacity to acquire, design, purchase land, obtain entitlements, finance, build and operate residential properties. Unlike some affordable housing nonprofits whose portfolio list has thousands of units where they were not the primary developer but only the tax-exempt partner to secure property tax exemptions, CHW has been the sole developer, or the lead partner, in the development of all 4 communities in our portfolio, with the exception of Paradise Creek with Related California where we were a substantial partner.

Portfolio Overview

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

Community HousingWorks portfolio across California is valued at nearly \$1 billion. In December 2021, CHW has Unrestricted Net Assets of \$136 million. We maintain a cash position covering at least six months of



North Park Seniors | San Diego, CA

operations, and derive our income from diverse funding sources including governments, foundations, corporate grants, individual donors, developer fee and asset management fees. The diversity of funding sources and business lines has allowed CHW to be resilient and grow significantly.

Project Financing Strength: CHW has been recognized for innovation including finance, design, resident services programming. Regarding finance, recipient of *Novogradac Journal of Tax Credits* "Developments of Distinction for Innovative HUD Financing" in 2010 highlighted our ability to innovate and create replicable templates for complex financing. We have a successful record of accomplishments obtaining competitive financing from sources including private lenders, Low-Income Housing Tax Credit investors, the U.S. Department of Housing and Urban Development ("HUD"), and the State of California, including awards from the Transit Oriented Development ("TOD") and Infill Infrastructure ("IIG")

programs, Multi-Family Housing Program (“MHP”), and Affordable Housing Sustainable Communities (“AHSC” or Cap and Trade). Additionally, CHW has successfully won Federal Home Loan Bank (“FHLB”) Affordable Housing Program (“AHP”) multiple times including both the San Francisco and Atlanta districts. CHW has received over 30 tax credit allocations from the California Tax Credit Allocation Committee (“CTCAC”), and has strong access to capital both debt and equity, from internal and third-party sources. Our financial strength and development success recently allowed us to attract an equity investment (not tax credits) of \$13 million to help purchase a community of 198 apartments (NEF/Morgan Stanley Fund) in Concord, California.

Profile: Turnagain Apartments: Innovative HUD Finance

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

Cost Efficiency, Schedule, and Entitlements

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

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

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

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

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

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

Complex Entitlements and Master Plans

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

Profile: North Park Seniors—Innovative Entitlements and Partnership

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

Sustainability Leader: Operating Cost Efficiencies, Resident Health

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



Solara | Poway, CA

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

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

As a national leader in the field of sustainable design and development, CHW has made it our business to know how to **access financial incentives** to lower the cost of installing energy and water conserving technologies, and we lead the industry in using green technologies to lower operating costs and to provide them as amenities. CHW has been awarded for our commitment to renewables, and we have photovoltaic panels providing electricity in almost 20 of our apartment communities. CHW's sustainable design and construction practices seek to promote a healthy environment and to provide thermal comfort and utility savings for our residents. High performance buildings reduce our carbon footprint, minimize the use of natural resources, and, perhaps most importantly, significantly lower utility and maintenance costs over time.

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

Strong Community Partner

Community HousingWorks prides ourselves on being a strong partner of cities, community groups, and good neighbor. We have extensive experience in working with community groups to achieve win-win success. There are several recent examples of this: working with the Cortez Hill neighborhood in downtown San Diego for affordable apartments in an upscale neighborhood; purchasing land in a

revitalizing area of Sacramento that borders a high opportunity neighborhood that has previously been opposed to affordable housing and working to achieve their support for Arden Apartments, now in construction in Sacramento; and the work over the last 13 years in National City.

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

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

The story of Paradise involves the evolution and then degradation of a working-class neighborhood over years of contamination by military operations on the Bay, paint and plating shops intermixed with aging single-family homes. It started with resident grass roots fight for empowerment and economic/environmental justice and reflects the effects of community, government and private sector/investment working collaboratively to overcome significant site conditions and financial challenges in order to solve multiple problems—health, housing need, empowerment of a low income largely immigrant community, neighborhood revitalization, creation of a cornerstone that sets the standard for new development. CHW with Related California built a two-phase 201-unit apartment community, and funded the recently completed new city park adjacent to the tidal creek, Paradise Creek. In that, the project completed environmental remediation of the site from years of city public works and bus operations where there were metal street sweepings as well as soil saturated by VOCs. With support from California DTSC, US EPA and other agencies, and with funding that included the first AHSC loan in the County of San Diego, the success for the 201 families who live at Paradise Creek continues with CHW's life changing resident services.

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

CHW SUPPORTIVE HOUSING EXPERIENCE

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

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

CHW Supportive Housing

Permanent Supportive Housing and TAY Supportive Housing

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

Attachment 6 - Developer's Disclosure Statements

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

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

Other CHW Homeless-Serving and Special Needs Programs:

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

Attachment 6 - Developer's Disclosure Statements

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

Pipeline:

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

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

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

Attachment 6 - Developer's Disclosure Statements

Community HousingWorks

Executive Team

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

Sean Spear

President & CEO

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



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

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

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Community HousingWorks

Housing and Real Estate Development

Brian Kay

Chief Financial Officer

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



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

Sochiata Vutthy

Chief Operating Officer

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



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

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

Attachment 6 - Developer's Disclosure Statements

Community Housing Works

Housing and Real Estate Development

Mary Jane Jagodzinski

Vice President of Strategic Initiatives

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



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

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

Marc Welk

Director of Project Finance

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



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

Attachment 6 - Developer's Disclosure Statements

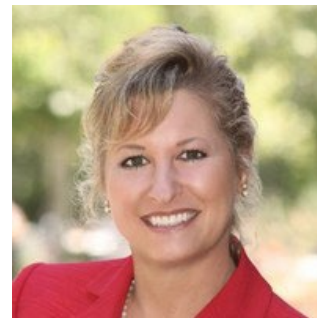
Community Housing Works

Housing and Real Estate Development

Anna Slaby

Vice President of Development

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



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

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

Stephen Swiecicki

Vice President of Forward Planning

Stephen Swiecicki joined Community Housing Works in 2016 and reports to the Senior Vice President of Housing and Real Estate Development. Mr. Swiecicki is responsible for identifying and securing feasible multi-family development sites, creation of local relationships, and acquisition strategy. Additionally, he manages the feasibility review process as well as leads the entitlement efforts for new construction developments.



Mr. Swiecicki has more than 18-years of comprehensive multifamily/commercial real estate and financial services experience with principal investment, asset management, and capital markets advisory for real estate operating companies and assets. He has had personal involvement with over \$800 million in multifamily investment, \$425 million of debt closings and has managed portfolios with value in excess of \$2.5 billion. Since joining CHW, he has sourced land for approximately 1,200 apartments including those completed, in construction and in the predevelopment pipeline, including the organization's first ground-up development projects outside of San Diego County.

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

Attachment 6 - Developer's Disclosure Statements

Community HousingWorks

Housing and Real Estate Development

Nhan Ho

Director of Acquisitions

As an Acquisitions Director, Mr. Ho's responsibilities include sourcing, underwriting, and acquiring affordable housing communities with various financing strategies. He reports to the Senior Vice President of Housing and Real Estate Development. His work entails establishing financial and market feasibility, physical due diligence, and identifying and securing sources of bridge, construction, and permanent debt. Since joining Community HousingWorks in 2013, Mr. Ho has acquired properties across California, expanding Community HousingWorks' footprint and adding more than 1,500 units. He was also part of the National City Request for Proposal team, underwriting for the acquisition of two senior towers with HUD project based contracts. In addition to acquiring communities in the marketplace, he is also responsible for portfolio repositioning and dispositions, including the disposition and recapitalization of seven properties.



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

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

Jacklyn Oh

Associate Director of Housing and Real Estate Development

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



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

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

Attachment 6 - Developer's Disclosure Statements

Community HousingWorks

Housing and Real Estate Development

Simon Fraser

Senior Project Manager

Simon Fraser joined Community HousingWorks in 2023 as a Senior Project Manager with a background in tax credit syndication and development. Reporting to the Vice President of Development, Mr. Fraser is responsible for managing all development aspects and phases of new construction and rehabilitation projects. Prior to joining CHW, Mr. Fraser underwrote, closed financing, and project managed eleven transactions in GA, NV, FL and TX on behalf of a national syndicator, and prior to that he submitted nine successful tax credit applications in CA and TX for a western states tax credit developer.



Simon Fraser holds a Bachelor of Arts degree in Urban Planning from UCSD and a Master of Arts in Urban Planning from UCLA.

Chris Bloom

Senior Project Manager

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



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

John Witkowski

Project Manager

John Witkowski joined Community HousingWorks in 2022 and reports to the Vice President of Development. He oversees all aspects of an affordable housing project's development, from initial conception until final completion.

Prior to joining CHW, Mr. Witkowski worked as a Project Manager for a statewide nonprofit affordable housing developer, helping to develop a wide array of project types including senior, large family, permanent supportive and transitional housing. He was instrumental in closing and constructing approximately 225 units of affordable apartments through a wide variety of state and local funding sources. He is a U.S. Navy veteran, and has a passion for developing veteran-focused affordable housing communities.



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

Attachment 6 - Developer's Disclosure Statements

Community HousingWorks

Housing and Real Estate Development

Chris Johnston

Vice President, Asset Management

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



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

Dr. Tomashu Kenyatta Jones

Senior Vice President, Achieve

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



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

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

Attachment 6 - Developer's Disclosure Statements

Community Housing Works

Housing and Real Estate Development

Katherine Griswold

Senior Vice President, Advancement

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



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

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

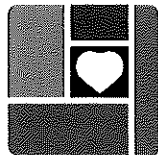
Attachment 6 - Developer's Disclosure Statements

COMMUNITY HOUSINGWORKS INSURANCE CERTIFICATES

Attachment 6 - Developer's Disclosure Statements

26. Insurance Certificate

Attachment 6 - Developer's Disclosure Statements



NONPROFITS INSURANCE ALLIANCE (NIA)®
 Alliance of Nonprofits for Insurance, RRG (ANI)
 Nonprofits Insurance Alliance of California (NIAC)
 National Alliance of Nonprofits for Insurance (NANI)
 Alliance Member Services (AMS)

A head for insurance. A heart for nonprofits. insurancefor nonprofits.org

Member # 09045
 Community Housing Works*
 3111 Camino Del Rio N, Ste. 800
 San Diego, CA 92108
 Phone: 619-282-6647
 Email: info@chworks.org

Broker # 00346
 Arthur J. Gallagher & Co. Ins Brokers of CA, Inc.
 505 N Brand Blvd. Suite 600
 Glendale, CA 91203
 Phone: 415-546-9300
 Email: NAC.BSD.AgencyBill_Mailbox@ajg.com

Reinstatement Notice Summary

Attached is a separate Notice of Rescission for each of the policies listed below.

| Carrier | Policy Number | Description | Effective Date Of Rescission |
|---------|----------------|--|------------------------------|
| NIAC | 2022-09045 | General Liability, Improper Sexual Conduct, Social Service Professional, Auto Liability, Auto Physical | 08/17/2022 |
| NIAC | 2022-09045-UMB | Umbrella | 08/17/2022 |

For billing questions concerning this account please contact AJ Hungridge.
 Phone: 831-621-6147 Email: ahungridge@insurancefor nonprofits.org

Policies, Endorsements, and Statements can be accessed by logging into the secure members-only area of the web site at www.insurancefor nonprofits.org. For questions about your policy or endorsements please contact your broker directly.

AUG 22 2022

Member # 09045 Broker # 00346

Community Housing Works*
 Attn: Sean Spear
 3111 Camino Del Rio N, Ste. 800
 San Diego, CA 92108

168851 - 08/16/2022 - Standard

Attachment 6 - Developer's Disclosure Statements

NONPROFITS INSURANCE ALLIANCE OF CALIFORNIA
SERVICED BY ALLIANCE MEMBER SERVICES
P.O. BOX 8507
SANTA CRUZ CA 95061

RESCISSION NOTICE

Named Insured & Mailing Address:

Producer: 00346

COMMUNITY HOUSING WORKS*
3111 CAMINO DEL RIO N, STE. 800
SAN DIEGO CA 92108

ARTHUR J. GALLAGHER & CO. INS BROKERS OF CA,
INC.
1255 BATTERY STREET, STE. 450
SAN FRANCISCO CA 94111

Policy No.: 2022-09045
Type of Policy: GENERAL LIABILITY OCCURRENCE
The CANCELLATION notice issued to be effective 08/17/2022 is hereby rescinded.

Named Insured

COMMUNITY HOUSING WORKS*
3111 CAMINO DEL RIO N, STE. 800
SAN DIEGO CA 92108

Date Mailed:
16th day of August, 2022



AUTHORIZED SIGNATURE

Attachment 6 - Developer's Disclosure Statements

NONPROFITS INSURANCE ALLIANCE OF CALIFORNIA
SERVICED BY ALLIANCE MEMBER SERVICES
P.O. BOX 8507
SANTA CRUZ CA 95061

Named Insured: COMMUNITY HOUSING WORKS*

Policy Number: 2022-09045

This page is separate and independent from the notice given.
We are informing you that the following parties were notified of this action.

PARTIES NOTIFIED

Named Insured
Community Housing Works*
3111 Camino Del Rio N, Ste. 800
San Diego CA 92108

Producer
Arthur J. Gallagher & Co. Ins Brokers of CA, Inc.
1255 Battery Street, Ste. 450
San Francisco CA 94111

Additional Insured
City of Brentwood, Agency
150 City Park Way
Brentwood CA 94513

Additional Insured
MUFJ Union Bank
P.O. BOX 29982
PHOENIX AZ 85038

Attachment 6 - Developer's Disclosure Statements

NONPROFITS INSURANCE ALLIANCE OF CALIFORNIA
SERVICED BY ALLIANCE MEMBER SERVICES
P.O. BOX 8507
SANTA CRUZ CA 95061

RESCISSION NOTICE

Named Insured & Mailing Address:

Producer: 00346

COMMUNITY HOUSING WORKS*
3111 CAMINO DEL RIO N, STE. 800
SAN DIEGO CA 92108

ARTHUR J. GALLAGHER & CO. INS BROKERS OF CA,
INC.
1255 BATTERY STREET, STE. 450
SAN FRANCISCO CA 94111

Policy No.: 2022-09045-UMB
Type of Policy: UMBRELLA LIABILITY OCCURRENCE

The CANCELLATION notice issued to be effective 08/17/2022 is hereby rescinded.

Named Insured

COMMUNITY HOUSING WORKS*
3111 CAMINO DEL RIO N, STE. 800
SAN DIEGO CA 92108

Date Mailed:
16th day of August, 2022

AUTHORIZED SIGNATURE

Attachment 6 - Developer's Disclosure Statements

NONPROFITS INSURANCE ALLIANCE OF CALIFORNIA
SERVICED BY ALLIANCE MEMBER SERVICES
P.O. BOX 8507
SANTA CRUZ CA 95061

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Policy Number: 2022-09045-UMB

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San Diego CA 92108

Producer
Arthur J. Gallagher & Co. Ins Brokers of CA, Inc.
1255 Battery Street, Ste. 450
San Francisco CA 94111

Attachment 6 - Developer's Disclosure Statements

COMMUNITY HOUSINGWORKS BUSINESS LICENSE

Attachment 6 - Developer's Disclosure Statements

32. Business License

Attachment 6 - Developer's Disclosure Statements

POST IN CONSPICUOUS PLACE OR KEEP ON PERSON

CITY OF SAN DIEGO * CERTIFICATE OF PAYMENT OF BUSINESS TAX

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

Certificate Number: B2004013671
Business Name: COMMUNITY HOUSINGWORKS
Business Owner: COMMUNITY HOUSINGWORKS
Business Address: 3111 CAMINO DEL RIO NORTH N #800
SAN DIEGO CA 92108-5728

Primary
Business Activity: CIVIC & SOCIAL ORGANIZATIONS

Secondary
Business Activity:

Effective Date: 01/01/2023
Expiration Date: 12/31/2023

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

BUSINESS FILE COPY

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

Certificate Number: B2004013671 PIN: TWBA6
Business Name: COMMUNITY HOUSINGWORKS
Business Owner: COMMUNITY HOUSINGWORKS
Business Address: 3111 CAMINO DEL RIO NORTH N #800
SAN DIEGO CA 92108-5728

Primary
Business Activity: CIVIC & SOCIAL ORGANIZATIONS

Secondary
Business Activity:

Effective Date: 01/01/2023
Expiration Date: 12/31/2023

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



COMMUNITY HOUSINGWORKS
ACCOUNTING DEPT
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.

Attachment 6 - Developer's Disclosure Statements

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:

Official Zoning Map - <https://www.sandiego.gov/development-services/zoning>

Business owners or representatives may also visit the Development Services Department at 1222 First Avenue -3rd Floor, San Diego, CA 92101. For additional information regarding zoning, visit <https://www.sandiego.gov/development-services> or call 619-446-5000.

Account Updates:

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

Renewal:

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

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))

Attachment 6 - Developer's Disclosure Statements

COMMUNITY HOUSINGWORKS LIST OF CONTRACTS

Attachment 6 - Developer's Disclosure Statements

35. List of Contracts

Attachment 6 - Developer's Disclosure Statements

San Diego Housing Commission – Developer Disclosure Statement

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

| Project | Address | Total Funds | Purpose |
|-------------------------|---|-------------|---|
| Ulric Street Apartments | (CHW) 2815 Camino del Rio S., #350 San Diego, CA 92108 | \$7,000,000 | Acquisition, Construction, & Permanent Financing Loan |
| Kalos Apartments | (CHW) 2815 Camino del Rio S., #350 San Diego, CA 92108 | \$6,965,583 | Acquisition, Construction, & Permanent Financing Loan |
| Alabama Manor | (CHW) 2815 Camino del Rio S., #350 San Diego, CA 92108 | \$3,785,075 | Acquisition, Construction, & Permanent Financing Loan |
| Bandar Salam | (CHW) 2815 Camino del Rio S., #350 San Diego, CA 92108 | \$2,100,000 | Acquisition, Construction, & Permanent Financing Loan |
| Las Serenas | (CHW) 2815 Camino del Rio S., #350 San Diego, CA 92108 | \$6,100,000 | Acquisition, Construction, & Permanent Financing Loan |
| Mayberry Townhomes | (CHW) 2815 Camino del Rio S., #350 San Diego, CA 92108 | \$905,648 | Acquisition, Construction, & Permanent Financing Loan |
| North Park Seniors | (CHW) 2815 Camino del Rio S., #350 San Diego, CA 92108 | \$7,000,000 | Acquisition, Construction, & Permanent Financing Loan |

Attachment 6 - Developer's Disclosure Statements

COMMUNITY HOUSINGWORKS LOCAL REFERENCES

Attachment 6 - Developer's Disclosure Statements



COMMUNITY HOUSINGWORKS LOCAL REFERENCES

Please see below three local references that are familiar with previous Community HousingWorks construction projects:

1. Name: **Karen Youel, Housing & Neighborhood Services Manager,
Community Development City of Escondido**
Address: **201 North Broadway, Escondido, CA 92025**
Phone: **760-839-4518**
Project Name and Description:
Windsor Gardens (Rehabilitation, 132 apts., in Escondido)
2. Name: **John Conley, City Manager, City of Vista**
Address: **200 Civic Center Drive, Vista, CA 92084**
Phone: **760-643-5388**
Project Name and Description:
**Paseo Artist Village (New construction, 60 apts., in Vista); and
North Santa Fe Apartments (New Construction, 68 apts., in Vista)**
3. Name: **Carlos Aguirre, Director of the National City Housing Authority**
Address: **140 East 12th Street, National City, CA 91950**
Phone: **619-336-4391**
Project Name and Description:
**Kimball Tower (Rehabilitation, 151 apts., in National City); and
Morgan Tower (Rehabilitation, 152 apts., in National City)**