

# BUILDING COMMUNITY, BY DESIGN

2023 ANNUAL REPORT

COMMUNITY   
HOUSING CAPITAL  
WHEN THE MISSING PIECE IS CAPITAL

# LETTER FROM THE CEO

**DEAR INVESTORS, COLLEAGUES, AND FRIENDS,**

Housing is foundational to community development. It is by far the largest household expense for Americans – and it remains fundamental to building wealth. Yet almost every community, city, and state across the U.S. struggles to provide safe and secure affordable housing for its people.

Building and preserving affordable housing is no easy task, particularly when the demand for affordable housing continues to grow. Financing is perhaps the biggest challenge for developers – and that’s exactly the challenge we at Community Housing Capital (CHC) seek to address.

CHC partners with the premier national organization for non-profit developers, NeighborWorks America.

**By design, we work in the places most in need of affordable housing**, reaching low-income communities across America, serving those most affected by economic downturn and disinvestment, and creating economic opportunity.

**An investment in CHC is an investment in economic mobility for people and prosperity in communities.**

Throughout this report, we’re featuring the impacts of our work as well as the scale, reach, and outcomes of our partner organizations. Since 2000, our investments have provided access to 23,086+ affordable homes, the majority of those multi-family homes. What’s more, 76% of our borrowers’ properties were affordable for families earning below 80% of their Area Median Income.

To make substantial improvements in affordable housing, it’s time to double down on what every community needs: long-term, patient capital that won’t leave when the going gets tough; strategic partnerships with organizations dedicated to place-based development success; and advocacy at the community and city level all the way up to the federal government.

In order for our nation to achieve economic prosperity, we must – **by design** – build and preserve single-family and multi-family affordable housing. We invite you to partner with, advocate for, and invest in us.

Sincerely,



**Cindy Holler**

President and CEO

# AFFORDABLE, BY DESIGN

## CHC MAKES IT AFFORDABLE TO CONSTRUCT AND PRESERVE HOUSING.

Our vision is a future where all individuals and families have the opportunity, resources, and economic means to live, work, learn, and thrive. Our focus is affordable housing.

## INVESTING IN HOUSING MAKES BUSINESS SENSE.

Housing is the single biggest household expenditure for families living in the U.S. When families spend more than 30% of their monthly income on shelter, it becomes more difficult to achieve financial security, invest in education, achieve economic mobility, or build wealth. When cities and states have high levels of cost-burdened families – those spending over 30% of their income on housing – rates of homelessness, housing insecurity, and the cost to provide services can soar.



**Our relationship with CHC has gone from relatively small to relatively substantial. When you spend \$70 million on anything over a period of 10 - 15 years, it has an impact, especially in small communities like ours. Over time, we've developed over 400 units for a farmworker community. But we couldn't do that without partnerships, and CHC is certainly a critical one for us."**

### **Tony Reyes**

Executive Director,  
Comite de Bien Estar, Inc.



# IMPACT, BY DESIGN

By intention and by design, Community Housing Capital works with the organizations and communities **most in need** of affordable housing – something we’ve been doing for 23 years. With our extensive network of non-profit housing developers, we know what works to build coalitions – and communities – to successfully finance single-family and multi-family homes.

In 2023, CHC investments housed



**3,026+**

individuals  
across 13 states.

Between 2000 – 2023, CHC investments have provided access to



**23,086+**

affordable homes

In 2023, for families earning below 80% of Area Median Income,



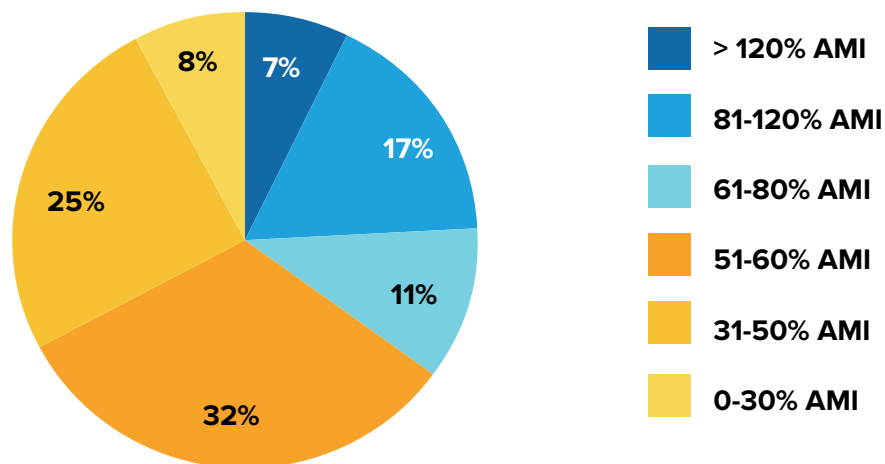
**76%**

of CHC borrowers' properties were affordable



In 2023, 65% of homes had green features, such as energy efficiency in appliances, improved insulation, and water efficiency. We will be rolling out additional environmental indicators in subsequent years.

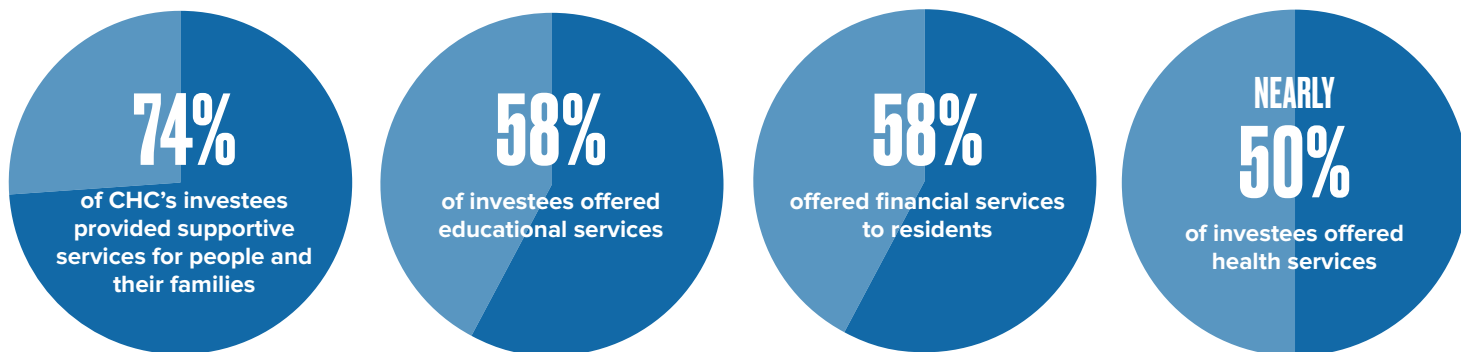
**HOUSING DESIGNED TO REACH LOW-INCOME FAMILIES**  
Units in 2023 By Affordability



There are generally three levels defined under “low-income households” based on the Area Median Income (AMI): Low Income (at or below 80% of AMI); Very Low Income (at or below 50% of AMI); Extremely Low Income (at or below 30% of AMI).

## DESIGNED TO SUPPORT HOLISTIC WELL-BEING

In 2023, CHC investments provided community benefits beyond affordable housing. In 2023, we helped preserve over 446 units of naturally-occurring affordable housing.

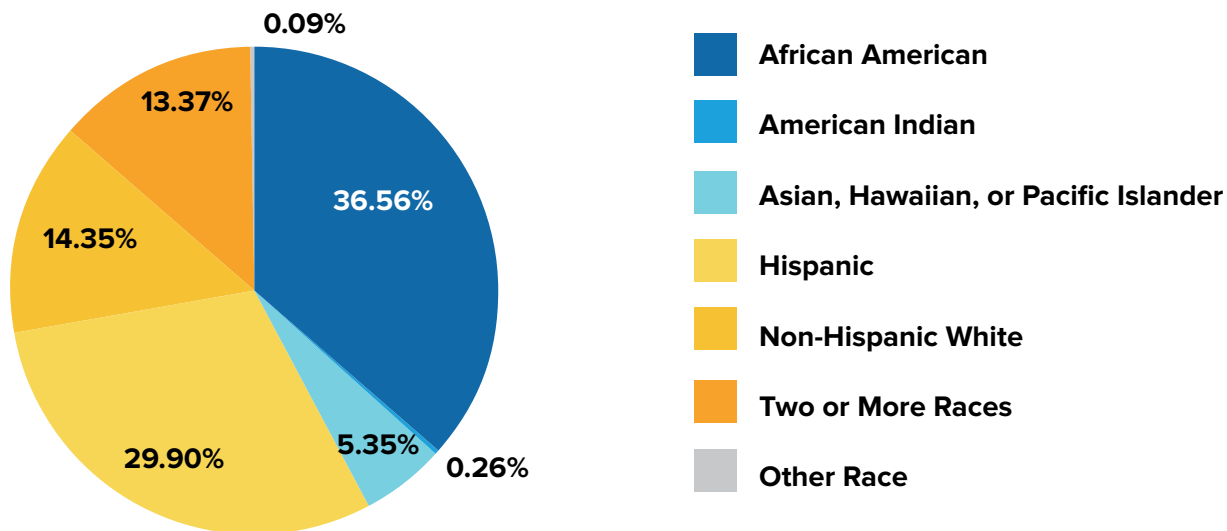


In addition to the support services listed below, we value accessibility by design. In 2023, 86% of CHC borrowers' homes were within a 10-minute walk to a train or bus stop.

## DESIGNED TO WORK TOWARD CLOSING THE RACIAL WEALTH GAP

### UNITS FINANCED IN 2023 BY RACE/ ETHNICITY

Based on actual and projected occupancy



### IMPACT MEASUREMENT AND MANAGEMENT UPDATE

Building an effective Impact Measurement and Management (IMM) framework is an iterative process centered around continuous learning and improvement. In 2023, CHC reviewed its process and, as necessary, adjusted its measurement approach and the impact data it gathers.

# PARTNERSHIPS, BY DESIGN

## NATIONAL REACH, LOCAL IMPACT

Non-profit affordable housing developers are delivering more than just homes; they are pursuing housing justice. Research shows that affordable housing is both the lynchpin of a household's financial security – and ability to achieve economic

opportunity – and that its presence provides positive spillover effects for communities. In places where LIHTC housing is present, studies have shown reductions in violent crime, rising home prices – an indicator of wealth generation – and neighborhood improvements.

## OUR PARTNERSHIP WITH NEIGHBORWORKS AMERICA

Community Housing Capital's mission is to provide equitable access to capital that is transformative for NeighborWorks organizations and their communities. NeighborWorks America creates opportunities for people to live in affordable homes, improve their lives, and strengthen their communities. More than 245 non-profit organizations have been rigorously assessed and are regularly audited in order to maintain membership in the network. The network includes some of the best community development

and housing organizations across all 50 states, Washington, D.C., and Puerto Rico. The NeighborWorks network considers local voices critical to the success of their projects – one-third of the board members at any given network organization represent local residents. In 2023, while celebrating its 45th year, network members created 16,269 homeowners and constructed, acquired, and preserved 11,480 rental homes. They also assisted over 420,000 people with financial counseling.



**SINCE 2016, CHC HAS INVESTED OVER \$3.3 BILLION  
IN NEIGHBORWORKS ORGANIZATIONS (NWOS).**



## NEIGHBORWORKS ORGANIZATIONS IN THEIR OWN WORDS

**Our rural areas do not see real estate developments occurring due to cost, complexity, and overall systemic lack of access to resources and capacity at our local level. When we are able to develop any housing in our area – especially top-notch, affordable housing to our most vulnerable populations – it is extremely impactful to the community.”**

A loan from CHC is helping to develop the Osborn, the only permanent supportive housing development in the southeastern portion of Colorado and only the fourth apartment complex to be built in southern Colorado over the past 15 years.

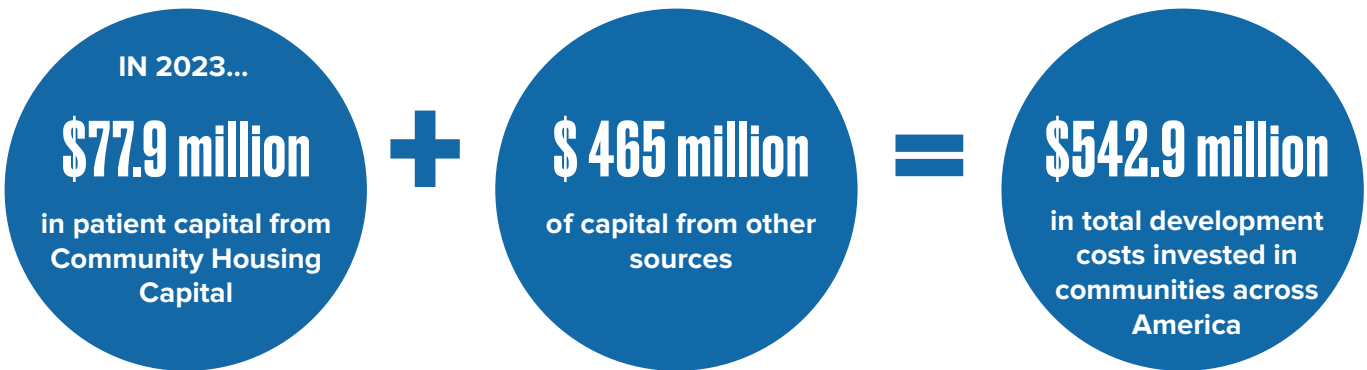
**Steven R. Cordova,**  
Executive Director  
Total Concept



## HOW CHC HELPS UNLOCK CAPITAL FOR COMMUNITIES

When we partner with communities, we’re providing capital plus connections – and know-how. We help organizations leverage public and private funding, build a capital stack that works, and are often a

first-to-the-table investor to help unlock additional funding. In fact, we helped communities leverage \$460 million additional dollars for their projects in 2023 alone.



# THE GAP IN AFFORDABLE HOUSING FINANCING

Financing a new or rehabbed affordable housing project is complex. A market-rate housing developer must make projections for costs (such as permitting, land, construction, and marketing) and revenue (sales or rental income). This type of housing can take anywhere between a few months to a few years to conceive, build, and put on the market. One study showed it can take between **4 - 7 years to develop a single affordable housing development**, and, in some cases, longer.

Affordable housing developers must often seek many more sources of financing, including tax credits and state and local grants, which require different applications, documentation, and run on their own timelines.

The Low Income Housing Tax Credit (LIHTC), for example, a dollar-for-dollar federal tax credit, has application deadlines and announcement timelines that differ by state – it accounts for **approximately 90%** of all affordable rental housing created in the U.S. today. Despite housing being the single largest expense in a household’s balance sheet – foundational to economic and racial equity – affordable housing is woefully underfunded by philanthropy.

*The Chronicle of Philanthropy* reported that, “From 2006 to 2019, the 1,000 largest foundations gave more than \$2.8 billion to groups focused on housing development and services – **just 1 percent of their domestic grant making** during that time.



“

**It’s been a long time coming — and it feels fantastic.”**

**Joe Garlick**  
**NeighborWorks**

Executive Director on the 13-year process of finding funding for Woonsocket Mill 70-unit affordable housing project.

## WHAT MAKES AFFORDABLE HOUSING FINANCE MORE CHALLENGING THAN MARKET-RATE HOUSING FINANCE?



### **TIMING**

Navigating financing, subsidies, community support, and sustainability



### **CAPITAL STACK**

More sources of capital, including governmental subsidies, add complexity, risk, and requirements to the process.



### **COMMUNITY SUPPORT**

Trust, relationships, commitment to the community, and a strong track record are essential to reduce community opposition.



### **OPERATIONAL SUSTAINABILITY**

Ensuring ongoing sustainability often requires helping residents receive financial assistance and subsidies.



# LENDING BY DESIGN

## FLEXIBLE LOAN PRODUCTS CREATED TO MEET COMMUNITIES' NEEDS

Economic boom or downturn, CHC has a 20+ year track record of offering flexible loan products to meet organizations' needs – and make community development possible. From multi-family permanent loans to acquisition and construction to bridge loans, we work with and for our customers.

### 2023 HIGHLIGHTED DEALS



#### ARIZONA

**Comité de Bien Estar** renewed a construction loan in the amount of **\$2.4 million** to support **new construction and refinancing** of existing apartments. The forward commitment loan of the same amount provides permanent financing for the newly combined Las Casitas Apartments (84 units total).



#### NORTHERN CALIFORNIA

**Eden Housing** received a **\$13 million interim acquisition loan** for the LIHTC-financed, 66-unit seniors property Trinity Plaza in Richmond, California. Rents are restricted to tenants with incomes no greater than 60% AMI, with units reserved at 30%, 45%, 50%, and 60% AMI levels. Since inception in 1968, Eden has developed, acquired, and/or rehabilitated almost 12,000 affordable units across California.



#### CENTRAL CALIFORNIA

**Self-Help Enterprises (SHE)** works together with low-income families in Central California to build and sustain healthy homes and communities. CHC provided SHE three **construction loans totaling \$37 million** that bridged permanent financing commitments from the California Department of Housing and Community Development under its new Portfolio Preservation Program. Since 1965, SHE has helped more than 6,200 families build their own homes, rehabilitated over 6,300 unsafe homes, and developed over 2,200 units of affordable rental housing.



#### OHIO

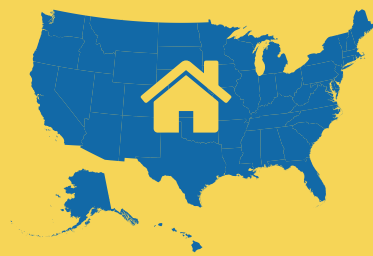
##### **St. Mary Development Corporation**

received a **\$950,000 permanent loan** for the acquisition and refinance of Washington Square Homes, residential properties in Dayton, Ohio. It also renewed a **\$475,000 permanent loan** for Lofts at Hoover, which offers residential units for seniors, supporting rents to 35%, 50% and 60% AMI tenants



#### OREGON

**DevNW** serves low- and moderate-income Oregonians to increase their financial security and build assets to develop thriving communities. It received a **\$3 million line of credit** from CHC to provide financing for the vertical construction of 24 single-family homes in Salem, Oregon that will be sold to families earning between 60% and 80% AMI. DevNW has over 60 years of experience building and redeveloping affordable housing throughout the state.



IN 2023, CHC HELPED HOUSE  
**3,026+ INDIVIDUALS ACROSS 13 STATES.**

# AN AFFORDABLE HOUSING FUND

## DESIGNED FOR DEVELOPERS AND COMMUNITIES OF COLOR

### DEVELOPERS OF COLOR FACE MULTIPLE BARRIERS

According to a **2023 report published by Grove**, Black and Hispanic real estate developers face barriers across representation, access to finance, and revenue cliffs which significantly impede the real estate development industry. Wealth gaps and small business ownership gaps intersect in the real estate development market.

This results in Black and Hispanic developers representing less than 1% of their industry. By working across rental and homeownership markets and focusing on low- to moderate-income households, Community Housing Capital works at the intersection of race and income.



Removing the constraints on Black and Hispanic developers would create **54,000 new developers** – and generate more than **\$106 billion in new revenue** and **1.7 million new jobs each year.**

The Black, Indigenous, and People of Color Affordable Housing Development Fund (“BIPOC Fund”) was created with a goal of closing the gap and reversing the trend – and its potential impacts are notable. In March, Community Housing Capital (CHC) announced a \$34 million fund to increase access to affordable housing for people of color, initially made possible by a \$17 million commitment from Arnold Ventures, with another \$17 million coming from CHC’s own capital.

This initial funding worked toward addressing racial inequality in the housing market across 12 southern states plus Washington, D.C.

In September, CHC expanded the program nationally, adding additional \$4.96 million with funds received from the Community Development Financial Institution Equitable Recovery Program (CDFI ERP). With this commitment, CHC aims to continue to address racial inequality in the housing market across 12 southern states plus Washington, D.C., and reduce the racial wealth gap.

## BIPOC FUND DEPLOYMENT IN 2023: \$28.31 MILLION TOTAL

“

The community is looking at new buildings put up and thinking, ‘Wow... Living in affordable housing doesn’t have to give the impression you’re on welfare.’ I don’t look at myself as low-income; I’m sitting on the top of the world.”

**Dorothy Dortch**

Resident of New Urban Development housing in Miami, Florida



Since the announcement, Community Housing Capital has committed and deployed 83% of the initial fund amount. In September, we expanded its reach to developers of color and developers serving communities of color across the U.S., and we continue to raise capital to grow the Fund. In September, we expanded its reach to developers of color and residents of color across the U.S., and we continue to raise capital to grow the Fund. A selection of deals includes:



### FLORIDA

**New Urban Development (NUD)**, the real estate development arm of the Urban League of Greater Miami, received a **\$1 million** revolving line of credit and a loan for **\$8.6 million** to support the ground lease and acquisition of seven parcels in the historically Black Coconut Grove neighborhood. Founded by Bahamians over a hundred years ago, the once-thriving community had begun gentrifying by the early 1980s; today, **home prices can top \$25 million** in historically African-American and other marginalized communities in South Florida and beyond.



### NORTH CAROLINA

**DreamKey Partners (DPK)** was able to acquire thirty scattered site single family homes in Charlotte with a \$7.1 million acquisition loan from CHC plus Community Development Block Grant funds. The portfolio was acquired from a prominent institutional investor. DPK is now able to provide a creative path to homeownership to LMI individuals and first-time home buyers who might otherwise be displaced.



### VIRGINIA

**AHC Inc.**, a Black-led organization in the Washington/Baltimore region, received \$8.2 million in 2023. A **\$3.2 million interim loan** helped fund Kate’s Trace Apartments, a 108-unit community located in Newport News; it is a LIHTC property with rent capped at 50% AMI. They also received a **\$6 million loan renewal** for Fort Henry Gardens, an 82-unit community in the Green Valley neighborhood of Arlington. Its LIHTC status ensures that the property will continue to target tenants earning up to 60% AMI through 2037.

## FLEXIBLE LOAN PRODUCTS CREATED TO MEET COMMUNITIES' NEEDS

When CHC provides capital to Black, Latino, Indigenous, and Asian developers working in neighborhoods of color, it addresses injustice at the systemic level: not only are we creating more opportunity for affordable housing for residents, we're reversing the trends of disinvestment in people of color while offering low-cost capital.

“

**As a Black, female housing developer in Houston, I've experienced barriers to capital and opportunities as compared to white counterparts in neighboring wards. I've watched health and economic gaps widen in the communities I serve. I've often wondered why. Why did we allow redlining to happen? Why are we not doing more to counter its effects today? It starts with investing in Black leaders.”**

**Kathy Flanagan Payton**  
President and CEO,  
Fifth Ward Community Development Corporation



“

**This project is a critical step in helping to close the affordable housing gap in America – especially for communities of color.”**

**Kirby Smith**  
Executive Vice President of Strategy  
and Programs, Arnold Ventures



“

**I've personally seen and experienced institutional racism within the banking sector. I wanted to make sure that when we at CHC say that we're providing equitable capital that it means everyone. It's about making sure that developers of color understand they have a place to go if they have questions – regardless of whether it turns into a lending opportunity for us.”**

**Dana Chestnut**  
SVP/Chief Loan Officer,  
Community Housing Capital



# FINANCIAL HIGHLIGHTS

## INFUSING PATIENT CAPITAL INTO COMMUNITIES ACROSS AMERICA

Organizations around the country are ambitious about their real estate development plans – what they need is affordable, patient capital with terms to make it possible. That’s our job. CHC raises concessionary capital and works with its customers to offer products and terms that work for them.

As a national Community Development Financial Institution (CDFI), we are required to put over 60% of our lending or investment activities into underserved communities – this designation, in turn, allows us to access funding from the CDFI Fund and others aimed at economic growth.

### 2023 FUNDS AWARDED

This year, we received awards which are being invested in underserved communities across the country.

#### CHC RECEIVED \$4.96 MILLION

from the CDFI Fund Equitable Recovery Program.

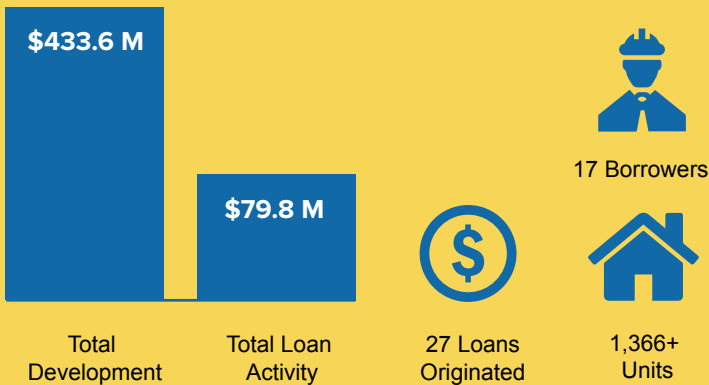
#### CHC WAS AWARDED \$25 MILLION

in 2023 New Markets Tax Credits which will be deployed to 4 communities.

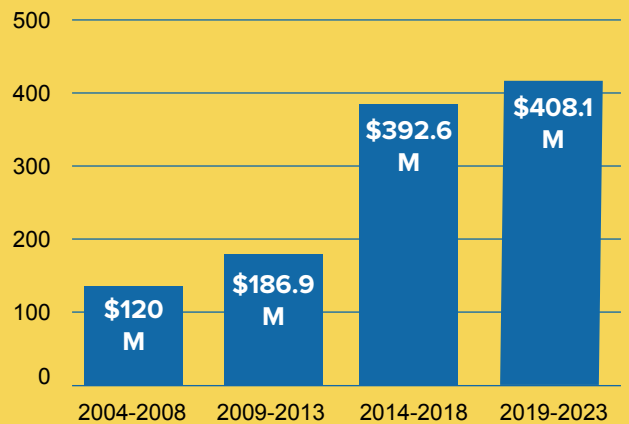
#### CHC LEVERAGES \$7

in private sector investment for every \$1 in public funding.

### LOAN ORIGINATION STATISTICS IN 2023

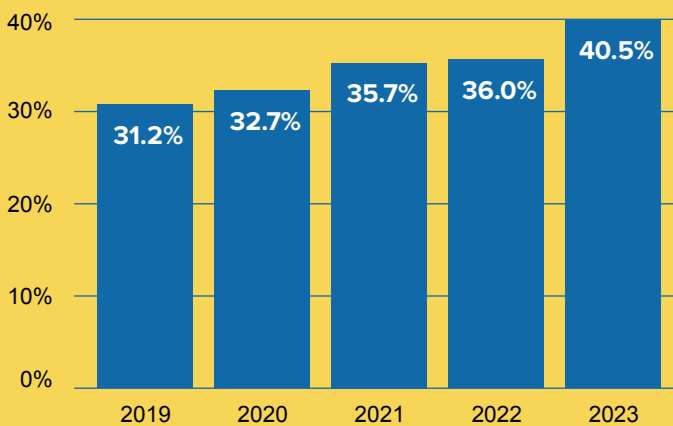


### CUMULATIVE LOAN ACTIVITY



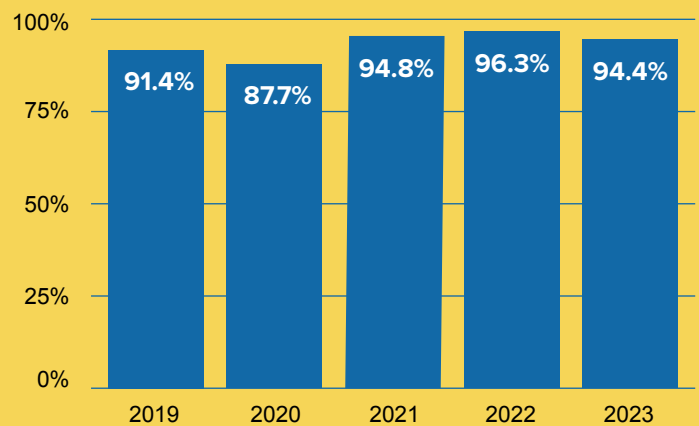
### CAPITAL RATIO

Net Assets/Total Assets



### DEPLOYMENT RATIO

Total Loans/Capital+Debt



# INVESTORS

CHC provides financing capital exclusively to the affordable housing developers of the NeighborWorks America network.



CHC receives funding from the following organizations.



# BOARD OF DIRECTORS

## BOARD LEADERSHIP

### **Chris Krehmeyer**

Board Chair  
President & CEO  
Beyond Housing

### **Julie Porter**

Board Vice-Chair  
President & CEO  
DreamKey Partners

### **Brian Robinson**

Board Treasurer  
Senior Vice President  
National Affordable  
Housing Trust

### **Kara Hay**

Board Secretary  
President & CEO Penquis

## BOARD MEMBERSHIP

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Retired, Office of the  
Comptroller of the Currency

### **Alan Ferguson**

President & CEO, Atlanta  
Habitat for Humanity

### **Dora Gallo**

President & CEO  
A Community of Friends

### **Patricia Garcia Duarte**

President & CEO  
HDC MidAtlantic

### **Dana Hanchin**

President & CEO  
HDC MidAtlantic

### **Bruce F. Martin**

Retired,  
JPMorgan Chase Bank

### **Deidre Schmidt**

CEO, Common Bond

### **Daryl Shore**

Managing Director of  
Structured Finance  
National Equity Fund, Inc.

### **Sean Spear**

President & CEO  
Community HousingWorks

### **Gregg Warren**

Retired, DHIC, Inc.

### **Mary White Vasys**

President & CEO  
Vasys Consulting

### **Chairman Emeritus**

### **Peter A. Lefferts**

Retired,  
American Express Bank

# LEADERSHIP AND STAFF

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President and CEO

### **Arif Rizvi**

SVP/CFO

### **Dana D. Chestnut**

SVP/Chief Loan Officer

### **Alvin Saafir**

SVP/Chief Credit Officer

### **Debra Turner**

SVP/Chief Loan  
Administrator

### **Jan Adams**

VP, Credit Administration

### **Ingrid Avots**

Senior Loan Officer

### **Donyetta Edwards**

Loan Officer

### **Mona Elminyawi**

Impact and  
Marketing Manager

### **Wendy Gilbert**

Senior Loan Closer

### **Keianna Clemon**

Senior Loan  
Administrator

### **Regina G. Claiborne**

Loan Admin Officer

### **Neet Pulliam**

Loan Admin Officer

### **Odessa Washington**

Credit Administrator

### **Lori Burns**

Office Manager

## ABOUT COMMUNITY HOUSING CAPITAL

Community Housing Capital (CHC) is a 23-year-old Community Development Financial Institution (CDFI) and 501(c)(3) created to facilitate the creation and preservation of affordable housing. Since 2000, CHC has, through its lending activity, created or preserved over 23,086 units of affordable housing and facilitated \$3.3 billion in total development. Community Housing Capital is headquartered in Decatur, Georgia.

For more information, visit its website at [www.communityhousingcapital.org](http://www.communityhousingcapital.org).

## OUR MISSION

To provide equitable access to capital that is transformative for NeighborWorks organizations and their communities.

## OUR VISION

Healthy, safe, vibrant, and inclusive communities where all individuals and families have the opportunity, resources, and economic means to live, work, learn, and thrive.

## ENGAGE WITH US

Follow us and subscribe to our newsletter.



[www.communityhousingcapital.org](http://www.communityhousingcapital.org)

