



# COMMUNITY HOUSING CAPITAL

WHEN THE MISSING PIECE IS CAPITAL



## ANNUAL REPORT



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727.480.2103

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

# Chairman's Message



**Peter Lefferts**  
Chairman  
of the Board

We are pleased to present Community Housing Capital's 2013 Annual Report. In 2013, the nation's economy and the housing market continued to improve after several very challenging years. Similarly, in 2013 Community Housing Capital (CHC) enjoyed one of the most successful years in our 13-year history.

Since our launch in 2000, Community Housing Capital has originated 298 loans totaling \$327.2 million to 120 NeighborWorks® organizations financing more than 11,700 affordable housing units across 36 states and the District of Columbia. Financing provided by Community Housing Capital has facilitated \$1.2 billion in total affordable housing development. These are impressive and impactful numbers.

Highlights of our 2013 success include:

- Breaking all previous records with \$51 million in closed loans that financed nearly 1,100 units of affordable housing and facilitated \$173 million in total development.
- Better leverage of our balance sheet with more than \$20 million in loans participated with other lenders.
- Continued achievement of all key financial targets, while fulfilling all of our financial covenants.
- Generating earned income that exceeded our operating expenses.

- Strengthening CHC's financial position by increasing total assets to \$59 million and total net assets to \$20.6 million with a very healthy capital ratio of 35%.
- Improved portfolio credit quality with loan delinquency ratio decreasing to 2.2% and net charge offs to 0.82% as our borrowers worked through challenging situations that arose during the recent recession.

This Report highlights real stories from CHC's work that reflect the dramatic impacts of CHC lending and the lending that we facilitate. This Report also describes the wide diversity of innovative affordable housing development undertaken by NeighborWorks organizations across the country. These developments have impacted thousands of very low and low-to moderate-income residents whose lives are significantly improved by the work of the community based organizations who borrow from CHC.

It is especially important to recognize that CHC's impact would be impossible without the generous support of our investors. Grant and investment capital provided by our partners provide the resources needed to facilitate affordable housing development. We have a proven, efficient business model. We utilize grant funds to leverage significant private sector debt. This highly-successful formula allows CHC to provide flexible financing to our borrowers without compromising credit quality. CHC is committed to retaining the confidence of our grantors and investors by consistently delivering superior social impact and economic efficiency, supported by a highly professional staff and operating process.

We are also very pleased to report that fiscal year 2013 was another year of strong financial operating performance. Despite challenges associated with the national real estate market, CHC's balance sheet and financial health continued to strengthen. Finally, a very special thank you to the NeighborWorks network for allowing CHC to be its partner in the tremendously beneficial work they do in so many difficult markets across the country. I am continually inspired by the leadership and staffs of these local organizations. They work tirelessly to improve their communities and the lives of the low- and moderate-income residents they serve. The commitment to their communities and the innovative spirit of these local NeighborWorks organizations is reflected in the stories throughout this Annual Report.

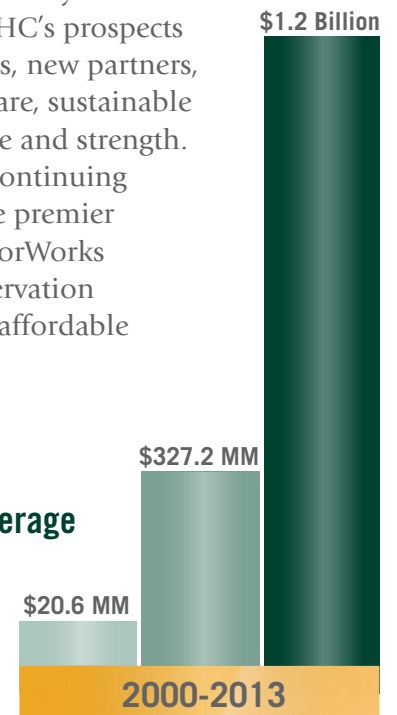
Going forward, we are very enthusiastic about CHC's prospects for new opportunities, new partners, increasing market share, sustainable financial performance and strength. We look forward to continuing our mission to be the premier lender to the NeighborWorks network for the preservation and development of affordable housing.

*Peter Lefferts*

Total Development Cost (TDC)

Direct Loans Originated

Net Assets



# Who We Are

Community Housing Capital (CHC) is among the nation's largest nonprofit national affordable housing loan funds. Certified as a community development financial institution and a community development entity by the U.S. Department of Treasury's CDFI Fund, CHC attracts public and private sector funds to finance the affordable housing development and preservation activities of the national NeighborWorks® network.

CHC provides both interim development loans and permanent multifamily loans with favorable rates and terms. Loans are underwritten with the flexibility required to finance complex transactions with multiple layers of subsidy. Since its inception in 2000, CHC has originated 298 loans totaling \$327.2 million to 120 NeighborWorks® organizations financing more than 11,700 units of affordable housing across 36 states and the District of Columbia. Financing provided by CHC has facilitated \$1.2 billion in total affordable housing development.

Over the past 13 years, CHC has built a high performing, self-sustaining, nonprofit business model that significantly leverages public and private sector grant equity to attract private sector capital from more than 30 socially-responsible lenders and loan participants. Using this business model, CHC has achieved remarkable capital leverage ratios of 20:1 in direct lending and 50:1 in total affordable housing development. CHC is recognized nationally for its ability to work collaboratively with a large group of socially-responsive investors and participation lenders to assemble the best mix of resources to finance the real estate development work of our borrowers. These resources serve as economic catalysts in communities across the country and provide flexible financing for high-quality affordable housing development.

CHC is a member of the Federal Home Loan Bank of Atlanta,  
is CARS® Rated AA-2 and is listed on Guidestar.org.

“Community Housing Capital is a tremendous partner to the NeighborWorks network. CHC's forward and creative thinking enables it to provide important early and time-sensitive financing with flexible terms so that NeighborWorks organizations can develop and rehabilitate housing that is affordable to hard-working families and individuals across the country — even when structuring the project is challenging.”

**Chuck Wehrwein, Acting President and CEO,  
NeighborWorks America**

Securing flexible financing for affordable housing development and preservation can be difficult in many markets across the country. This is especially true in today's challenging economic times. For many affordable housing developments, finding a lender who understands the complexity of using multiple layers of subsidy or who has the capacity to originate loans with flexible rates and terms can be a challenge. Community Housing Capital, as a national lending intermediary, works to bridge gaps in those markets and bring loan capital from socially-responsive investors to finance high-quality affordable housing that significantly impacts local communities and the lives of individual residents and families. These impacts include improved quality of life, economic mobility, improved

educational outcomes, lower crime and increased family and community stability. These impacts are well-documented in studies across the country which explore the role that quality affordable housing plays in improving human conditions.

As described in the stories throughout in this Report, CHC's capacity to finance complex affordable housing developments with flexible rates and terms is often the final critical element needed to make projects feasible. The end result is high quality affordable housing that provides residents and the communities in which they live, the opportunity to flourish. That is why this work matters.

““ An estimated 12 million renter and homeowner households now pay more than 50 percent of their annual incomes for housing. ””

*Children's HealthWatch, Policy Action Brief, October 2012*

““ The benefits of affordable housing extend beyond individual families to whole communities. Stable housing promotes greater community involvement, educational achievement, lower crime, better property maintenance, and even better health. And housing creates investment in local economies. It creates jobs, attracts new employers and skilled workers, and it increases revenue for cities and states. ””

*Children's HealthWatch, Policy Action Brief, October 2012*



# Partners

## Equity Grant Investors:



## Debt Investors:



Deutsche Bank



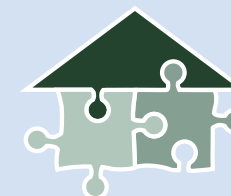
*Loan Participants:*

Morgan Stanley



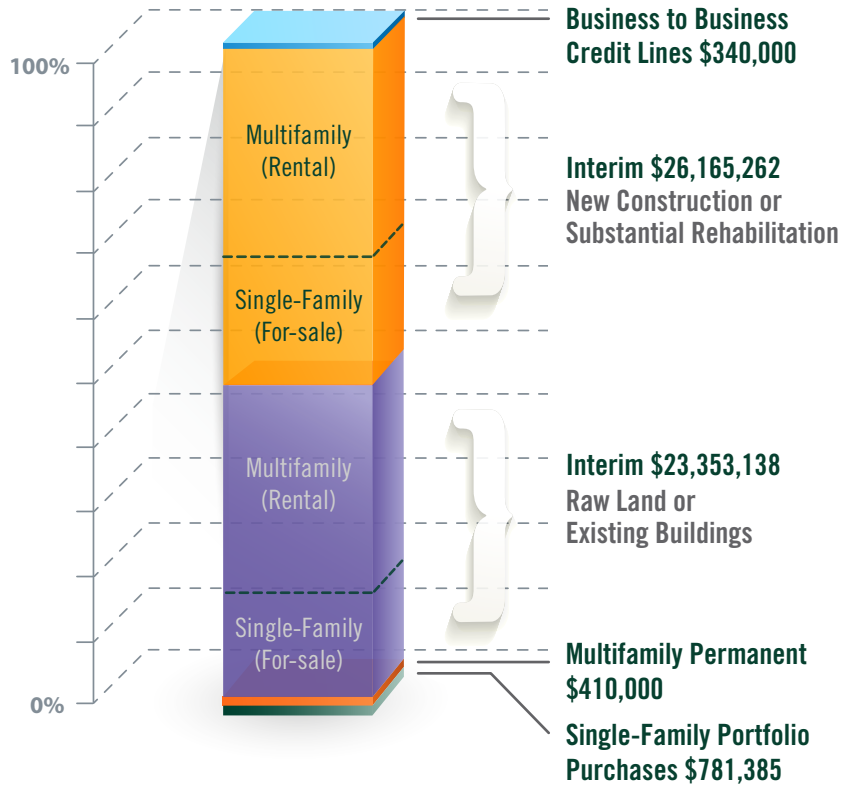
“ It is especially important to recognize that CHC’s impact would be impossible without the generous support of our investors. CHC is committed to retaining the confidence of our grantors and investors by consistently delivering superior social impact and economic efficiency, supported by a highly professional staff and operating process. ”

*Peter A. Lefferts,  
Chairman of the Board*

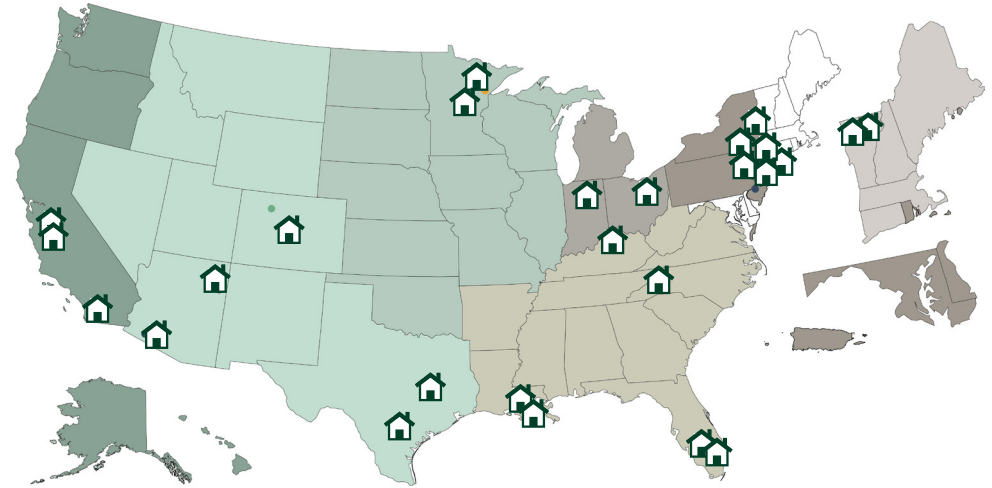


# 2013 Loan Activity - \$51,000,000

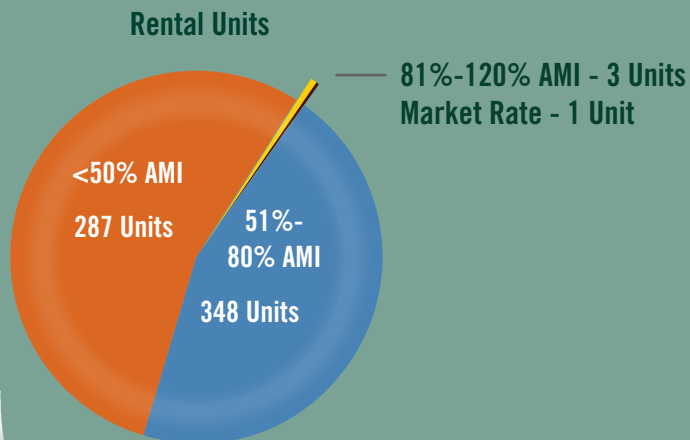
## \$ Activity by Loan Purpose



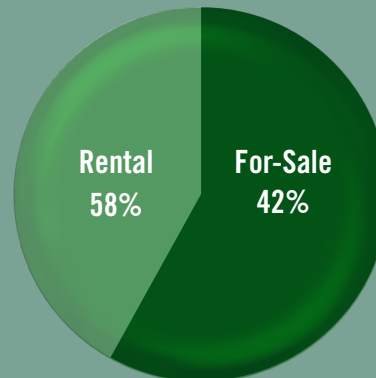
**\$51,000,000 Total Financing**  
**\$173,000,000 Total Development**  
**1,099 Units**



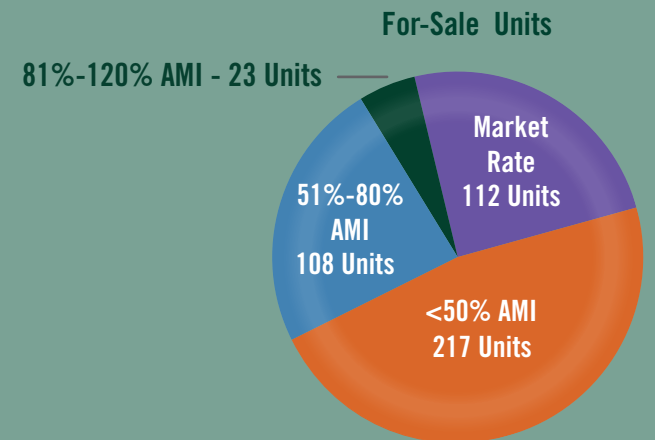
## Affordability by Area Median Income (AMI)



### 1,099 Units



## Affordability by Area Median Income (AMI)



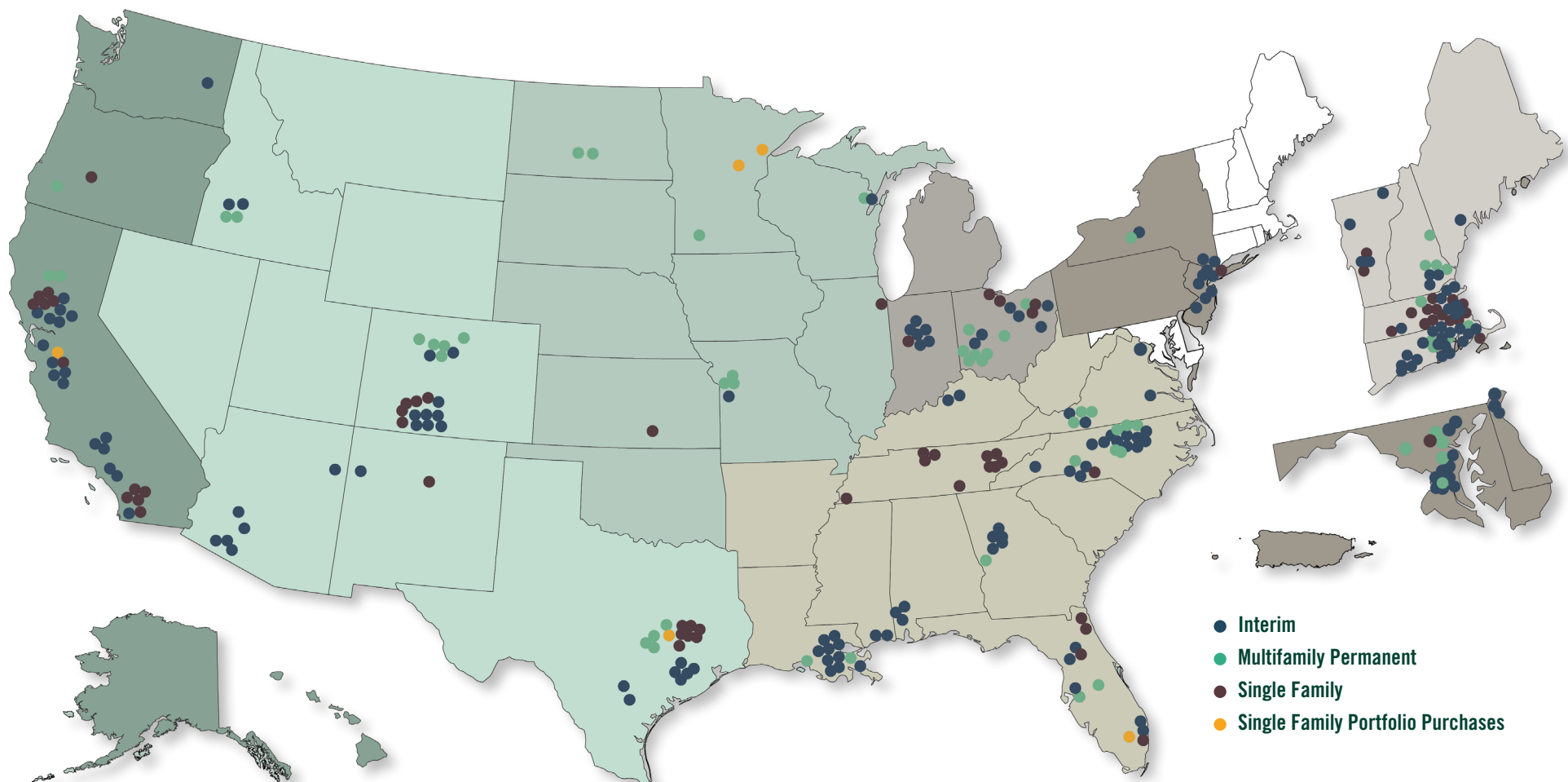


## 2000-2013

- \$327.2 Million in Financing
- 298 Loans to 120 NWOs
- 11,700+ Units of Quality, Affordable Housing across 36 States and the District of Columbia
- \$1.2 Billion in Total Development

“ In an ever-changing financial environment, CHC has remained steady and constant. Even though they are a national lender, they are like the lender next door. They are responsive and friendly and really want to work with us to make our project happen and be successful. CHC is the best lending organization with whom we have worked. ”

Roy Nash, *President & Chief Executive Officer, NeighborWorks Waco*



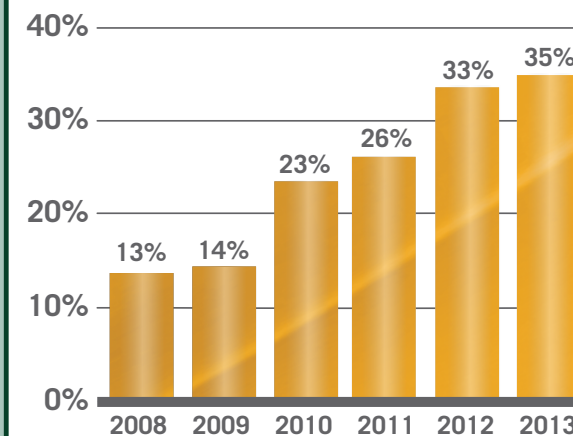
# Track Record of Outstanding Performance

Financial Highlights\* for years ending September 30, 2008 through September 30, 2013

Years Ended September 30,	2008	2009	2010	2011	2012	2013
<b>Assets</b>						
Cash & investments	\$ 5,843,363	\$ 6,394,176	\$ 4,326,757	\$ 8,958,753	\$ 7,618,812	\$ 6,620,705
Loans, less participations sold	33,572,437	34,740,453	41,603,356	42,229,920	46,799,185	51,692,798
Allowance for loan losses	(620,524)	(2,068,000)	(2,122,298)	(1,817,003)	(932,997)	(995,299)
Grants receivable	-	-	2,600,000	2,500,000	1,453,806	0
Other assets	449,867	333,672	261,947	1,582,644	1,905,465	1,913,401
<b>Total Assets</b>	<b>39,245,143</b>	<b>39,400,301</b>	<b>46,669,762</b>	<b>53,454,314</b>	<b>56,844,271</b>	<b>59,231,605</b>
<b>Liabilities</b>						
Notes payable & secured borrowings	33,592,705	33,297,120	35,123,537	39,000,598	36,839,517	37,336,392
Other liabilities	685,025	724,884	825,336	680,931	1,290,961	1,309,777
<b>Total Liabilities</b>	<b>34,277,730</b>	<b>34,022,004</b>	<b>35,948,873</b>	<b>39,681,529</b>	<b>38,130,478</b>	<b>38,646,169</b>
Net assets	4,967,413	5,378,297	10,720,889	13,772,785	18,713,793	20,585,436
<b>Total Liabilities and Net Assets</b>	<b>\$ 39,245,143</b>	<b>\$ 39,400,301</b>	<b>\$ 46,669,762</b>	<b>\$ 53,454,314</b>	<b>\$ 56,844,271</b>	<b>\$ 59,231,605</b>
<b>Loans Under Management</b>	<b>\$ 87,356,828</b>	<b>\$ 100,276,370</b>	<b>\$ 99,619,887</b>	<b>\$ 91,761,502</b>	<b>\$ 108,064,673</b>	<b>\$ 124,159,369</b>

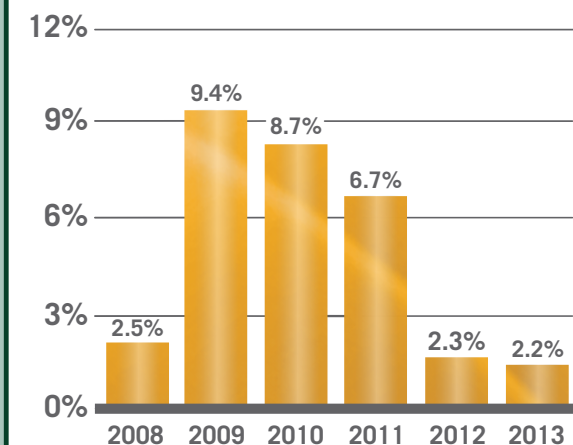
## Capital Ratio

Net Assets / Total Assets



## Delinquency Ratio

(NAL + Delinquencies > 90 Days) / Total Loans

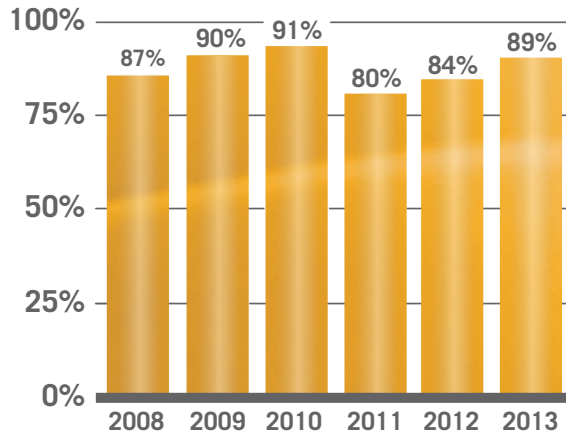


\*Audited financial statements available at [www.communityhousingcapital.org](http://www.communityhousingcapital.org)

Financial Highlights\* for years ending September 30, 2008 through September 30, 2013

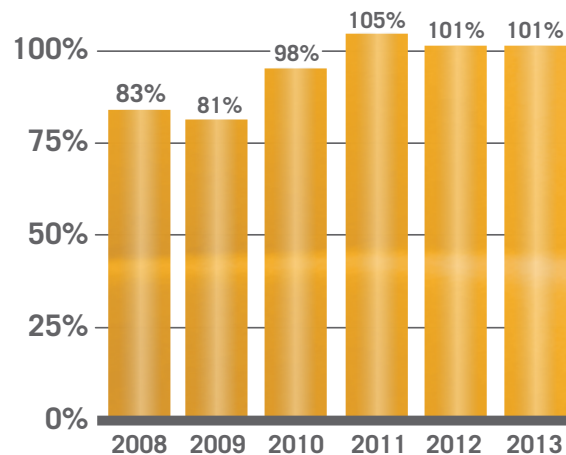
**Deployment Ratio**

Total Loans / Capital + Debt



**Self-Sufficiency Ratio**

Earned Income / Total Operating Expense



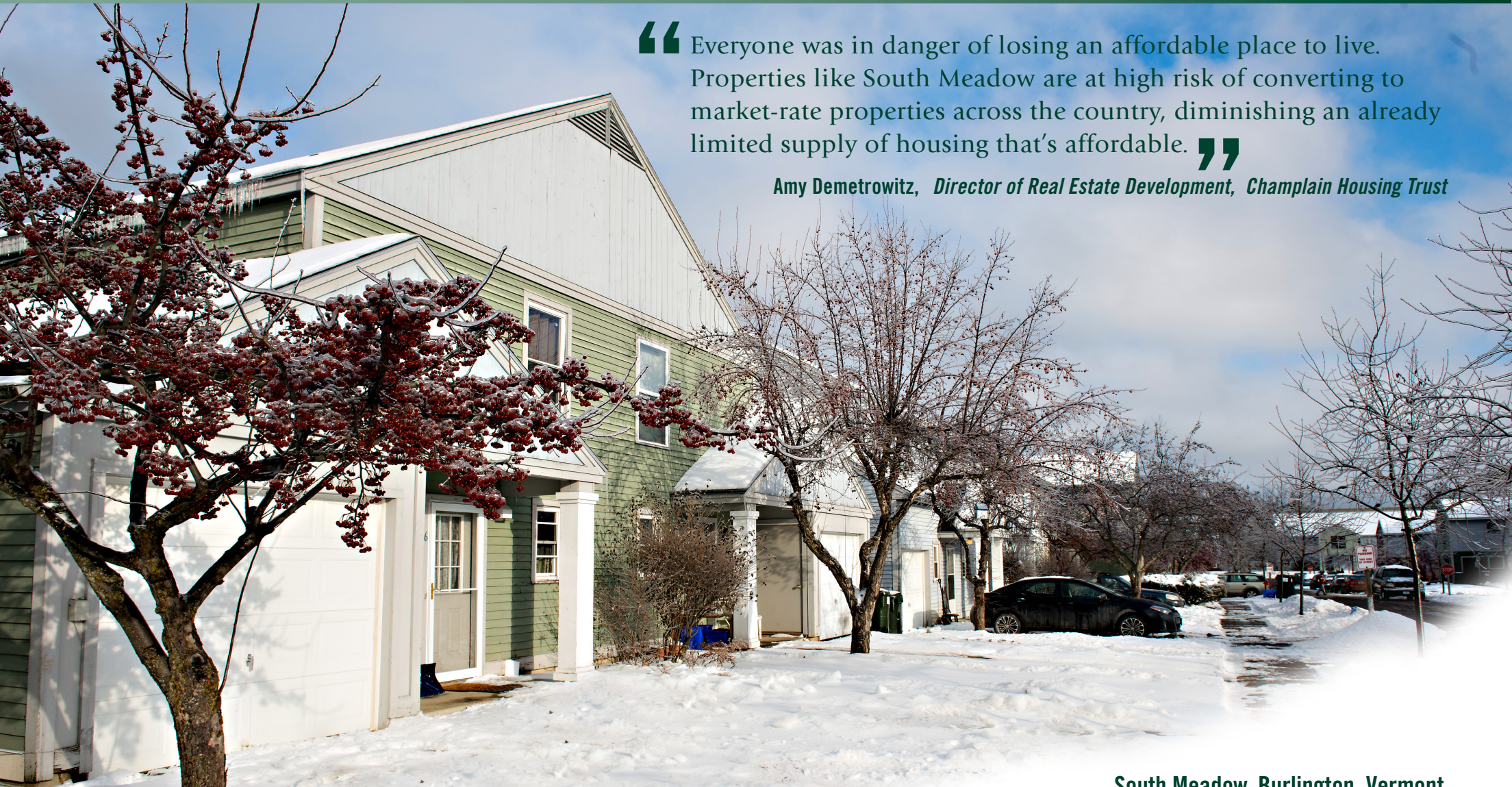
Years Ended September 30,	2008	2009	2010	2011	2012	2013
<b>Income/Expenses</b>						
Earned income, net of interest expense	\$ 1,043,042	\$ 1,324,183	\$ 1,656,684	\$ 2,308,112	\$ 2,495,028	\$ 2,497,330
Contributed revenue	300,000	2,853,000	6,073,253	3,000,000	5,593,130	2,345,205
Program expense	1,047,880	1,209,875	1,108,862	1,442,139	1,506,643	1,481,345
Support expense	203,092	410,059	589,982	750,077	973,007	1,002,547
Provision for loan losses	120,000	2,146,365	688,500	64,000	667,500	487,000
<b>Change in Net Assets</b>	<b>\$ (27,930)</b>	<b>\$ 410,884</b>	<b>\$ 5,342,592</b>	<b>\$ 3,051,896</b>	<b>\$ 4,941,008</b>	<b>\$ 1,871,643</b>

**Key Ratios**

Net assets/total assets	12.66%	13.65%	22.97%	25.77%	32.92%	34.75%
Allowance for loan losses/total loans	1.85%	5.95%	5.10%	4.30%	1.99%	1.93%
Non-accrual loans (NAL) & delinquencies > 90 days	2.53%	9.37%	8.72%	6.68%	2.32%	2.23%
Net charge-offs/total loans	0.00%	2.01%	1.52%	0.87%	3.32%	.82%
Earned income/program expense	99.54%	109.45%	149.40%	160.05%	165.60%	168.59%
Earned income/total operating expense	83.38%	81.74%	97.52%	105.29%	100.62%	100.54%
Deployment ratio	87.07%	89.83%	90.75%	80.02%	84.29%	89.25%

“ Everyone was in danger of losing an affordable place to live. Properties like South Meadow are at high risk of converting to market-rate properties across the country, diminishing an already limited supply of housing that’s affordable. ”

*Amy Demetrowitz, Director of Real Estate Development, Champlain Housing Trust*



## South Meadow, Burlington, Vermont

South Meadow was developed as a mix of apartment buildings and duplexes. The community is home to 148 individuals and families in Burlington, Vt. South Meadow is a mixed-income property, with some residents receiving subsidies

and others paying market-rate. Some have lived at South Meadow since the complex was built. The private owner who developed the property had fulfilled the affordability compliance requirements attached to the property and now had options

including selling the property to another developer or raising rents for the entire property to market-rate, which would have resulted in the loss of 40 affordable units. For a small, yet high-cost city in Vermont, the loss of 40 affordable units is significant. According to Amy Demetrowitz, director of real estate development at Champlain Housing Trust (CHT), “Everyone was in danger of losing an affordable place to live. Properties like South Meadow are at high risk of converting to market-rate properties across the country, diminishing an already limited supply of housing that’s affordable.”

The private owner didn’t want to displace the residents and decided to sell the property to CHT. According to Demetrowitz, “It’s difficult to find financing for homeownership projects that are part of a strategy like this, but CHC was able, willing, and enthusiastic about helping to finance this property.”

CHT is converting some of the units to for-sale condominiums and providing existing tenants the first option to buy. Their Shared Equity Homeownership Program provides down-payment grants to qualified buyers. In exchange for the grant, buyers share a portion of the home’s increase in value with

the next buyer when they sell to help ensure the housing remains affordable. The balance of the units are apartments that will remain affordable.

The financing solution was two loans: one from CHC and one from TD Bank. CHC provided a five-year acquisition loan for the 32 proposed condo units, allowing time for CHT to meet the city of Burlington’s restrictive condo conversion notice requirements, apply for state homeownership monies, and prepare the existing tenants to be successful homeowners. TD bank financed the acquisition of the 116 affordable rental units.

Across the nation, developments with a mixed-income strategy are proving successful in improving opportunities for low-income residents to become more connected in an economically diverse atmosphere, often resulting in increased financial success over time.

The homeownership component is an important part of the strategy to maintain a mixed-income neighborhood where subsidized renters, market-rate renters and homeowners will work together to create a vibrant community.

“It’s difficult to find financing for homeownership projects that are part of a strategy like this, but CHC was able, willing, and enthusiastic about helping to finance this property.”

**Amy Demetrowitz, Director of Real Estate Development, Champlain Housing Trust**



## Murphey School, Raleigh, North Carolina

The Murphey School in Raleigh, N.C. has a rich history. As the oldest school in Raleigh, it was the site of peaceful school integration in 1960, setting the stage for integration across the state. By the late 1980s, however, due to its location and condition, the state was preparing to demolish the building. DHIC and community stakeholders worked together to push for legislation to preserve this important landmark. Through their efforts, the state leased the property to the City of Raleigh, which in turn leased it to DHIC. In 1990, DHIC undertook

substantial renovations to repurpose the building and create deeply affordable housing for low-income seniors.

In 2011, DHIC wanted to make additional upgrades to the 48-unit property to keep it a desirable and comfortable place for its residents to live. They obtained a new CHC-financed permanent mortgage to finance the renovations. "We've worked with CHC on numerous occasions," said Gregg Warren, president of DHIC. "They understand our projects even though they are typically complex and involve moving parts that must come together at a critical point in time, for instance, the timing of subsidies like tax credits."

The refinance allowed DHIC to make significant enhancements to the property. The improvements included installation of solar panels for hot water, upgrades to the

common areas and community kitchen, better handicap accessibility of the entrances and new community gardens for residents to enjoy. DHIC also built a library for residents and expanded office space for property management staff. Typical of the collaborative approach used by NeighborWorks® developers, Murphey School residents enjoy the benefits of community. DHIC partners with Resources for Seniors, a local nonprofit, to place a part-time service coordinator at the property to ensure that seniors at Murphey School receive an array of supportive services, including recreational activities, health screenings and nutritional support. This approach is seen as beneficial in helping seniors contain their cost of living while maintaining their independence.

"With the help of CHC and our other partners," said Warren, "we are able to provide needed services for the vulnerable senior population while preserving a piece of history."



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Gregg Warren, *President, DHIC*



The improvements included installation of solar panels for hot water, upgrades to the common areas, community kitchen, library, better handicap accessibility of the entrances and new community gardens for residents to enjoy.

“ With the help of CHC and our other partners we are able to provide needed services for the vulnerable senior population while preserving a piece of history. ”

Gregg Warren, *President, DHIC*



## Woodstock Commons and the Lace Factory, Woodstock, New York

Rural Ulster Preservation Company (RUPCO) was named one of only 17 organizations nationwide to earn full green organizational accreditation from the office of Housing and Urban Development. High environmental standards are important in these and all RUPCO developments. "Our preservation efforts go beyond buildings," said Joan Lawrence-Bauer, director of communication and resource development for RUPCO. "By protecting the environment, we ensure that people will be able to enjoy these properties for generations to come." RUPCO is one of many CHC repeat borrowers.

Made famous by the historic music festival in 1969, Woodstock, N.Y. has been a haven for artists of all types for more than a century. However, in this town where wealthy people have second homes, the high cost of housing often forces struggling artists to live in substandard housing. "Some were living in a tent city or in cabins with no running water," said Lawrence-Bauer.

Town leaders are very familiar with the quality of RUPCO's work and selected them to develop a 28-acre vacant parcel near the business district. RUPCO navigated a ten-year process of local approvals before breaking ground on Woodstock Commons. Opened in January 2013, it was the first new affordable housing in Woodstock in 30 years.

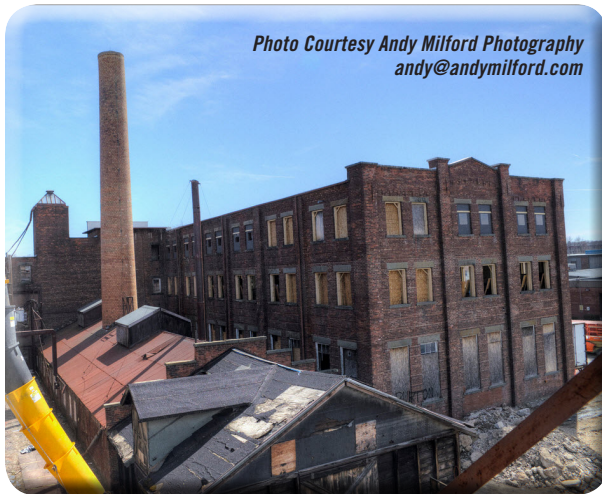
CHC provided RUPCO with a revolving line of credit to cover pre-development expenses and bridge financing for new construction of 53 affordable apartments. Twelve units are reserved for working artists, and 20 are reserved for low- and very-low-income seniors. Working families and individuals make up the rest. All residents earn below 60 percent of the area median income; some earn as little as 30 percent.

While high green environmental standards are an important component of all RUPCO developments, so is creating a natural setting that will be enjoyed for generations to come. In keeping with that commitment, the buildings at Woodstock Commons take up less than one-third of the site.

The remainder is designated "forever wild" and will remain forested and protected. Lawrence-Bauer describes the many benefits to the community. "People from town take nature walks and hikes on the grounds. Having children in this development is helping to keep schools open," she said. "Some of our residents volunteer at the library. It's all about community."







CHC also provided RUPCO with a line of credit to cover pre-development expenses and bridge financing for the Lace Factory property (pictured at left), a 19th-century mill structure located in the mid-town section of Kingston, NY. The Lace Factory had functioned as a warehouse for the past two decades. When repurposing and restoration is complete, the Lace Factory will add 55 new units of low- and very-low-income housing, giving priority to people who make their living in the arts. All units will be handicap adaptable. The existing subterranean boiler room will be developed as a community studio and gallery space. Amenities for the arts community and a community sculpture garden will complement the interior gallery space.

RUPCO navigated a ten-year process of local approvals before breaking ground on Woodstock Commons. Opened in January 2013, it was the first new affordable housing in Woodstock in 30 years.

“ Having children in this development is helping to keep schools open. Some of our residents volunteer at the library. It’s all about community. ”

**Joan Lawrence-Bauer, Director of  
Communication and Resource  
Development for RUPCO**



## Belt Line Townhomes and the Corona Apartments, Baton Rouge, Louisiana

Gulf Coast Housing Partnership (GCHP) was created in 2006 to help create affordable housing after Hurricane Katrina left thousands without a place to live. The organization is deeply invested in the Mid-City neighborhood located just outside downtown Baton Rouge, La., developing six projects in the area in partnership with other local organizations since its inception.

Tom Champion, director of real estate development at GCHP, discussed the neighborhood's history. "Over time, people moved away from the urban core," he said. "Many of the vacant buildings and houses were demolished, leaving a lot of vacant land and sporadic houses, many of which were in a blighted condition."

The organization's most recent developments in the neighborhood are the Belt Line Townhomes and the Corona Apartments, located across the street from each other on a thoroughfare into downtown Baton Rouge. Belt Line is a newly constructed 32-unit rental

community of two- and three-bedroom townhomes. Corona is a historic rehabilitation project that involved the adaptive reuse of the first Olinde Furniture store in Baton Rouge as residential units. It has been transformed into 37 units, consisting of 24 one-bedroom and 13 studio apartments, some of which are set aside for the homeless.

Both developments were financed by Community Housing Capital (CHC). "We've developed a relationship with CHC over the years, initially around our Katrina response work through Whitney Bank," said Champion. "They are easy to work with and understand the complexity of our deals and the importance of our work in the communities we serve."



“ The investment in this neighborhood ensures that in at least the Mid-City neighborhood where GCHP has concentrated its efforts, people have access to affordable, quality places to live, as members of a mixed-income community in close proximity to downtown jobs. ”

**Tom Champion, Director of Real Estate Development**

## Meadowbrook Apartments, Corning, New York

Built in the 1950s, the Meadowbrook Apartments in Corning, N.Y., have fallen into a state of neglect. According to Jeff Eaton, president and CEO of Arbor Housing and Development (AHD), there have been few upgrades since the property was built. “The units are undersized, outdated and obsolete including the original bathrooms, kitchens, and features that are not energy efficient,” he said. AHD saw the need and value in acquiring and upgrading the property.

“Many of the residents receive rental subsidies. They stay here because their choices are very limited. Our goal is to provide housing that allows residents and the community to flourish,” said Eaton.

Thanks to its expertise in these types of transactions, Community Housing Capital (CHC) was able to evaluate, underwrite and close the Meadowbrook Apartments interim acquisition loan in only 43 days. AHD had multiple proposed, but not yet committed, development strategies

for repositioning and preserving this critical but dilapidated 100-unit rental project, a scenario that CHC immediately understood. “Turnaround time was crucial because Arbor would have lost the opportunity to purchase the property without a lender that could respond quickly,” said Eaton. “While the previous owner preferred to sell the property to us and provided a discount contingent on a very tight settlement date, if we had not been able to acquire financing, affordable units would have been lost and people would have lost their homes.”

“We were competing for the property against a combination of market-rate developers who would have priced current residents out of the units after improvements and other for-profit buyers who would maintain the property as housing of last resort. Either way, the residents and the community would lose a valuable housing resource,” Eaton explained.

AHD will redevelop Meadowbrook Apartments

using both state and federal development subsidies to fully renovate the existing units. They will enlarge the units to meet current code, which will reduce the current number of apartments from 100 to 80. They will also build 50 additional units. When completed, the community will have 130 quality affordable rental housing units for low-wage earners, single parents, seniors on fixed incomes and others. Current residents are excited about the improvements, and many are excited by the prospect of continuing to call the new and improved Meadowbrook home.

Meadowbrook Apartments is a classic example of how, working together, community development organizations and their financing partners can transform last-resort housing to housing of choice. The renovated development will be a boon to the surrounding community, which is a mix of renters and homeowners. “Bringing in this caliber of development will really lift it up and spur private-sector development,” said Eaton.

“Turnaround time was crucial because Arbor would have lost the opportunity to purchase the property without a lender that could respond quickly.” **Jeff Eaton, President and CEO of AHD**



## PEARLS Program, Waco, Texas

Across the country, the foreclosure crisis has created a very visible scar: vacant, abandoned houses that take a toll on surrounding neighborhoods. In Waco, Texas, things are no different, but NeighborWorks Waco (NWW) has implemented an innovative solution.

Through their PEARLS program, NeighborWorks Waco purchases foreclosed or distressed properties, rehabilitates them and offers them for rent with an opportunity for the tenant to purchase the home.

"PEARLS" stands for "Purchase Efficient

Affordable homes, Rehab, Lease, Sell". Community Housing Capital (CHC) provided a \$1 million five-year loan in support of this new program.

"Whether they're REO or estate-owned properties, we go in and pick up a house that was distressed – probably the worst house on the street – and convert it to a high-quality rental property," NWW chief financial officer, Karen Saucedo explained. "The organization works closely with tenants, forming ongoing relationships with many."

The city also has a problem with slumlords who provide substandard housing, according to

Saucedo. "People have to settle for that unless they can afford \$1,400 or \$1,500 a month," she said. "They have to scratch and fight for quality affordable rental housing."

So far the organization has acquired and renovated more than 85 homes through the PEARLS program since 2009. Tenants are encouraged to take NWW's homeownership education classes, and many go on to purchase homes they are renting or others when they are ready. PEARLS is working well as a stabilization strategy.

"The PEARLS program is providing working people with a stable place to raise their families, while preparing them for the opportunity of successful homeownership and stabilizing communities at the same time," explains Roy Nash, president and chief executive officer, NeighborWorks Waco.

The program is so successful that NWW has been asked to share information on the PEARLS program and anti-poverty strategies for youth and families in other areas of the country so that the success can be replicated on an even broader basis, having a ripple effect.

"In an ever-changing financial environment, CHC has remained steady and constant. Even though they are a national lender, they are like the lender next door," said Roy Nash, "They are responsive and friendly and really want to work with us to make our project happen and be successful. CHC is the best lending organization that we have worked with."



## Zedakah Senior Housing, Slayton, Minnesota

In support of its commitment to preserve and improve affordable housing, Southwest Minnesota Housing Partnership (SWMHP) recently purchased seven properties scattered across rural areas in southern and central Minnesota. Originally built by the Zedakah Foundation in the 1970s as project-based Section 8, the properties had never been renovated.

The properties were divided into two portfolios – A and B. The B portfolio was more challenging to finance because it required a loan that allowed time for the subsidies to come in, allowing a long-term solution for affordability. Underwriting these types of deals is one of CHC's specialties. "CHC understands underperforming properties like these and their potential to become strong performers, as well as the need to address serious affordable housing challenges for rural seniors," explained Kristie Blankenship, SWMHP's director of property and asset management. "We wouldn't have been able to finance on the open market. Without CHC, this housing could not have been preserved and improved."

The purchase includes 134 units, the majority of which are designated for seniors. "Most of the residents have lived here for many years and formed a very stable and cohesive community," said Blankenship.

SWMHP believes that everyone, regardless of income, deserves healthy and safe housing. The upgrades included new roofs, siding and windows, additional insulation, smoke and carbon monoxide detectors and water saving plumbing fixtures. "We're providing a healthier environment, including improving the ventilation" said Blankenship.

Staffed community rooms at each property are home to activities geared toward improved fitness for residents and social gatherings like potlucks and card nights. This is all part of the organization's mission, according to Blankenship. "We work hard to provide more than just a roof over people's heads" she said. "We give them a healthier place to live."



**SWMHP believes that everyone, regardless of income, deserves healthy and safe housing.**



## Berg Hat Factory, Orange, New Jersey

A little more than a century ago, the Valley neighborhood of Orange, New Jersey was known as the millinery capital of the world, boasting dozens of hatting firms that made millions of hats, including Stetson. However, by the 1920s there were only five left, and by the time of the Depression there were none. The former Berg Hat Factory building was occupied by various businesses over the years, but has stood vacant and abandoned for the last 15 years.

Located next to a train line, this large, dilapidated building is the first thing suburban commuters see when they pass through Orange. "This is the biggest and most grim reminder of the deterioration and decline that hit the Valley's industrial core," explained Patrick Morrissy, founder and executive director of Housing and Neighborhood Development Services (HANDS). HANDS has been at the center of a campaign to engage the community. Now, HANDS is helping Orange to re-invent itself by attracting public and private investment, redeveloping vacant buildings and becoming a thriving arts district where people want to visit and live. HANDS has been a big part of a collaborative effort with the arts community and has also developed a restaurant and redeveloped a historic firehouse to include residential units as well as co-op retail space.

Converting the Berg Hat Factory to affordable condominiums and art space is a big part of that re-invention. An acquisition/construction loan from Community Housing Capital (CHC) is providing HANDS with the financing to develop 32 loft condos for sale, using a New Jersey Neighborhood Revitalization Tax Credit subsidy to keep the units affordable for low- and moderate-income buyers.

The purpose is to build a homeownership market where previously there was little investment in homeownership and to create a new and improved impression of the neighborhood among people who live there and the thousands of people who pass by on the train every day. "CHC was the only lender that we think would have financed our project.

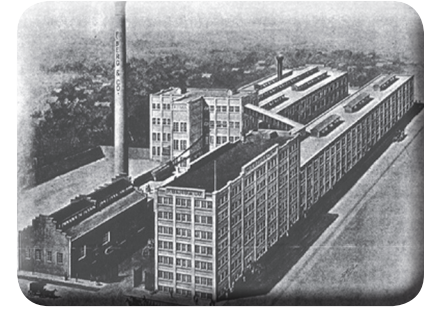
Financing projects like this requires an experienced lender that has the ability to understand the potential of the plan. CHC is well known to us for financing acquisition and construction of vacant, blighted buildings that become tremendous assets to the community and residents once they are completed," recalled Morrissy. "They are always very nimble and adept in determining the best way to finance a project like this. They understand the big picture and the value of our success."

““ Financing projects like this requires an experienced lender that has the ability to understand the potential of the plan... They understand the big picture and the value of our success. ””

**Patrick Morrissy, Founder and Executive Director,  
Housing and Neighborhood Development Services**

After





After completion, the Berg Hat Factory will be converted to loft condominiums and the remaining 8,300 sq. ft. will become the Hat Factory Arts Center - housing artist work studios and a dramatic multi-use arts space for gallery shows, arts workshops, rehearsal space and arts symposiums. Artists of every discipline will be afforded the space to work, create, and present their art. The loft condos will be sold and the Arts Center will be owned and operated by HANDS, maintaining long term affordability for its arts tenants.

“ The Valley neighborhood is at the center of the community’s vision for Orange’s renaissance. They call it “the Urban Village of the 21st Century.” Central to the vision is making sure current residents can afford to remain in the community. It will be a beautiful city, but not at the expense of those who already live here. ”

**Patrick Morrissy, Founder and Executive Director,  
Housing and Neighborhood Development Services**

Before



# Board of Directors



## **Peter Lefferts, Chairman of the Board, Chair of the Executive/Finance Committee**

Member of the board of directors and audit-risk management committee of American Express Bank, FSB. Chairs the Bank's compliance committee. Prior to retirement had 36-year international career as a financial services industry executive with Citicorp and American Express. Member of the board, executive committee, and strategic planning committee of Artspace Projects, Inc., a national nonprofit developer of affordable live-work spaces for creative artists. Chairs US project team in multinational task force to develop global standards for personal financial planning, under aegis of ISO-International Organization for Standardization. BA degree (liberal arts) Amherst College, MA (international studies) Johns Hopkins University. Course work (accounting and finance) New York University Graduate School of Business.



## **Jim Paley, Vice Chair and Loan Committee Chair**

Founding executive director of Neighborhood Housing Services of New Haven, Connecticut, who has transformed his organization from a small housing rehabilitation provider to one of the most respected producers of affordable housing in the nation. He also directs the New Haven HomeOwnership Center that provides homebuyer education and counseling to more than 500 clients each year. Dr. Paley earned his bachelor's degree in government from Cornell University, his M.Ed. degree from the City College of the City University of New York, and a Ph.D. from Cornell University, where his dissertation focused on residential mobility in declining neighborhoods in New York City.



## **Paul Mazzarella, Secretary**

Executive Director of Ithaca Neighborhood Housing Services in Ithaca, NY. He has over 25 years of experience in the planning and community development fields and has worked for both non-profit and government entities. He is currently a Visiting Lecturer at Cornell University and serves on the board of directors of the National NeighborWorks Association. Mr. Mazzarella earned an M.R.P. in regional planning from Cornell University; a B.A. in political science from Duke University and completed an executive leadership program at Harvard's Kennedy School of Government.



## **Carl Sneed, Treasurer**

Retired from State Farm Bank in 2010, where he held the position of Vice President and Chief Lending Officer. In this position, Mr. Sneed was responsible for all consumer lending products. He is currently the president of the Board for the Community Cancer Center in Bloomington-Normal, IL. He also serves on the boards of Illinois State University Foundation and the Multi-Cultural Leadership Program in his community. Mr. Sneed remains active with the Illinois Mortgage Bankers Association. He is a past president of the IMBA. Sneed earned his undergraduate degree from Illinois State University as well as a M.S. in Political Science and Public Administration.



## **Jack Gilbert, President and Chief Executive Officer**

Thirty-five-year veteran of the community development field; served as senior vice president of Neighborhood Housing Services of America; executive director of the Clearwater Neighborhood Housing Services, state coordinator of Florida Neighborhood Housing Services, and Chairman of Tampa Bay Community Development Corporation. Mr. Gilbert earned a B.A. degree in public administration from the University of Florida and a M.P.A. degree in public administration from the University of South Florida.



## **Brian Gallagher, Governance Nominating and Personnel Committee Chair**

Senior Vice President, Community Development Trust (CDT), a national secondary market for affordable housing and community development finance. Mr. Gallagher also serves on the board of the National Association of Affordable Housing Lenders (NAAHL). Prior to joining CDT, he was Vice President of Acquisitions for the Local Initiatives Managed Assets Corporation, worked as the Financial Project Manager for the 42nd Street Development Project in New York City, and as an officer at Bankers Trust Company. He earned a B.A. in economics from Queens College and an M.S. in Real Estate from Columbia University.





### **Hugh Shaw, *Audit Committee Chair***

Retired after a 35-year career as a mortgage banking executive. Consults on matters related to planning and mortgage lending. Formerly Executive Vice President of AmSouth Bank (now Regions Bank), Birmingham, Alabama. Previous positions included President and CEO of AmSouth Mortgage Company and Fortune Mortgage Corp., Clearwater, FL. Mr. Shaw earned a B.S. degree from Fordham University, Bronx, NY.



### **Marianne Garvin**

President and CEO of Community Development Corporation of Long Island; serves on the National Community Advisory Council for Bank of America; the boards of the National NeighborWorks Association, the New York Housing Conference. Ms. Garvin was also appointed to the Long Island Regional Economic Development Council by Governor Cuomo. She earned a B.A. degree in Sociology from Stony Brook University and an M.S. degree in Social Service Administration, Planning and Public Policy from the University of Chicago. She is also a graduate of the Senior Executives program at Harvard University and the Achieving Excellence in Community Development program at Harvard's Kennedy School.



### **Gregory F. Warren**

Over 35 years planning and developing innovative housing and community development programs; President of DHIC, Inc. since 1985, and has served on the board of directors for numerous organizations and is currently on the Board of StepUp Ministry, an interfaith community that provides housing, jobs, and support to very-low income families. Mr. Warren earned a M.S. in regional planning from the University of North Carolina.



### **Patricia Garcia Duarte**

President & CEO of Neighborhood Housing Services of Phoenix (NHS Phoenix), a not-for-profit organization dedicated to the revitalization of Phoenix neighborhoods by providing services and programs that encourage, create and support home ownership. She was formerly at Bank One/JPMorgan Chase as the Arizona Manager for the Community Department Group. She was responsible for helping the bank invest in communities to support the bank's requirements under the Community Reinvestment Act (CRA). Mrs. Garcia Duarte holds a bachelor's degree from Arizona State University.



### **Dan Heldridge**

Executive Director in Morgan Stanley's Global Sustainable Finance department, managing a portfolio of community development loans and investments. Mr. Heldridge has a background in corporate banking, economic development, and microfinance in the U.S. and abroad. He serves on the board of the UN-affiliated International Cinema Education, and on the Credit Committee of Neighborhood Trust, a nonprofit credit union. He graduated from San Francisco State and holds an MBA from The University of Hull.



### **Brian Shuman**

Chief Financial Officer of Griffis Residential. In his role he directs the back office functions of the company with primary responsibility for regulatory compliance, risk management, and financial reporting. Mr. Shuman's additional responsibilities include the management of the accounting, tax, treasury and financial planning and analysis functions. Prior to joining Griffis Residential, Mr. Shuman served as Chief Financial Officer and Chief Operating Officer at Mercy Housing and as Senior Vice President of Finance for Aimco, and S&P 500 multifamily housing REIT.

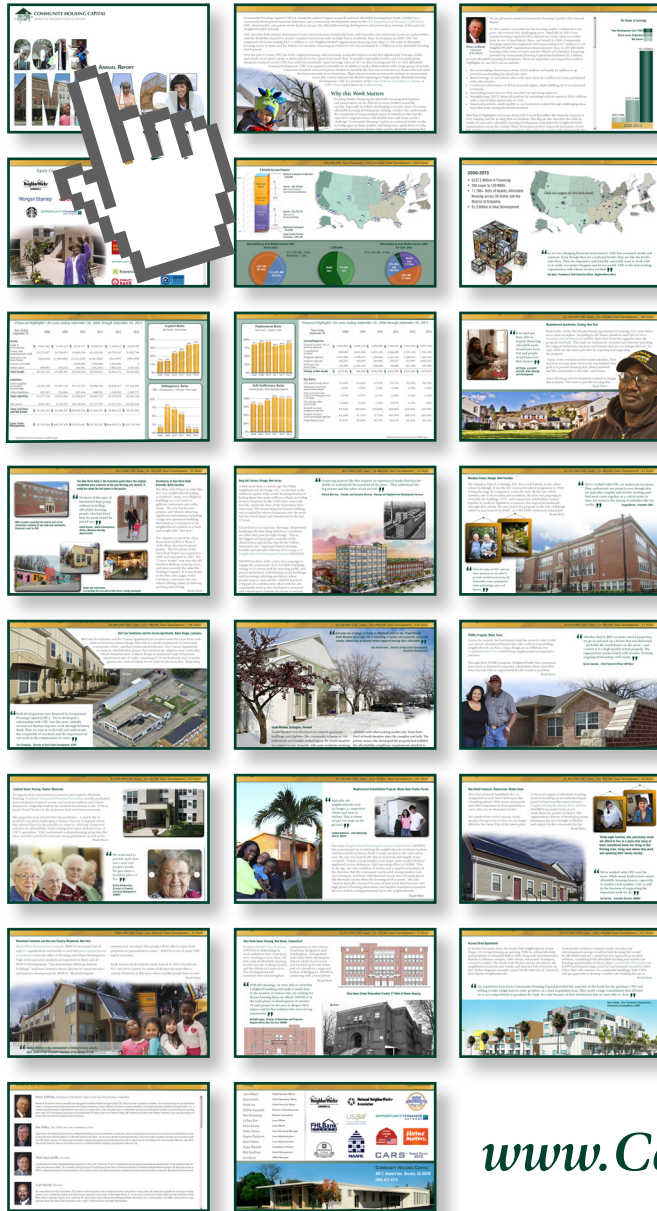
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Dave Landis	Chief Operating Officer
Brent Lee	Chief Financial Officer
Debbie Campbell	Director of Development
Ben Greenberg	Director of Lending
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Keiva Dennis	Loan Officer
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Regina Claiborne	Loan Administration
Neet Pulliam	Loan Administration
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