

# BUILDING WEALTH. DISMANTLING BOUNDARIES. MULTIPLYING IMPACT.

2022 ANNUAL REPORT



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# LETTER FROM THE CEO

## DEAR INVESTORS, COLLEAGUES, AND FRIENDS,

As we leave a year of financial uncertainty for so many families – a year of rising prices, of rising interest rates, and of a job market crunch – we recognize that deep inequalities exist among people across our nation. For all the innovation, investments, and commitments by policy leaders to address wealth gaps, especially the racial wealth gap, housing remains fundamental to building Americans' financial security. Perhaps no other asset, tool, or strategy is as effective at **building generational wealth** than providing safe, affordable housing proximate to good jobs, good schools, and good businesses.

It's a reality that people working in and with low-income communities have known for decades. Though we are heartened by renewed commitment to racial equity by corporate and private sector commitments, we also know that change doesn't happen overnight, and it doesn't happen without patient, holistic investments in communities.

At Community Housing Capital, we've built careers around the central role of safe, affordable, convenient housing – in diverse, inclusive neighborhoods and with wraparound services. No matter what the economic context, the refrain from the NeighborWorks Organizations we invest in remains the same: they need patient capital, flexible in its terms, affordable in its rates.

In 2022, we delivered on those promises, as I hope you see throughout our 2022 Annual Report. We offer both early interim capital as a project is conceived and long-term, fixed-rate capital, in rural, urban, or suburban communities. We work with our borrowers on terms that meet their needs – but also to help them acquire a capital stack, and timing, that works for them. We lend early, patiently, prospectively, and at a high LTV with maximum leverage, requiring less upfront equity from our network partners.

Eighty-five percent of our capital is put to work in low- and moderate-income communities and 64% is in communities where the majority of residents are Black, Latino, Indigenous, or other people of color.

Community development means more than just affordable housing. It's about **dismantling boundaries** by centering the needs of the people at most risk of housing insecurity. It's about listening to the local developers and their vision for wrap-around services, their commitment to preserving the culture and makeup of the neighborhoods they serve, their passion for bringing jobs and businesses and opportunity back to their communities.

At the end of the day, commitments to racial equity, environmental and social good, and plans for economic development are only pledges until they're implemented. We're not too patient with pledges. We're singularly focused on the dedicated, persistent work of raising capital to deploy it where it's most needed, **multiplying our impact** across the country.

2023 will continue to be a challenging environment for our borrowers – reflecting the challenges of the families and communities they're serving. CHC will continue to be here, ready to work with Neighbor Works organizations looking to invest in properties, communities, and neighborhoods that find opportunity through challenge.

We hope you'll join us.

**Cindy Holler**  
President and CEO

# CHC DOESN'T JUST INVEST IN HOUSING – WE BUILD COMMUNITY.

## MULTIPLYING IMPACT

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

## WE ENABLE HOUSING FOR PEOPLE EXPERIENCING EXTREME FINANCIAL INSECURITY.

In 2022, U.S. housing affordability fell to a 3-decade low, a trend unsurprising with home prices, mortgage rates, and consumer prices rising while incomes remain stagnant. Affordable housing is more needed now than ever – and unless we increase our national housing stock, affordability will remain a challenge.

In 2022, CHC investments housed



**2,304+**

individuals across 11 states.

Between 2016 – 2022, CHC investments housed



**14,727+**

individuals, providing affordable access to 8,261+ homes.

In 2022 for families earning below 80% of Area Median Income

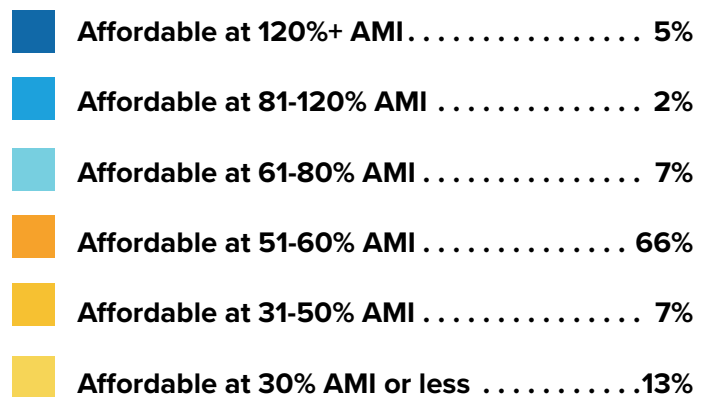
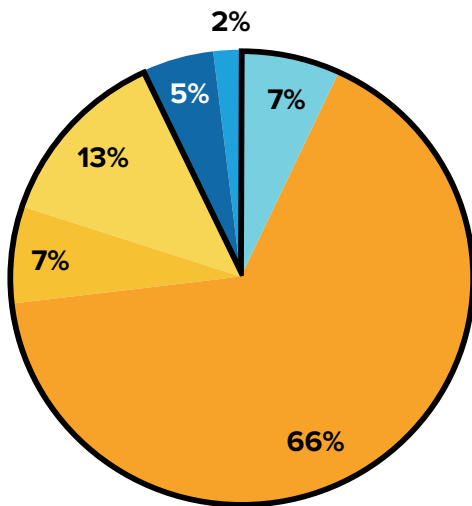


**93%**

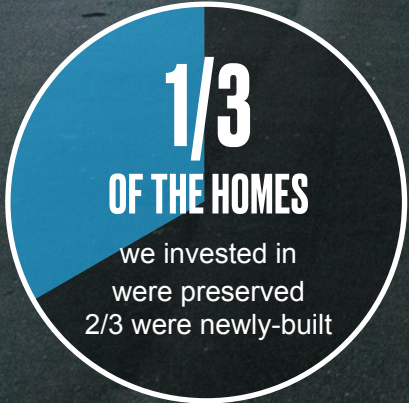
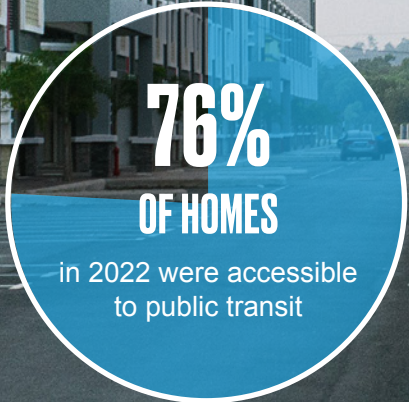
of CHC borrowers' properties were affordable

## DISMANTLING BOUNDARIES THROUGH FOCUSING RESOURCES ON THE LOWEST INCOME HOUSEHOLDS

Units in 2022 By Affordability



AMI, or Area Median Income, is the midpoint of a region's income distribution and a localized measurement of housing affordability. Generally, workforce housing is 81-120% AMI; moderate to low-income housing is 50-80% AMI; very low to extremely low housing is 30-50% AMI.



# FOR COMMUNITIES EXPERIENCING DISINVESTMENT, CHC INVESTMENTS CREATE JOBS.

## ACROSS THE NATION, HOUSING IS NOT GROWING IN THE SAME PLACES AS JOBS.

The Aspen Institute Financial Security Program reported that in a study of metro areas between 2008-2018, urban areas with strong job growth are often the ones with far fewer permits issued than job growth would indicate, putting a further crunch on housing costs. This trend is especially prevalent in the West, and some cities in the South.

CHC investments support jobs where they build housing. A National Association of Homebuilders study finding that every \$1 million of renovation spending supports 11.5 jobs. In 2022, CHC's lending supported 2,477 construction/renovation jobs. These jobs include permanent property management, maintenance, and service provider positions; and exclude local vendors, which, if counted, would indicate increased local benefit.

## OUR INVESTMENTS MULTIPLY IMPACT.

Our commitment to providing patient capital, working with our partners to build a capital stack, and not shying away from being a first-to-the-table investor means that our borrowers leverage our dollars into many more for their communities.

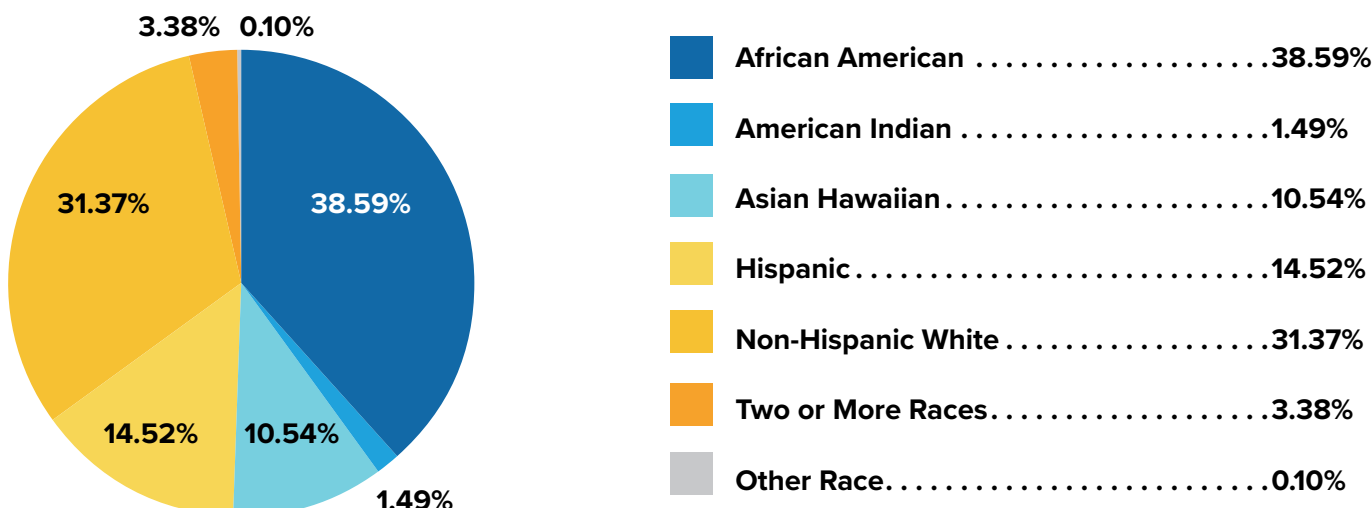


## CHC ACTIVELY WORKS TO CLOSE THE RACIAL WEALTH GAP.

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.

## UNITS FINANCED IN 2022 BY RACE/ ETHNICITY

Based on actual and projected occupancy



# SPOTLIGHT

## OPERATING AT THE INTERSECTION OF THE RACIAL WEALTH GAP AND HOUSING FINANCE: A REPARATIVE APPROACH

**IN 1968, THE FAIR HOUSING ACT WAS INTRODUCED** to address the quite prevalent gap between black homeownership (38%) and white homeownership (65%) that existed in 1960 – yet despite this legislation, over fifty years later the gap is even wider. It’s not just homeownership where non-white families experience inequity: scholar Dorothy Brown of Emory University found that home values are lower and appreciate more slowly for Black families than white families. Even if redlining is no longer legal, its effects persist.

Building equitable, sustainable wealth for families across America cannot happen without understanding the systems that create housing inequality – and intentionally addressing them. At Community Housing Capital, our commitment to diversity, equity, and inclusion is as old as we are.

It starts from the top down. Our Senior Leadership Team is fully women- and minority-led, averaging over 30 years’ experience each in affordable housing work. We don’t simply work for historically marginalized communities – we work with and in them.

CHC engages in rigorous impact analysis, collecting data each year from the projects in which we’ve invested. Because building wealth requires not just housing but wraparound services, we are passionate about projects that provide downpayment assistance, accessibility to jobs and transit, and supportive services such as health, wellness, vocational training, and childcare access. The projects we fund often provide access to rental and single-family homes at below-market rates – because people’s ability to save and plan for the future is a prerequisite to building wealth.



### **A NEW FUND TO BUILD BIPOC WEALTH, INITIALLY FUNDED AT \$34 MILLION**

Strategies supporting wealth-building include building the CHC BIPOC Affordable Housing Development Fund, a \$34 million fund to increase access to affordable housing for people of color. The BIPOC Fund will provide capital and strategic guidance to counter the trend through debt financing and prioritizing minority-led non-profit housing developers working in communities of color. It will preserve naturally occurring affordable housing and enable the building of new units for families earning less than 80% of area median income (AMI) across 12 southern states and Washington, DC.

CHC aims to continue to build the BIPOC Fund, eventually expanding its reach beyond southern states and across the U.S. in places where housing affordability remains an acute challenge for families.

**“The BIPOC Housing Fund will infuse capital into minority-led organizations working in communities of color that have been denied wealth-building opportunities for far too long.”**

# SPOTLIGHT

## FLEXIBLE AND AFFORDABLE FINANCING SPANNING THE COUNTRY

CHC-funded projects span from the Florida Keys to the Pacific Northwest, financing almost \$100 million in affordable housing development. Here are some of the deals which closed during the fiscal year 2022.

In December 2021, the **Low Income Housing Institute (LIHI)** in **Seattle, Washington**, received \$13.4 million to acquire and preserve Squire Park Plaza, a residential and commercial property near downtown Seattle. This mixed-use, mixed-income property caters to tenants earning 50% AMI, 80% AMI, and market incomes. CHC also renewed its \$1.28 million loan to LIHI for the acquisition of land on Henderson Street in South Seattle on which 88 new units of affordable housing serving individuals and families earning 50-60% of the local AMI will be built.

In February 2022, **Comite de Bien Estar** was awarded a renewal of its revolving single-family construction line of \$3.3 million. Demand for Comite's homes have increased over the years, and to keep up, it has purchased almost 41 acres of land to develop an

additional 163 lots in a rural community in **San Luis, Arizona**, along the Mexico border. CHC has been funding Comite's single family construction development activity since 2009.

In March, **Rural Neighborhoods** in **Big Pine Key, Florida**, received \$6.3 million in financing for the three phases of the project related to hurricane recovery workforce housing. Near Key West, the area's housing prices are among the highest in the nation, and land is difficult to come by. The project includes a total of 31 units of modular workforce housing single-family rental homes. It leverages Housing and Urban Development (HUD) disaster recovery funding issued after Hurricane Irma.

In September, **Dream Key Partners (DKP)**, renewed its \$11 million acquisition line of credit for two years. DKP utilizes the line to purchase vacant land for future development and to acquire and preserve affordable, workforce and NOAH properties in and around **Charlotte, NC**.

“Homeownership is the greatest wealth-building tool unless you’re Black in Baltimore,” said Dan Ellis, Executive Director at Neighborhood Housing Services of Baltimore. “Because in Black neighborhoods in Baltimore, properties don’t appreciate the way they do in non-minority neighborhoods. Community Housing Capital’s investment enables us to build wealth in a community where there has been none.”





# SPOTLIGHT

## PATIENT CAPITAL IN NEVADA TURNS VACANT LAND INTO AFFORDABLE HOUSING

Southern Nevada is in the midst of a housing crisis, lacking an estimated 85,000 affordable units for low-income and very low-income earners. For seniors, the challenge has been particularly acute against a backdrop of rapidly rising rental prices, inflation affecting food and consumer goods affordability, and challenges affording healthcare during a pandemic.

**Nevada HAND (NVH)**, the state's largest 501(c)(3) developer, builder, and manager of affordable rental homes for seniors and working families, has been working since 1993 to change that.

In 2022, NVH held a ribbon-cutting ceremony celebrating the opening of Decatur Commons, one of the largest affordable housing projects in Nevada history. The project is composed of 240 affordable family apartments and 240 units of affordable senior housing. The total development costs were approximately \$111 million with funding sources that included 9% LIHTC, 4% LIHTC, HOME Funds, tax-exempt bonds, Nevada Housing Division GAHP Funds, conventional mortgage debt, and developer financing.

"We think this is a fantastic development. It's going to bring workforce housing that is very much needed, and it's also going to bring some very-low-income units to a state that ranks last in providing those units for our citizens," said David Paull, director of real estate development for NVH during the project's development.

In 2022, CHC provided \$10.8 for two different land acquisitions to develop 240 units of affordable family rental housing and 150 units of affordable senior housing in a high-demand, high-cost area of Las Vegas. With six loans over six years, it's just one of the successful partnerships delivering housing to areas of the country that need it.

NVH earned the ranking of 26 of the Top 50 Affordable Housing Finance's 2021 Top 50 Housing Developers – and was the second highest-ranked nonprofit developer.

### BY THE NUMBERS: NEVADA HAND

# \$27 million

Funding from CHC 2017 - 2022 across 6 loans

# 1,374+ units

of mixed-income and mixed-use affordable housing available to seniors and families

Affordability: Primarily between

# 30% and 80%

Area Median Income



# SPOTLIGHT

## DEPLOYING NEW MARKET TAX CREDITS



In 2021 Community Housing Capital (CHC) received \$30 million in New Market Tax Credits (NMTC) to build and invest equity within low-income communities. With the NMTC allocation, CHC was able to invest equity to five NeighborWorks Organizations and offered source loans to bridge funding gaps and finance a mission of reinvigorating financially underserved communities.

**NEIGHBORHOOD HOUSING SERVICES OF BALTIMORE (NHSB)** was awarded \$6 million to acquire and rehabilitate 25 single-family houses in West Baltimore, Maryland as part of its plan to target a 7-block area to build 100 affordable homes within five years. Since 1974, NHSB has revitalized communities by increasing sustainable homeownership, engaging community partners, and advancing innovative capital solutions throughout Baltimore. The prices of NHSB homes are \$229,000, which is 32% less than the maximum mortgage a family living at 60% AMI could afford, leaving families with more money to invest in education, their community, and other beneficial outlets.

**AVENUE COMMUNITY DEVELOPMENT CORPORATION (Avenue)** in Houston, Texas, received a \$5 million allocation. Avenue believes all Houstonians have the right to live in healthy and

inclusive neighborhoods. Avenue will utilize the NMTC allocation to acquire and construct 16 single-family houses in the Northline neighborhood. The median household income for residents in this neighborhood is \$37,953, which is 35% AMI. Many families struggle to find quality affordable homes, but Avenue diligently works to help families thrive by giving them equal access to equity.

**DAYTON'S BLUFF NEIGHBORHOOD HOUSING SERVICES (DBNHS)** in St. Paul, Minnesota, received \$7 million to acquire and rehabilitate 12 single-family homes in the Railroad Island neighborhood. Founded in 1980, DBNHS strives to promote reinvestment in lower-income neighborhoods in St. Paul to restore pride and confidence. Railroad Island is one of the oldest lower-income neighborhoods in the city, with approximately 67% of its houses in need of rehabilitation.

**PIEDMONT HOUSING ALLIANCE (PHA)** in Charlottesville, Virginia, received \$6 million to acquire and rehabilitate 15 single-family homes in the Southwood and Fifeville neighborhoods, located in the Southwood area which has a poverty rate of 36.80%. PHA has a goal of zero displacement and all homes will be sold to families with low incomes.

**NEIGHBORWORKS COLUMBUS (NWC)** in South Columbus, Georgia, received \$6 million to construct approximately 26 single-family homes the new Elliott's Walk subdivision, the first new housing in south Columbus designed for homeownership in over 50 years. It will soon become a 33-acre residential development with ample green space, easily accessible schools, parks, public transportation, and even 18+ acres of natural preserve. Home prices will range from \$120,000 - \$160,000, and NWC estimates that 60% of homebuyers will also qualify for Local Incentive Programs for down payment assistance.

# A NEIGHBORWORKS AMERICA PARTNER



**Community Housing Capital's mission is to provide equitable access to capital that is transformative for NeighborWorks organizations and their communities. Since 2016, we have served 65 community developers.**

## **AT-A-GLANCE: A PARTNERSHIP BUILT ON SHARED VALUES**

The network includes some of the best community development and housing organizations in the country. Over 190 NeighborWorks Organizations had real estate development pipelines in 2022. Since 2016, CHC has invested over \$2.02 billion to NWOs.

## **UNIQUELY POSITIONED TO CATALYZE LENDING**

CHC's relationships with investors and funders enables it to provide below market-rate rates required to create deeply affordable access to housing.

That commitment allows CHC room to be creative and flexible with its rates, passing on benefits to the borrower. It means that projects that truly work at the intersection of affordability and equity – projects working in and with neighborhoods and people of color, those working for and with people experiencing homelessness, poverty, and financial insecurity – are prime candidates for partnering with CHC. Those are NeighborWorks America projects. The fit couldn't be better. The value proposition couldn't be stronger. Made for each other.

## **WHAT IS NEIGHBORWORKS AMERICA?**

NeighborWorks America creates opportunities for people to live in affordable homes, improve their lives and strengthen their communities. More than 240 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, DC, and Puerto Rico. The NeighborWorks network consider local voices critical to the success of their projects – one-third of the board members at any given network org. represent local residents.

## **VALUE PROPOSITION**

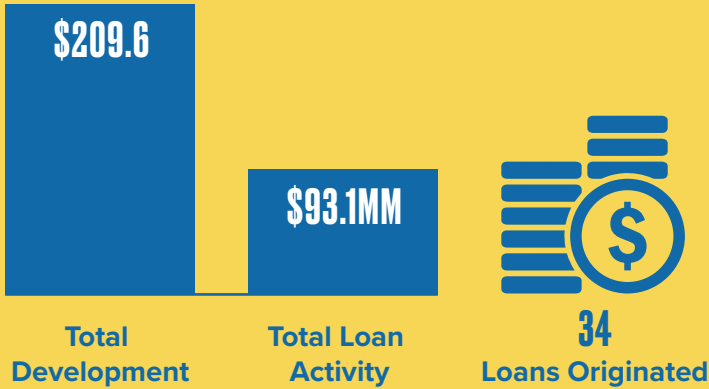
### **CHC Provides Unparalleled Value to NWOs**

Increasing the supply of affordable housing requires:

- Patient capital
- Ability to weather market volatility
- Creative pricing
- Intimate understanding of ESG, including racial equity systems and challenges
- A focus on multiplying impact by centering our work around people

# KEY FINANCIALS

## FINANCIAL HIGHLIGHTS IN 2022



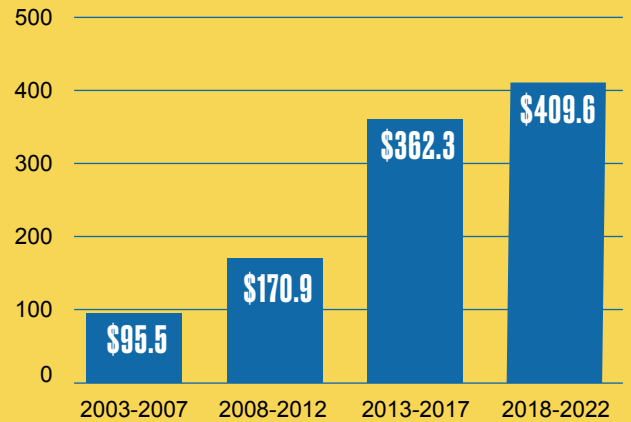
**834+**  
Homes



**20 COMMUNITY**  
Developers Supported

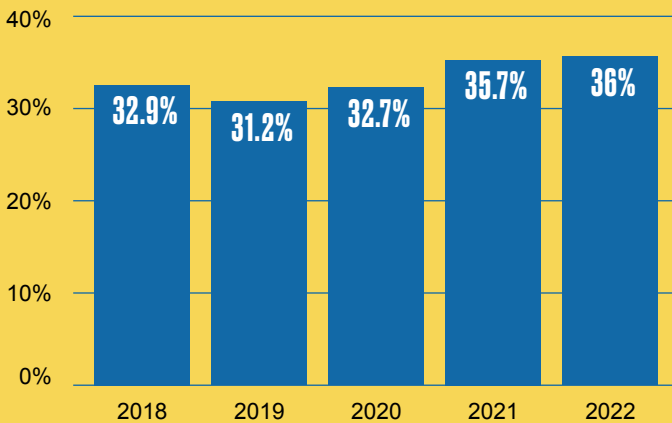
## CUMULATIVE LOAN ACTIVITY

In MM



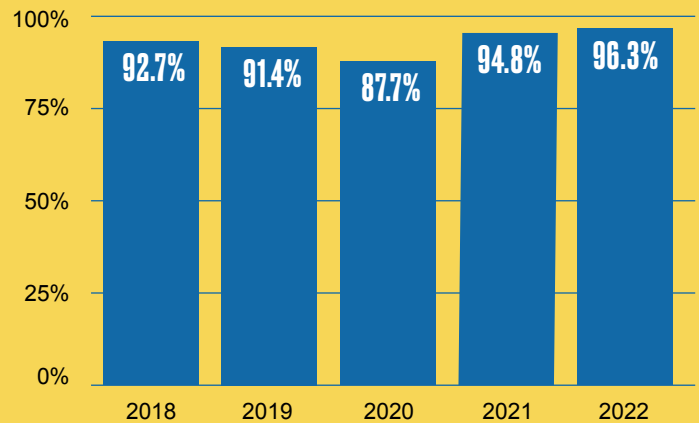
## CAPITAL RATIO

Net Assets/Total Assets



## DEPLOYMENT RATIO

Total Loans/Capital+Debt



# BOARD OF DIRECTORS

## BOARD LEADERSHIP

### **Chris Krehmeyer**

Chair  
Governance Committee  
and Business Planning  
Committee  
*President & CEO  
Beyond Housing*

### **Julie Porter**

Vice Chair  
*President & CEO  
DreamKey Partners*

### **Tom Bloom**

Treasurer  
*CFO, Retd.,  
Office of the Comptroller  
of the Currency*

### **Kara Hay**

Secretary  
Vice Chair  
*President & CEO  
Penquis*

## BOARD MEMBERSHIP

### **Patricia Garcia Duarte**

*Executive Vice President  
of Homeownership  
Initiatives  
Chicanos Por La Causa*

### **Alan Ferguson**

*Senior Vice President  
American Opportunity  
Foundation, Inc.*

### **Dana Hanchin**

*President & CEO  
HDC MidAtlantic*

### **Corey Harris**

*Neighborhood Housing  
& Development  
Corporation*

### **Peter A. Lefferts**

*American Express Bank,  
Retired*

### **Bruce F. Martin**

*Senior Vice President  
JPMorgan Chase Bank*

### **Brian Robinson**

*Senior Vice President  
National Affordable  
Housing Trust*

### **Deidre Schmidt**

*CEO  
Common Bond*

### **Daryl Shore**

*Managing Director of  
Structured Finance  
National Equity Fund, Inc.*

### **Sean Spear**

*President & CEO  
Community  
HousingWorks*

### **Mary White Vasys**

*President & CEO  
Vasys Consulting*

### **Gregg Warren**

*President & CEO  
DHIC, Inc., Retired*

# LEADERSHIP AND STAFF

### **Cindy Holler**

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

### **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**

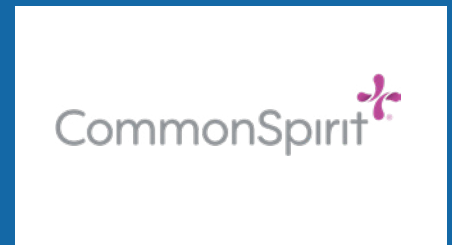
Office Manager

# INVESTORS

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



CHC receives funding from the following organizations.



## ABOUT COMMUNITY HOUSING CAPITAL

Community Housing Capital (CHC) is a 22-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 21,400 units of affordable housing and facilitated \$2.9 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.

This report was written by Elizabeth Vivirito. Invaluable contributions were provided by Ingrid Avots, Dana D. Chestnut, Donyetta Edwards, Cindy Holler, Jaime Nguyen, Arif Rizvi, Alvin Saafir, and Debra Turner.

## ENGAGE WITH US



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



**COMMUNITY**  
**HOUSING CAPITAL**  
WHEN THE MISSING PIECE IS CAPITAL

