Community Housing Capital (CHC), a national Community Development Financial Institution intermediary, serves exclusively as a direct lender to the NeighborWorks® network. Incorporated in 2000, Community Housing Capital is certified as a community development financial institution and a community development entity by the U.S. Treasury’s CDFI Fund.

Lending exclusively to members of the NeighborWorks network, Community Housing Capital provides both interim real estate 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 subsidies. To implement its loan programs, Community Housing Capital uses grant funds provided by NeighborWorks America and the CDFI Fund to significantly leverage private-sector debt capital from socially responsible investors.

Table of Contents

Partners for Innovation and Impact

Participation Lenders include:

Morgan Stanley Bank
Institute for Community Economics
Mile High Community Loan Fund
Community & Southern Bank
The Disability Opportunity Fund

Equity Contributors include:

NeighborWorks® America
United States Department of the Treasury (CDFI Fund)
State Farm®
Morgan Stanley Bank
Opportunity Finance Network

“Morgan Stanley is committed to providing capital and expertise to produce lasting social and economic benefits through strong partnerships with organizations like Community Housing Capital. CHC plays an important role in serving the needs of their borrowers while also driving sustainable activities.”

-- Mike Martin, Senior Adiressor, Morgan Stanley Global Sustainable Finance

“PNC supports CHC’s mission of providing capital to finance affordable housing. It is a natural fit with our own commitment and investment in community development initiatives designed to advance the long-term economic development of low- and moderate-income communities.”

-- Renee Jakobs, Vice President, PNC Community Development Banking

“One of the most powerful tools for thriving communities is the ability to adapt through challenging economic times and rapidly engage in the creation of viable economic opportunities. CHC is helping lead the way in creating vibrant communities through sustained economic development.”

-- Ed Woods, Director, Enterprise Community Development, State Farm® and CRA Officer, State Farm Bank®
We are pleased to present Community Housing Capital’s 2012 report. CHC enjoyed one of the most successful years in its 12-year history. Since its inception in 2000, Community Housing Capital has originated 270 loans totaling nearly $276 million to 114 different NeighborWorks organizations across 36 states, financing nearly 10,000 units of affordable housing and leveraging nearly $1 billion in affordable housing development.

Highlighting our 2012 successes are:

- Record-breaking closed-loan activity of nearly $46 million and nearly $14 million in approved loans heading into fiscal year 2013.
- Earned income exceeded total operating expense.
- Significantly increased and diversified equity/operating funding by $5.6 million.
- Improved credit quality as our borrowers work through challenging economic times.
- Strengthened our financial position by increasing total net assets to $18.7 million with a very healthy capital ratio of 32.9%.

Despite the challenging economic times, demand for creating and preserving units in the communities that the NeighborWorks network serves continues to increase. Their work is more important now than ever because of the positive impact of stable, high-quality and affordable housing on children, families and entire communities.

This impact is important to Community Housing Capital’s grantors and lenders as well, who not only want to make a good investment – but who also want their investment to make a difference in communities across the country. Socially responsible investors are looking for efficient and sustainable ways to reach this market at scale, and they can confidently turn to Community Housing Capital to connect them to high-performing NeighborWorks organizations. These organizations are providing stable, quality affordable housing and economic opportunity to hard-working people nationwide.

As a Community Development Financial Institution (CDFI) intermediary, Community Housing Capital aggregates loan capital for affordable housing and manages a simple but powerful business model.

Community Housing Capital brings together all the moving parts: we are experienced at underwriting affordable housing loans; we have access to borrowers with exceptional performance records; and we have access to grantors and lenders who are committed to the development and preservation of affordable housing. Additionally, by bringing in loan participants, we create a shared-risk model that significantly facilitates other sources of capital.

CHC and our partners provide a revolving source of capital that continues to assist additional communities as organizations repay their loans.

Threaded throughout all of our successes are the socially responsible grantors and investors whose due diligence led them to support CHC’s mission and believe in the NeighborWorks organizations that touch our most vulnerable families and communities. Our partners’ and supporters’ involvement goes well beyond financial resources. Every day, we are inspired by their confidence and spurred on by a drive to deliver on our part of the bargain. We know that continued commitment is earned by results, not promises.

Our faith in the fundamental power of long-term affordable homeownership and the critical role of high-quality affordable rental housing remains steadfast. With a strong 2012 performance under our belts and a three-year strategic planning process underway, we intend to build momentum and seize the opportunities that arise in the months and years ahead. The need is too great to do any less.
Nationwide Impact

Visit: www.CommunityHousingCapital.org to learn about regional loan distribution

2000-2012
- Originated 270 loans totaling $276 Million to 114 separately incorporated NeighborWorks organizations operating across 36 states and the District of Columbia
- 10,000 affordable housing units financed
- $1 Billion in total development

From 2011-2012, 96% of all units developed were affordable to households earning 80% or less of Area Median Income (AMI).

In discussions with CHC, together, we were able to develop a program that took into account many different variables, many different partners, with one goal – making home matter.

Lou Tisler, Executive Director, Neighborhood Housing Services of Greater Cleveland
Owning a Piece of the Community They Call Home

Cleveland, Ohio

Neighborhood Housing Services of Greater Cleveland

Lower-income renters who have a solid history of paying their rent on time, some for as many as 15 years, now have the chance of a lifetime, thanks to NHS of Greater Cleveland. Through a creative program called the Year 16 Lease Purchase Program, approximately 160 families will have the opportunity to purchase their homes. “Many have lived in their homes for some time, and in the wake of homeowner foreclosures, these tenants have continued to be the glue that holds the neighborhoods together through their continued involvement in civic and school activities,” according to NHSGC Executive Director Lou Tisler.

The program is intended to complement the city’s efforts to stabilize and re-invigorate center-city neighborhoods, which include selective demolition and significant infrastructure improvements. The financial stability and wealth-building opportunity these families will gain will provide stronger motivation than ever to be an integral part of turning around the neighborhoods that they already call home. Although many of the residents have lived in these homes for most of their lives, very few of them would have been able to qualify for loans through traditional lenders, according to Tisler. They will be able to own their homes in five years, making the same, or even lower, monthly payments as they had been paying in rent.

“If the market has been risk averse, and credit standards are much higher than they were before,” explains Tisler. “We’re able to make it happen, with in-depth services to prepare them for homeownership, through a collaborative approach with local partners, and by including a lender like CHC that has a vast knowledge of how these markets work.”

“In discussions with CHC, together, we were able to develop a program that took into account many different variables, many different partners, with one goal – making home matter. CHC differs from other lenders in terms of flexibility, the ability to tailor a program to our and our clients’ needs and to create an environment of access to all.”

Other partners in the project include the city of Cleveland, Neighborhood Progress, Inc., Cleveland Housing Network, Enterprise Community Partners, and various CDCs.

Neighborhood Housing Services of Greater Cleveland

For years, the 66-unit Terrill Apartment complex in Ravenna, Ohio, provided very low-income renters a place to live. Its residents tend to be young families, and subsidized housing is all they know. Asked by the city and township of Ravenna to save this badly needed but poorly maintained complex, Neighborhood Development Services saw an opportunity to not only rehabilitate the physical buildings to preserve this important source of affordable housing, but also to provide skill-building services to prepare its residents for employment and self-sufficiency.

NDS’ acquisition of the project required that they assume the existing project financing due to prepayment penalties. NDS applied for a 9 percent Low Income Housing Tax Credit (LIHTC) to assist with the funding for long-term renovation and preservation. Once the tax credit allocation was awarded, NDS approached CHC for help with the balance of the construction financing. As CHC would be subordinate to the existing acquisition financing, CHC came up with an innovative solution: an assignment of the owner’s interest in the project, resulting in fast and flexible financing.

“Without CHC’s creative solution, we would have had to delay the project, pay off the first mortgage, including a prepayment penalty, and take out a new loan,” said NDS Executive Director Dave Vaughan. “The time constraints involved would have put the project in jeopardy. No other lender would have made the loan without a mortgage lien.” Now under construction, the project will include new kitchens and baths, energy-efficient systems and a community room, along with other site improvements.

A unique service—HUD’s Moving to Work job readiness and self-sufficiency program—was provided by the Portage County Housing Authority. The focus of this program is to move the chronically unemployed to self-sufficiency over time by building skills. Monthly rent is based on a sliding income scale; as residents start to earn more money, the federal government pays less and less of the tenants’ monthly rent. “Eventually, the hope is that the family will be economically stable and self-sufficient and able to move on to other housing, making these units available for others who need help,” says Vaughan.

Terrill Apartments will become “housing of choice” and continue to provide affordable housing for extremely low-income families that have been living in substandard housing.

From Housing of Last Resort to Housing of Choice

Ravenna, Ohio

Neighborhood Development Services, Inc. (NDS)

For years, the 66-unit Terrill Apartment complex in Ravenna, Ohio, provided very low-income renters a place to live. Its residents tend to be young families, and subsidized housing is all they know. Asked by the city and township of Ravenna to save this badly needed but poorly maintained complex, Neighborhood Development Services saw an opportunity to not only rehabilitate the physical buildings to preserve this important source of affordable housing, but also to provide skill-building services to prepare its residents for employment and self-sufficiency.

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Terrill Apartments will become “housing of choice” and continue to provide affordable housing for extremely low-income families that have been living in substandard housing.

If not for CHC, NHS of Greater Cleveland would not have been able to bring the flexible, well-priced and accessible funds required for success to the table.

Lou Tisler, Executive Director, Neighborhood Housing Services of Greater Cleveland
Increasing Opportunities by Removing Blight
Washington, D.C.

Manna, Inc.
Bexhill Condominium Development
The Ivy City community in Washington, D.C., is one of the most distressed neighborhoods in the nation’s capital. The median household income in the area is $20,923, compared to a citywide median household income of $78,192. Foreclosures, vacant properties and poverty have contributed to the area’s continued decline.

Because of the distressed nature of the area, the city’s Department of Housing and Community Development dedicated a considerable portion of the city’s Neighborhood Stabilization Program grant to help improve and stabilize the neighborhood. Manna was awarded properties to develop – 20 units of new construction on vacant lots that will add new housing and improve the perception of Ivy City as a desirable neighborhood to live and work.

The city’s funding was not intended to cover the entire project. Manna turned to its partners, including CHC, to get the job done. “When we started pre-development on the property, there wasn’t a bank in the country – in the universe – that would fund a homeownership project,” recalls Manna’s Director of Project Management, Rozanne Look. “CHC was there when nobody else was.”

Green elements, including energy-efficient windows, Energy Star appliances and formaldehyde-free engineered wood products, attracted the interest of buyers from across the metropolitan area and within the neighborhood – resulting in pre-sales of 80 percent of the homes. The units are available to those earning 50 percent and 80 percent of the area median income.

Families are now moving into the newly developed homes, which are generating excitement and new investment for this long-neglected area and improving life for its residents. “By developing these vacant lots, we are helping to create a safe and healthy environment for residents,” said Look.

Kathryn
“I am a Washingtonian. I feel like I have a connection to the community. After my divorce, this is a new beginning for me. I work only two blocks up the street. It’s good to be here.”

Louise
“I was very happy to find housing in this neighborhood that I could afford after I retired. I love the bus line. I love the view from my front windows when I am reading the newspaper.”

Preserving Housing for Seniors in a Competitive Market
Portland, Maine

Avesta Housing
Butler Payson Apartments
For many years, the Butler Payson Apartments – two historic properties adapted from a private manor and a public school – served as deeply affordable housing for seniors in Portland, Maine, utilizing a HUD Housing Assistance Program (HAP). When the property owner put the property up for sale in 2011, more than a dozen buyers bid on it. Most of them were for-profit entities that likely would have converted the units to market-rate rental housing, displacing its current low-income elderly residents.

Avesta Housing, Maine’s largest nonprofit developer, wanted to purchase the property and preserve access to housing that’s affordable for area seniors. The biggest challenge Avesta faced in the competitive bidding process was access to acquisition financing that would meet the seller’s deadline of closing within 60 days. Avesta needed a lender that could not only close within the specified time frame, but also had the capacity and experience to underwrite a complex loan that would include multiple layers of financing. “This is exactly where Community Housing Capital made a difference,” says Ethan Boxer-Macomber, Avesta’s director of acquisitions and assets.

Avesta is rehabilitating the property, which includes a community room, on-site laundry and 24-hour on-call maintenance. By acquiring this property, Avesta was able to save a critical housing resource in a gentrifying community close to the services and amenities of downtown Portland.

“These deals are vital to communities and are also good business for CHC and its financial partners,” said CHC president and CEO Jack Gilbert. “The expertise and track record of organizations like Avesta on the development side and CHC’s underwriting expertise and access to capital on the financing side benefit communities and seniors, and the model is sustainable because we can offer our investors near-market rates.”
In fiscal years 2011 and 2012, CHC supported the development of over 1,300 affordable housing units, of which 70 percent were affordable rentals and the balance is for-sale housing.

A majority of the units financed by CHC benefit minority markets, demonstrating the NeighborWorks network’s and CHC’s commitment to ethnically diverse communities. Many of these projects have a special-needs focus (physical disability, mental health needs, senior housing and housing for the formerly homeless). Additionally, CHC lends in rural communities where financing can be difficult.

Visit: www.CommunityHousingCapital.org to learn about the impact behind the data

According to Children’s HealthWatch, “an estimated 12 million renter and homeowner households now pay more than 50 percent of their annual incomes for housing.”

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.

Community Housing Capital is a tremendous partner to the NeighborWorks network. CHC’s forward and creative thinking enables it to provide financing 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.

- Eileen Fitzgerald, CEO, NeighborWorks America
### Sound Management, Strong Financials

**Financial Highlights for years ending September 30, 2008 through September 30, 2012**

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
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<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; investments</td>
<td>$5,843,363</td>
<td>$6,394,176</td>
<td>$4,326,757</td>
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<tr>
<td>Loans, less participations sold</td>
<td>$33,572,437</td>
<td>$34,740,453</td>
<td>$41,603,356</td>
<td>$42,229,920</td>
<td>$46,799,185</td>
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<td>Allowance for loan losses</td>
<td>$(620,524)</td>
<td>$(2,068,000)</td>
<td>$(2,122,298)</td>
<td>$(1,817,003)</td>
<td>$(932,997)</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other assets</td>
<td>$449,867</td>
<td>$333,672</td>
<td>$261,947</td>
<td>$1,582,644</td>
<td>$1,905,465</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$39,245,143</td>
<td>$39,400,301</td>
<td>$46,669,762</td>
<td>$53,454,314</td>
<td>$56,844,271</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th></th>
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<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
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</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes payable &amp; secured borrowings</td>
<td>$33,592,705</td>
<td>$33,297,120</td>
<td>$35,123,537</td>
<td>$39,000,598</td>
<td>$36,839,517</td>
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<tr>
<td>Other liabilities</td>
<td>$685,025</td>
<td>$724,884</td>
<td>$825,336</td>
<td>$680,931</td>
<td>$1,290,961</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td>$34,277,730</td>
<td>$34,022,004</td>
<td>$35,948,873</td>
<td>$39,681,529</td>
<td>$38,130,478</td>
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<tr>
<td>Net assets</td>
<td>$4,967,413</td>
<td>$5,378,297</td>
<td>$6,720,889</td>
<td>$5,772,783</td>
<td>$8,713,793</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$39,245,143</td>
<td>$39,400,301</td>
<td>$46,669,762</td>
<td>$53,454,314</td>
<td>$56,844,271</td>
</tr>
</tbody>
</table>

**Income/Expenses**

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<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earned income, net of interest expense</td>
<td>$1,043,042</td>
<td>$1,324,183</td>
<td>$1,656,684</td>
<td>$2,308,112</td>
<td>$2,495,028</td>
</tr>
<tr>
<td>Contributed revenue</td>
<td>$300,000</td>
<td>$2,853,000</td>
<td>$6,073,253</td>
<td>$3,000,000</td>
<td>$1,442,139</td>
</tr>
<tr>
<td>Program expense</td>
<td>$1,047,880</td>
<td>$1,209,875</td>
<td>$1,108,862</td>
<td>$1,442,139</td>
<td>$1,506,643</td>
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<tr>
<td>Support expense</td>
<td>$203,092</td>
<td>$410,059</td>
<td>$589,982</td>
<td>$750,077</td>
<td>$750,077</td>
</tr>
<tr>
<td>Provision for loan losses</td>
<td>$120,000</td>
<td>$2,146,365</td>
<td>$688,500</td>
<td>$64,000</td>
<td>$667,500</td>
</tr>
<tr>
<td><strong>Change in Net Assets</strong></td>
<td>$(27,930)</td>
<td>$410,884</td>
<td>$5,342,592</td>
<td>$3,051,896</td>
<td>$3,051,896</td>
</tr>
</tbody>
</table>

**Key Ratios**

- **Net assets/total assets**: 12.66% → 13.65% → 22.97% → 25.77% → 32.92%
- **Allowance for loan losses/total loans**: 1.85% → 5.95% → 5.10% → 4.30% → 1.99%
- **Non-accrual loans (NAL) & delinquencies > 90 days**: 2.53% → 9.37% → 8.72% → 6.68% → 2.32%
- **Net charge-offs/total loans**: 0.00% → 2.01% → 1.52% → 0.87% → 3.32%
- **Earned income/program expense**: 9.9% → 10.5% → 11.0% → 10.6% → 11.2%
- **Self-Sufficiency Ratio**
  - 2008: 87% 80% 90% 91% 94%
  - 2009: 89% 91% 100% 101% 103%
  - 2010: 93% 100% 107% 110% 113%
  - 2011: 97% 104% 112% 118% 124%
  - 2012: 101% 108% 116% 123% 130%
- **Deployment Ratio**
  - 2008: 87% 90% 91% 80% 91%
  - 2009: 89% 91% 100% 101% 103%
  - 2010: 93% 100% 107% 110% 113%
  - 2011: 97% 104% 112% 118% 124%
  - 2012: 101% 108% 116% 123% 130%
- **Capital Ratio**
  - 2008: 13% 14% 23% 26% 33%
  - 2009: 14% 23% 26% 33% 37%
  - 2010: 23% 26% 33% 37% 41%
  - 2011: 26% 33% 37% 41% 45%
  - 2012: 33% 37% 41% 45% 50%
- **Delinquency Ratio**
  - 2008: 2.5% 9.4% 6.7% 2.3%
  - 2009: 9.4% 6.7% 2.3% 1.2%
  - 2010: 6.7% 2.3% 1.2% 0.6%
  - 2011: 2.3% 1.2% 0.6% 0.3%
  - 2012: 1.2% 0.6% 0.3% 0.1%

*Audited financial statements available at www.communityhousingcapital.org*
Thistle Communities

Yarmouth Way Development

It’s hard for many working people to make ends meet in Boulder, Colorado. When a median home price averages $556,000 in this affluent university town, even people who are considered “middle-income” find that living in Boulder is just not affordable. Faced with impossible housing costs, workers struggle with long daily commutes to and from their jobs in Boulder or spend a disproportionate amount of their income on housing.

Thistle Communities is a leader in developing housing for middle-income people in this unusual market. Its Yarmouth Way development is a mixed-income neighborhood consisting of 25 for-sale homes: 10 permanently affordable and 15 market-rate homes.

“Yarmouth Way was the lowest-priced new build for any single-family home in the city of Boulder,” said Sally Moser, director of marketing and communications at Thistle. “This pricing gave families real choice.” Several of the homeowners work at local school districts or at the University of Colorado.

In an effort to meet Boulder residents’ changing needs for affordable housing and the shifting economics of a volatile real estate market, Thistle changed its focus from rental housing to affordable ownership. Thistle made many tough decisions that, while hurting its short-term profitability, resulted in long-term sustainability. Although many banks would not have considered a loan at that time for single-family for-sale housing, CHC’s previous experience with Thistle and the organization’s rating as “strong” by NeighborWorks America gave CHC’s underwriters and loan committee the confidence to lend to them, filling a vital need in the community.

“We knew CHC had an appreciation for what we were doing in the community. Even if we had some other options, going with CHC was easier because we had a track record with them, said Moser. With its partners, Mercy Loan Fund and Mile High Community Loan Fund, CHC structured the financing to reduce overall risk associated with a for-sale development in a weak economy.

Thistle and CHC continue to collaborate on additional projects to provide quality housing so people who work in Boulder can afford to live there. As a result, Moser explains, “working families are able to stay in Boulder and contribute to the community where they work.”

South County Housing

Gilroy Sobrato Apartments and Alexander Place

South County Housing in Gilroy, California, meets the needs of residents across the socio-economic spectrum. Two of its most recent developments were made possible with CHC construction financing.

The Sobrato Apartments provide 26 studio apartments for chronically homeless individuals. Residents pay 30 percent of their income; the rest comes from subsidies. The county pays for tenant case management, including assistance with grocery shopping, paying their rent and bills, making medical appointments and other basic needs. Job training is also available to help these tenants re-integrate into living in a home.

Alexander Place is for-sale housing for buyers earning 60 to 80 percent of the area median income. Qualified buyers are eligible for mortgage and down payment assistance; they can own their home for about what they would pay in rent. Alexander Place provides families the opportunity to own homes, build assets and provide a stable environment for their children.

“CHC has a willingness to look beyond the surface and see that there are strong fundamentals that don’t show up on a balance sheet,” said Andy Lief, South County Housing’s director of housing development. “They’re willing to really look at the project itself and see what kind of support it has from community and other funding sources that make the project a good risk, and have faith in the organization that they can see it through.”

Orlando Neighborhood Improvement Corporation

Orlando Neighborhood Improvement Corporation’s 40-unit Callahan Oaks apartment complex has provided a stable home for some of the city’s lowest-income residents since 1989. The average income for residents there is about $20,000 a year, and some of them have lived there since the property was built.

ONIC wanted to refinance the mortgage to reduce expenses, but most lenders were not willing to refinance the property due to the economic downturn, according to Victoria Scott, controller and director of finance at ONIC. Community Housing Capital was willing to provide a loan at a lower interest rate that allowed them to pay off their first mortgage.

“Without CHC, we would not have been able to refinance the project,” Scott says. “Their involvement helped us reduce our payments, freeing up money for us to maintain and improve the property and keep rents at an affordable level for this vulnerable population.” With the money they are saving, ONIC is able to rehab and update the units and improve their energy efficiency, which reduced residents’ monthly utility bills.

ONIC also refers residents to a variety of programs, including financial literacy training, a “resident prosperity” program, English as a Second Language classes and an after-school arts program. “In addition to putting a roof over their heads,” says Scott, “we help people enrich their lives and gain some economic stability.”
Cabrillo Economic Development Corporation
Camino Gonzalez and Paseo de Luz Apartments

Cabrillo Economic Development Corporation had acquired a parcel of land in the city of Oxnard using funds from a local bank with the intention of developing single-family housing. When the housing market crashed, CEDC needed to re-evaluate the best possible use of the property. When the bank did not want to extend the loan, Community Housing Capital recognized the project's value and approved a $2.97 million loan to pay off the bank and refinance the property, providing CEDC with an additional two- to three-year window to develop the project.

CEDC was able to design and complete a campus with two adjacent properties: Camino Gonzalez, 18 apartments for farm workers and their families; and Paseo de Luz, 25 apartments for formerly homeless people who have mental illnesses.

"Making these kinds of developments possible gives real hope to a lot of people in our community and significantly increases their chance for a bright future," said Karen Flock, CEDC’s real estate development director.

Lawrence CommunityWorks
Union Crossing Development

Lawrence CommunityWorks saw many vacant mill buildings as the perfect opportunity to create affordable housing for its community's immigrant population. When LCW struggled to come up with the last 10 percent of financing, CHC stepped in to provide financing for the gap. "We couldn’t have developed the project without that 10 percent," said Lisa Kozol, LCW’s director of real estate development.

LCW renovated the 108-year-old building to create 60 affordable units. The building is "green," with solar panels, energy-efficient windows, an efficient heating system and other features. To help residents achieve a financially secure future, LCW provides asset building assistance, homebuyer education and individual development accounts.

Building on the success of the first project, CHC is financing 90 percent of the acquisition price of a second mill building. "This housing allows us to re-populate the civic landscape with residents who are able to take on leadership roles, work together to solve problems and lead the city into a place in the global economy," Kozol says.

Mutual Housing California
Mutual Housing at the Highlands

Mutual Housing at the Highlands

Developing supportive housing for families with chronic and long-term homelessness remains one of the most complicated housing challenges in the U.S. In addition to financing and developing housing facilities, organizations that take on this challenge must provide access to an array of support services that are essential to helping the formerly homeless achieve success.

Mutual Housing California conquered this challenge in its Mutual Housing at the Highlands development in Sacramento. The development opened in 2011, after an eight-year planning and subsidy application process that began with a land acquisition loan from Community Housing Capital. "Community Housing Capital was the first one in," says Holly Wunder Stiles, director of housing development. "CHC moves faster than most any other public or private lender. When a seller needs us to move quickly, we most often turn to CHC. C. Two-thirds of Highlands’ $20 million development of 90 homes serve the formerly homeless; the remainder is workforce housing."
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. Board member and chairman of governance 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 auspices 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.

James Paley, Vice Chair and Loan Committee Chair
James Paley is the 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, Ithaca, New York. Worked in the planning and community development fields for over 25 years, with experience that spans a broad spectrum of both nonprofit and government sectors, and serves on the board of directors of the National NeighborWorks Association. Mr. Mazzarella earned an M.S. in urban planning from Cornell University and a B.A. in political science from Duke University, and is a graduate of the Achieving Excellence program at Harvard’s Kennedy School of Government.

Carl Sneed, Treasurer
Mr. Sneed 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 earned his undergraduate degree from Illinois State University as well as an M.S. in Real Estate from Columbia University.

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 an 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; prior to joining CDT, 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 Senior Executive Vice President at 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. Mr. 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.

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Amy D. Klaben
President/CEO of Columbus Housing Partnership, Inc. prior to becoming the President/CEO, practiced law for 13 years in the area of real estate and corporate law, with concentrations in commercial and residential transactions, apartment management and financing; serves on the Franklin County Community Development Advisory Committee, JPMorgan Chase National Community Advisory Board, the Ohio Housing Council, and the United Way Housing Vision Council. Ms. Klaben earned a B.A. degree from Capital University and a J.D. from Northeastern University School of Law.

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 an M.S. in regional planning from the University of North Carolina.

Dan Heldridge
Executive Director, Global Sustainable Finance
Morgan Stanley

Senior Management Team

Jack Gilbert, President, Chief Executive Officer
David Landis, Senior Vice President, Chief Operating Officer
Brent Lee, Vice President, Chief Financial Officer
Deborah Campbell, Vice President, Investor Relations
Benjamin Greenberg, Director of Lending
There is a well-documented linkage between investment in community-based redevelopment activities and measurable positive impact on communities. The affordable housing development and preservation projects financed by Community Housing Capital (CHC) contribute to multiple social benefits:

- reduced likelihood that a family will go without food, heat, or necessary healthcare
- reduced societal health care and education costs now, and in the future
- reduced homelessness and its serious harmful impacts
- increased likelihood of academic success for children
- families moving less frequently

CHC is proud that the affordable housing we finance in underserved communities across the country also creates reinvestment in local economies through job creation. Additionally, it serves as the catalyst for attracting new investment in communities that have been overlooked for years, even decades.

Thought leaders in industry and philanthropy are recognizing the value of investing in community development as a way of addressing some of the nation’s most critical social problems.

In 2011 Starbucks and Opportunity Finance Network (OFN) teamed up to launch the Create Jobs for USA initiative in response to the jobs crisis facing America. The Create Jobs for USA Fund makes it possible for Americans to help other Americans who need jobs. Donations of $5 or more from individuals or corporations go to the Create Jobs for USA Fund at Opportunity Finance Network and are awarded to select community development financial institutions to help finance community businesses that help create and retain local jobs. OFN estimates that every $21,000 in financing to community businesses creates or retains one job.

In 2012, CHC was awarded a $375,000 grant from the Create Jobs for USA Fund. This grant became part of CHC’s loan fund, further leveraging private-sector debt and increasing CHC’s loan activity. In the past two years, CHC has financed 1,320 units which translates into more than 4,200 jobs – and this is just the beginning as CHC leverages and revolves each grant dollar as illustrated on page two of this report.

CHC thanks OFN and Starbucks for their visionary leadership. We are proud to have been selected as an awardee of the Create Jobs for USA Fund. This bold initiative sparked new financing to community businesses, including the affordable housing developers financed by CHC. The Create Jobs for USA initiative provided an example of a cutting-edge approach of using corporate and individual philanthropy to create jobs and improve the well-being of individuals, families and communities across the nation.