



California
Housing
Partnership
Corporation

*California's Experts on Affordable
Housing Finance, Advocacy & Policy*



IMPROVING LIVES
THROUGH THE
PRESERVATION
AND CREATION OF
AFFORDABLE
HOMES



LETTER FROM THE PRESIDENT



The essence of our mission has not changed in the eleven years since I came to work at the California Housing Partnership: to assist nonprofit and government housing agencies create and preserve housing affordable to low-income Californians while providing leadership on affordable housing finance issues.

What has changed is our understanding of the importance of *both* directly providing expert technical assistance in financing the creation and preservation of affordable rental homes *and* using the knowledge from those transactions to advocate for improvements to the policies and programs that define how this work can be done.

In 2002, the California Housing Partnership had five financial consultants but no staff dedicated to working on policy advocacy and program improvement. Today, we have ten financial consultants and six policy and program staff working to improve federal and state programs in ways that are beginning to pay significant public benefit dividends in the areas of location and energy efficiency.

Why location and energy efficiency? Because the shock of losing more than \$1.5 billion annually in state funding for our field led us to realize that we cannot be leaders if our vision is limited to only the contents of an affordable housing silo. To succeed in this new world we need to commit ourselves to a larger vision where low-income Californians can live in healthy communities paying no more than half their income for housing and transportation.

We are an organization that fundamentally believes in and works through partnerships. Our partners build and manage affordable homes; they lend to and invest in developments that will improve the lives of thousands of working families; and without their support and dedication, the work we do would not be possible.

Sincerely,

Matt Schwartz

President & CEO

A handwritten signature in black ink, appearing to read "Matt Schwartz". The signature is stylized and fluid, with some overlapping strokes.

Everyone deserves access to a safe, decent home.

Millions of Californians struggle to get by. Even those fortunate enough to make ends meet rarely have money left to save or invest after paying for basic needs, rent, transportation, utilities and health costs.

Home is the foundation of opportunity, and the California Housing Partnership has worked for 25 years to ensure that low-income Californians have the choice to live in a home that fosters a healthy, productive life. In partnership with nonprofit and government housing agencies, the California Housing Partnership provides the expertise, technical

assistance, and advocacy leadership necessary to create and preserve homes affordable to those with the fewest housing choices.

The State Legislature created the California Housing Partnership in 1988 to help preserve the state's existing supply of affordable homes and to provide leadership on affordable housing policy and resource issues. Since then, the California Housing Partnership has worked with thousands of industry professionals to build the capacity and effectiveness of affordable housing creators and preservers throughout California.

OUR MISSION

TO ASSIST NONPROFIT AND GOVERNMENT HOUSING AGENCIES TO CREATE AND PRESERVE HOUSING AFFORDABLE TO LOWER-INCOME HOUSEHOLDS, WHILE PROVIDING LEADERSHIP ON HOUSING PRESERVATION POLICY AND FUNDING.

ACCOMPLISHMENTS

CELEBRATING 25 YEARS OF IMPACT

“As a leading advocate for the preservation of affordable homes throughout the state, CHPC’s efforts have helped many low-income California families keep their homes.”

- Larry Gross
Executive Director, Coalition for Economic Survival

Empowering Housing Creators

The California Housing Partnership provides leadership and expertise in developing financial resources to make housing affordable to low-income Californians. We fulfill our mission by working through nonprofit and local government housing agencies that directly own and operate affordable homes.

Through training, technical assistance, and targeted advocacy, the California Housing Partnership has assisted hundreds of partner organizations in leveraging more than \$5 billion in competitive public and private financing to create, green, and preserve more than 20,000 rental homes affordable to California’s seniors, veterans and working families.



Over the past 25 years, the California Housing Partnership has assisted in financing the development and preservation of affordable homes in 27 counties in California.

MORE THAN ...

\$5 billion

IN FINANCING ASSEMBLED
FROM PUBLIC AND PRIVATE SOURCES

20,000

AFFORDABLE HOMES
CREATED AND/OR
PRESERVED

OUR HISTORY ...

1988

INCORPORATED AS A PRIVATE
NONPROFIT 501(C)(3) PUBLIC
BENEFIT CORPORATION.

1991

CHPC PRESERVES ITS FIRST TITLE
VI PROPERTY WITH AMADOR/
TUOLUMNE COMMUNITY
ACTION AGENCY.

ADVOCACY

“Since 1988, the California Housing Partnership has played a critical role in shaping and advocating for policies that expand financial resources for affordable homes.”

- Mary Murtagh
President & CEO, EAH Housing

Federal Policy Achievements

1990: CHPC helps to develop and pioneer the use of federal preservation tools such as Title VI, the Low Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRA)

2001: CHPC publishes “The Tax Credit Turns 15” to draw attention to the plight of the first generation of Low Income Housing Tax Credit properties that were losing affordability.

2005: CHPC contributes to the development of the Project-Based Voucher Regulations

2008: CHPC helps draft key provisions in the Housing and Economic Recovery Act including an exemption for federally subsidized properties from the LIHTC 10-year acquisition hold rule and strengthened the PBV regulations through the inclusion of a discretionary rent floor provision for PBV contracts.

2009: CHPC assists in the conception, drafting, and enactment of the Tax Credit Exchange Program of 2009, which enabled California to exchange more than \$478 million in tax credits made temporarily useless by the 2008 collapse of the financial markets for cash grants from the U.S. Treasury.

State Policy Achievements

2001-2011: CHPC works to strengthen and streamline the Affordable Housing Preservation Notice Law with a series of amendments culminating in the passage of S.B. 454 in 2011 that permanently extended the law.

2006: CHPC plays a leadership role in the campaign to pass the Housing and Emergency Shelter Trust Fund Act (Proposition 1C), providing \$2.85 billion for the creation and preservation of affordable homes in California.

2012: CHPC helps to write, sponsor, and pass Assembly Bill 1124 giving low-income tenants the right to benefit from ratepayer-funded efficiency improvements to heating, hot water, cooling and ventilation systems.

2010-2013: Through the Green Rental home Energy Efficiency Network (GREEN) CHPC moves affordable multifamily rental housing to the forefront of the energy efficiency financing discussion.

10,000 AFFORDABLE HOUSING INDUSTRY PROFESSIONALS TRAINED *(non-unique)*

45,000 LOW-INCOME SENIORS, VETERANS, AND WORKING FAMILIES NOW HAVE SAFE, SUPPORTIVE HOMES

1993

PRESERVATION TRAINING PROGRAMS REACH OVER 1,000 NONPROFIT AND GOVERNMENT STAFF. CHPC OPENS LOS ANGELES OFFICE.

1994

INAUGURAL CALIFORNIA HOUSING AND COMMUNITY DEVELOPMENT TRAINING PROGRAM GRADUATES 36 PROJECT MANAGERS.

1998

CELEBRATES THE CREATION AND PRESERVATION OF MORE THAN 3,000 AFFORDABLE HOMES.

HOUSING FINANCE

Financial Consulting

The California Housing Partnership's wide range of financial consulting services has helped our development partners create and preserve more than 20,000 homes affordable to low-income Californians by leveraging more than \$5 billion in public and private financing. Our financial consultants assist developers to maximize equity, subsidy, and loan proceeds, select investors, lenders and underwriters, negotiate deal points, prepare financial projections, and obtain funding from a large array of competitive federal and state financing programs.

The California Housing Partnership has provided this critical financial guidance to hundreds of nonprofit housing development organizations and local government housing agencies.

Training and Technical Assistance

The California Housing Partnership is recognized nationally as a leading trainer and provider of technical assistance in multifamily affordable housing finance. Since 1988 we have trained and assisted thousands of affordable housing professionals in California. In 2012 and 2013, California Housing Partnership staff led the

U.S. Department of Housing and Urban Development's (HUD) Basic and Advanced Housing Finance trainings in Los Angeles.

Affordable Housing Preservation

As the cost of building new affordable homes has risen and public subsidies have declined, it has become even more critical to preserve our existing supply. The California Housing Partnership has a proven track record of creating local, state, and federal programs to preserve affordable housing. Through our **GREEN Affordable Housing Preservation Program**, the California Housing Partnership conducts direct owner outreach, provides technical assistance, and advocates for improvements to existing programs and new financing resources.

Our **Portfolio Analysis and Repositioning Services** help nonprofit owners and housing authorities reposition their housing portfolios to take advantage of new funding opportunities, identify properties at risk of losing affordability, and create best practices for preserving affordable homes in unique market conditions throughout the state.

“THROUGH THEIR TRAINING AND TECHNICAL ASSISTANCE, THE CALIFORNIA HOUSING PARTNERSHIP HAS BEEN A KEY PARTNER FOR HUD’S PRESERVATION AND CAPACITY BUILDING WORK IN CALIFORNIA. THEY ARE A NATIONAL LEADER IN AFFORDABLE HOUSING FINANCE AND PRESERVATION POLICY.”

- Carol Galante

Assistant Secretary for Housing/Federal Housing Administration Commissioner

1999

CHPC HELPS THE SAN FRANCISCO REDEVELOPMENT AGENCY PRESERVE 785 AFFORDABLE HOMES.

2002

IN JUST ONE YEAR, CHPC HELPS FINANCE MORE THAN 1,000 NEW APARTMENTS; MATT SCHWARTZ HIRED AS EXECUTIVE DIRECTOR.

2005

PRESERVATION PROGRAM EXPANDS STAFF AND HOLDS FIRST IN A SERIES OF REGIONAL PRESERVATION WORKSHOPS; CHPC PRESERVES 5,000TH APARTMENT.

A STORY OF PUBLIC HOUSING RENEWAL PARC GROVE

FAST FACTS

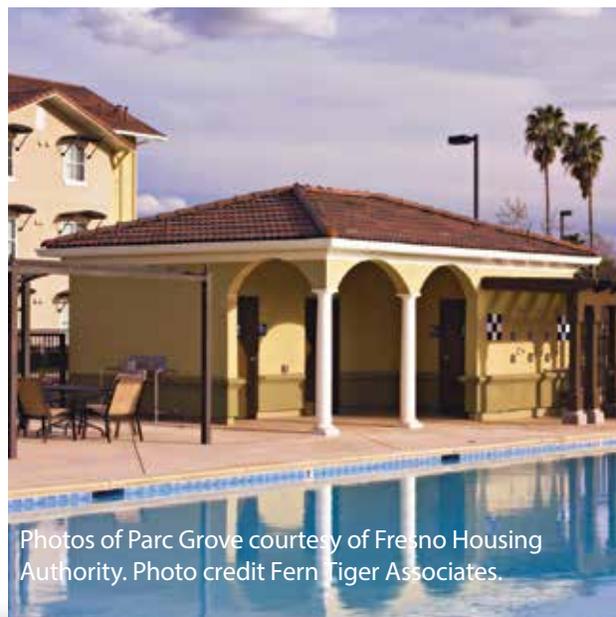
- *Fresno, CA*
- *215 apartments, pool, clubhouse*
- *Developer: Fresno Housing Authority*
- *Built in 2011*
- *0-60% Area Median Income*

Caught in the depths of the economic crisis in 2009, Fresno Housing Authority found itself without a lender or a tax credit investor for the revitalization of the former public housing that is now Parc Grove Commons. The California Housing Partnership helped the Housing Authority develop a new strategy to successfully acquire competitive 9% Low Income Housing Tax Credits (LIHTC), a shift that attracted the investors needed to move the project forward to completion.

The resulting well designed, energy-efficient apartment community is a stark contrast to the dilapidated public housing it replaced. Guided by the belief that high-quality housing will inspire residents to take more pride in their homes, Fresno Housing Authority incorporated the latest in sustainable building design throughout the development's 215 apartments, pool, club house, and landscaping. Residents now enjoy a safer, healthier, and more comfortable place to call home.

“CHPC HELPED US ASSEMBLE THE KNOWLEDGE AND FINANCIAL CAPACITY TO BECOME A LEADER IN PUBLIC HOUSING REVITALIZATION AND THE PRODUCTION OF GROUNDBREAKING SUPPORTIVE HOUSING FOR THE HOMELESS.”

**-Preston Prince
CEO, Fresno Housing Authority**



Photos of Parc Grove courtesy of Fresno Housing Authority. Photo credit Fern Tiger Associates.

2007

FEDERAL POLICY PROJECT LAUNCHED TO WORK WITH PUBLIC HOUSING AUTHORITIES AND LOCAL GOVERNMENTS TO ADVOCATE THAT CONGRESS ADEQUATELY FUND PUBLIC HOUSING AND PRESERVATION

2010

GREEN RENTAL HOME ENERGY EFFICIENCY NETWORK (GREEN) LAUNCHED TO EXPAND ACCESS TO ENERGY EFFICIENCY RESOURCES FOR MULTIFAMILY RENTAL HOUSING.

2013

CHPC CELEBRATES 25 YEARS OF SERVICE IN AFFORDABLE HOUSING IN CALIFORNIA.



A STORY OF REVITALIZATION

POWAY VILLAS

FAST FACTS

- San Diego, CA
- 60 renovated apartments, community garden, learning center
- Developer: Community Housing Works (CHW)
- Built in 1974, rehabilitated in 2012
- 20-60% AMI



In 2011 Poway Villas was badly in need of repair and was at-risk of converting to market-rate housing. With critical financing assistance from California Housing Partnership Southern California Director Paul Beesemyer and federal advocacy assistance from President and CEO Matt Schwartz, Community Housing Works was able to purchase the property and implement \$4.5 million in repairs, making Poway Villas a model in sustainable design and energy efficiency.



Nearly every resident at Poway Villas is extremely low-income, and more than a third are seniors. The renovations at Poway Villas reinforced the value of home, community, comfort, and cooperation. Since the renovations, residents at Poway Villas now enjoy a community garden, a learning center, and shared recreational space.

Poway Villas was an example of how to successfully layer LIHTCs with HUD rent subsidies to preserve and renovate aging housing assets in the absence of public funding. Paul and Matt were able to help CHW get HUD approval for a budget-based rent increase using HUD's Section 8 renewal policy. This increase was key to structuring a financially feasible Low Income Housing Tax Credit transaction.



Ultimately, CHW's success in securing the complex financing for Poway Villas resulted in the preservation and rehabilitation of a valuable community asset. "Between the mortgage, the tax credit equity, and seller note, we were able to achieve the kind of comprehensive renovations that will preserve Poway Villas as a home for current and future low-income residents for many years into the future," said Mary Jane Jagodzinski, CHW Senior Project Manager.

ENERGY EFFICIENCY

PRESERVATION THROUGH ENERGY AND LOCATION EFFICIENCY

Rising energy costs threaten the affordability of multifamily rental housing as owners are saddled with ever-increasing utility bills and are unable to raise rents to meet costs. Older multifamily rental buildings are rife with opportunities to increase energy efficiency and lower operating costs, but many owners are unable to access the resources that would allow them to implement improvements when they need them most.

In 2010 the California Housing Partnership formed the **Green Rental home Energy Efficiency Network (GREEN)** to reduce the administrative and programmatic barriers that prevent multifamily low-income housing providers from accessing energy efficiency funds and services, and to create a network for sharing best practices. GREEN has also led the way in developing new tools for financing energy efficiency improvements in multifamily housing.

GREEN has since grown to become an active coalition of 60 mission-driven and service organizations across California working collaboratively for the inclusion of low-income multifamily rental housing as a priority in federally and state-funded and regulated energy efficiency programs.

Since 2012, the California Housing Partnership has advocated strongly for the use of Cap-and-Trade auction proceeds for the development and preservation of affordable homes near transit. Thanks in large part to the persistent advocacy of the **Sustainable Communities for All Coalition**, of which the California Housing Partnership is a leading partner, the state now recognizes affordable housing near transit as an effective strategy for reducing greenhouse gases. Over the next several years, the California Housing Partnership will continue to fight for investment in affordable homes that benefit communities and the environment.

INNOVATION



In 2013 the California Housing Partnership launched the Ratepayer Integrated On-bill Payment Program (RIOPP). Funded by the John D. and Catherine T. MacArthur Foundation, RIOPP is the first program in California to offer a complete package of integrated utility on-bill

financing tools tailored to the specific needs of low-income multifamily rental properties for performance-based, whole-building energy efficiency retrofits. RIOPP provides a “one-stop shop” through which owners receive technical assistance, guidance on how to leverage utility rebate and free direct install programs, and help to secure third party financing through an on-bill repayment mechanism. Stewards of Affordable Housing for the Future is the national partner on this project, helping determine how to bring the RIOPP model to scale nationwide. RIOPP expects to serve its first five properties in 2014.



A STORY OF EFFICIENT DEVELOPMENT

RICHARDSON APARTMENTS

FAST FACTS

- *San Francisco, CA*
- *120 studio apartments*
- *Developers: Community Housing Partnership and Mercy Housing California*
- *Built in 2012*
- *0-50% AMI*



Built on a former freeway site a stone's throw from San Francisco's City Hall, the Richardson Apartments consist of 120 studios for formerly homeless individuals, many with mental and physical disabilities. Community Housing Partnership developed these service-enriched apartments for chronically homeless adults in partnership with Mercy Housing California. Energy efficiency and close proximity to transit were important drivers in the successful development of this new community, as was the integration of health services that will likely save the city hundreds of thousands of dollars in long-term healthcare costs.



The California Housing Partnership's Richard Mandel played a key role in assembling the financing for the Richardson Apartments, particularly in bringing Citi Community Capital to the table with construction financing and a significant equity investment. Richard notes, "A project this large that's also 100% affordable for homeless residents requires an amazing amount of cooperation from all parties involved."



"WE WERE ABLE TO OVERCOME DIFFICULT FINANCING AND POLICY BARRIERS WITH CHPC'S SUPPORT, ALLOWING US TO CREATE AND PRESERVE HUNDREDS OF AFFORDABLE HOMES."

- Doug Shoemaker
President, Mercy Housing California

COMMUNITY

“IT IS CRITICAL FOR ALL OF US IN THE AFFORDABLE HOUSING INDUSTRY TO REMEMBER THAT OUR WORK IS DRIVEN BY THE PEOPLE WE SERVE — PEOPLE JUST LIKE BRENDA EGBY.”

- Holly Benson
Vice President, Housing Development, Abode Communities



Brenda in her kitchen at Hudson Oaks. “I now look forward to a healthy and optimistic future.”

MEET BRENDA EGBY

Before coming to Abode Communities’ Hudson Oaks, Brenda Egby was living “from pillar to post,” with no family support and little income after having been subjected to age discrimination in the workforce. Of retirement age, Brenda’s life changed when she was accepted to Hudson Oaks, a supportive community for low-income seniors in the Washington Park area of Pasadena, California.

The California Housing Partnership helped Abode Communities assemble \$16 million in financing to get the project off the ground and to implement cutting-edge energy efficiency elements into the design. The 45-unit development was completed in April 2012, and residents like Brenda now feel safe and secure in their new homes.

EVER WONDER WHO LIVES IN AFFORDABLE HOUSING IN CALIFORNIA?

IT MAY NOT BE WHO YOU THINK.

THEY ARE OUR TEACHERS, OUR VETERANS, OUR GRANDPARENTS, OUR NEIGHBORS.

- **70% OF HOUSEHOLDS INCLUDE AN ELDERLY PERSON**
- **20% STRUGGLE WITH PHYSICAL AND/OR MENTAL DISABILITIES**
- **32% ARE FAMILIES WITH CHILDREN**

** Data from HUD’s Public Use Microdata Sample, 2013.*

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