NOVOGRADAC & COMPANY LLP®

Community Housing Partnership and Affiliates

Consolidated Financial Statements with Report of Independent Auditors
For the year ended December 31, 2020
and the six months ended December 31, 2019

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES

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NOVOGRADAC & COMPANY LLP®

Report of Independent Auditors

To the Board of Directors of
Community Housing Partnership and Affiliates:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Community Housing Partnership, a California nonprofit corporation, and affiliates (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year and six-month period then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the year and six-month period then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 44 to 51 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual companies, and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2021, on our consideration of Community Housing Partnership and Affiliates's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Housing Partnership and Affiliates's internal control over financial reporting and compliance.

Novogradac & Company LLP

Walnut Creek, California
October 6, 2021

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

	CHP Program Services	*CHP Property Operations*	*Subtotal*	*Eliminations*	*Total*
ASSETS					
Current assets					
Cash and cash equivalents	$ 2,171,108	$ 7,747,753	$ 9,918,861	$ -	$ 9,918,861
Receivables					
Government grants	2,919,644	-	2,919,644	-	2,919,644
Other grants and contributions	232,912	-	232,912	-	232,912
Contract services	663,526	-	663,526	-	663,526
Related parties - current portion	3,727,966	791,197	4,519,163	(4,519,163)	-
Developer fee receivable - current portion	2,213,826	-	2,213,826	(2,213,826)	-
Rent, subsidy, and others	124,673	1,828,797	1,953,470	-	1,953,470
Prepaid expenses and deposits	495,382	2,570,513	3,065,895	-	3,065,895
Marketable securities	20,149	-	20,149	-	20,149
Total current assets	12,569,186	12,938,260	25,507,446	(6,732,989)	18,774,457
Related party receivable - net of current portion	2,455,000	2,425,151	4,880,151	(4,880,151)	-
Developer fee receivable - net of current portion	1,801,601	-	1,801,601	(1,801,601)	-
Restricted deposits					
Replacement, operating and other reserves	745,336	17,024,499	17,769,835	-	17,769,835
Tenant security deposits	8,077	318,325	326,402	-	326,402
Development-in-progress	-	37,492,399	37,492,399	-	37,492,399
Fixed assets - net	692,685	207,966,198	208,658,883	-	208,658,883
Deferred costs - net	-	171,166	171,166	-	171,166
Investment in other companies	4,939,123	7,158,136	12,097,259	(8,402,987)	3,694,272
Total non-current assets	10,641,822	272,555,874	283,197,696	(15,084,739)	268,112,957
Total assets	$ 23,211,008	$ 285,494,134	$ 308,705,142	$ (21,817,728)	$ 286,887,414
LIABILITIES AND NET ASSETS					
Current liabilities					
Accounts payable and accrued expenses	$ 3,201,676	$ 8,221,355	$ 11,423,031	$ 474,408	$ 11,897,439
Related parties - current portion	2,247,019	2,615,984	4,863,003	(4,863,003)	-
Developer fee payable	-	4,114,090	4,114,090	(2,093,545)	2,020,545
Interest payable - current portion	-	327,041	327,041	-	327,041
Notes payable, net - current portion	250,000	4,088,163	4,338,163	(250,000)	4,088,163
Total current liabilities	5,698,695	19,366,633	25,065,328	(6,732,140)	18,333,188
Tenant security deposits	21,499	325,415	346,914	-	346,914
Deferred income	10,754	652,398	663,152	4,744,074	5,407,226
Related parties - net of current portion	-	1,801,601	1,801,601	(1,801,601)	-
Interest payable - net of current portion	-	22,063,577	22,063,577	-	22,063,577
Notes payable, net - net of current portion	5,271,191	170,476,386	175,747,577	(4,881,000)	170,866,577
Total non-current liabilities	5,303,444	195,319,377	200,622,821	(1,938,527)	198,684,294
Total liabilities	11,002,139	214,686,010	225,688,149	(8,670,667)	217,017,482
Net assets					
Net assets without donor restrictions					
Controlling interest	11,861,425	5,838,157	17,699,582	(13,147,061)	4,552,521
Non-controlling interest	-	59,834,461	59,834,461	-	59,834,461
Total net assets without donor restrictions	11,861,425	65,672,618	77,534,043	(13,147,061)	64,386,982
Net assets with donor restrictions	347,444	5,135,506	5,482,950	-	5,482,950
Total net assets	12,208,869	70,808,124	83,016,993	(13,147,061)	69,869,932
Total liabilities and net assets	$ 23,211,008	$ 285,494,134	$ 308,705,142	$ (21,817,728)	$ 286,887,414

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

	CHP Program Services	*CHP Property Operations*	*Subtotal*	*Eliminations*	*Total*
ASSETS					
Current assets					
Cash and cash equivalents	$ 771,329	$ 6,039,204	$ 6,810,533	$ -	$ 6,810,533
Receivables					
Government grants	1,371,663	-	1,371,663	-	1,371,663
Other grants and contributions	149,138	-	149,138	-	149,138
Contract services	628,775	-	628,775	-	628,775
Related parties - current portion	3,233,913	280,549	3,514,462	(3,514,462)	-
Developer fee receivable - current portion	845,281	-	845,281	(670,281)	175,000
Rent, subsidy, and others	27,974	1,457,191	1,485,165	-	1,485,165
Prepaid expenses and deposits	287,648	3,504,501	3,792,149	(498,115)	3,294,034
Marketable securities	20,149	-	20,149	-	20,149
Total current assets	7,335,870	11,281,445	18,617,315	(4,682,858)	13,934,457
Related party receivable - net of current portion	2,455,000	2,426,000	4,881,000	(4,881,000)	-
Developer fee receivable - net of current portion	1,995,258	-	1,995,258	(1,995,258)	-
Restricted deposits					
Replacement, operating and other reserves	725,231	14,893,438	15,618,669	-	15,618,669
Tenant security deposits	8,076	317,660	325,736	-	325,736
Development-in-progress	2,500	1,192,672	1,195,172	-	1,195,172
Fixed assets - net	1,077,317	215,642,046	216,719,363	-	216,719,363
Deferred costs - net	-	213,537	213,537	-	213,537
Investment in other companies	5,594,920	3,754,749	9,349,669	(9,344,669)	5,000
Total non-current assets	11,858,302	238,440,102	250,298,404	(16,220,927)	234,077,477
Total assets	$ 19,194,172	$ 249,721,547	$ 268,915,719	$ (20,903,785)	$ 248,011,934
LIABILITIES AND NET ASSETS					
Current liabilities					
Accounts payable and accrued expenses	$ 1,958,476	$ 1,181,218	$ 3,139,694	$ 56,933	$ 3,196,627
Related parties - current portion	2,143,404	2,346,387	4,489,791	(4,489,791)	-
Developer fee payable	-	14,500	14,500	-	14,500
Interest payable - current portion	-	245,902	245,902	-	245,902
Notes payable, net - current portion	250,000	399,880	649,880	(250,000)	399,880
Total current liabilities	4,351,880	4,187,887	8,539,767	(4,682,858)	3,856,909
Tenant security deposits	15,031	369,084	384,115	-	384,115
Deferred income	17,229	916,245	933,474	4,003,992	4,937,466
Related parties - net of current portion	-	1,995,258	1,995,258	(1,995,258)	-
Interest payable - net of current portion	-	19,710,062	19,710,062	-	19,710,062
Notes payable, net - net of current portion	2,455,000	150,544,183	152,999,183	(4,881,000)	148,118,183
Total non-current liabilities	2,487,260	173,534,832	176,022,092	(2,872,266)	173,149,826
Total liabilities	6,839,140	177,722,719	184,561,859	(7,555,124)	177,006,735
Net assets					
Net assets without donor restrictions					
Controlling interest	12,225,032	5,432,055	17,657,087	(13,348,661)	4,308,426
Non-controlling interest	-	61,431,267	61,431,267	-	61,431,267
Total net assets without donor restrictions	12,225,032	66,863,322	79,088,354	(13,348,661)	65,739,693
Net assets with donor restrictions	130,000	5,135,506	5,265,506	-	5,265,506
Total net assets	12,355,032	71,998,828	84,353,860	(13,348,661)	71,005,199
Total liabilities and net assets	$ 19,194,172	$ 249,721,547	$ 268,915,719	$ (20,903,785)	$ 248,011,934

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	CHP Program Services	*CHP Property Operations*	*Subtotal*	*Eliminations*	*Total*
Change in net assets without donor restrictions					
Revenue					
Government grants	$ 9,221,516	$ -	$ 9,221,516	$ -	$ 9,221,516
Contributions	2,229,865	-	2,229,865	(39,726)	2,190,139
Contract service income	2,775,664	-	2,775,664	-	2,775,664
Rent and subsidy income - net	192,038	18,891,904	19,083,942	(80,533)	19,003,409
Operating subsidy grants	-	2,967,594	2,967,594	-	2,967,594
Developer fees	2,218,545	-	2,218,545	(2,128,545)	90,000
Related party fees	4,297,746	-	4,297,746	(4,297,746)	-
Gain (loss) from investment in other companies	(240,837)	(873)	(241,710)	241,710	-
Interest and other income	29,552	269,775	299,327	(84,296)	215,031
Investment income	-	-	-	-	-
Total revenue	20,724,089	22,128,400	42,852,489	(6,389,136)	36,463,353
Net assets released from restrictions	130,000	-	130,000	-	130,000
Total revenue net assets released from restrictions	20,854,089	22,128,400	42,982,489	(6,389,136)	36,593,353
Expenses					
Program services	15,674,603	19,310,770	34,985,373	(5,899,376)	29,085,997
Management and general	4,577,857	-	4,577,857	-	4,577,857
Fundraising	580,604	-	580,604	-	580,604
Total expenses before deferred interest, depreciation and amortization	20,833,064	19,310,770	40,143,834	(5,899,376)	34,244,458
Change in net assets without donor restrictions before deferred interest, depreciation and amortization	21,025	2,817,630	2,838,655	(489,760)	2,348,895
Deferred interest	-	2,480,159	2,480,159	-	2,480,159
Depreciation and amortization	384,632	8,072,363	8,456,995	(111,336)	8,345,659
Total deferred interest, depreciation and amortization	384,632	10,552,522	10,937,154	(111,336)	10,825,818
Change in net assets without donor restrictions	(363,607)	(7,734,892)	(8,098,499)	(378,424)	(8,476,923)
Change in net assets with donor restrictions					
Contributions	347,444	-	347,444	-	347,444
Releases from net assets with donor restrictions	(130,000)	-	(130,000)	-	(130,000)
Change in net assets with donor restrictions	217,444	-	217,444	-	217,444
Total change in net assets	(146,163)	(7,734,892)	(7,881,055)	(378,424)	(8,259,479)
Net assets, beginning of period	12,355,032	71,998,828	84,353,860	(13,348,661)	71,005,199
Capital contributions - non-controlling interest	-	7,151,790	7,151,790	-	7,151,790
Capital distributions - non-controlling interest	-	(27,578)	(27,578)	-	(27,578)
Capital distributions - controlling interest	-	(580,024)	(580,024)	580,024	-
Net assets, end of period	$ 12,208,869	$ 70,808,124	$ 83,016,993	$ (13,147,061)	$ 69,869,932
Reconciliation of net assets					
Controlling interest					
Beginning of period					$ 9,573,932
Changes in net assets					461,539
End of period					10,035,471
Non-controlling interest					
Beginning of period					61,431,267
Capital contributions					7,151,790
Capital distributions					(27,578)
Changes in net assets					(8,721,018)
End of period					59,834,461
Net assets, end of period					$ 69,869,932

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

	CHP Program Services	*CHP Property Operations*	*Subtotal*	*Eliminations*	*Total*
Change in net assets without donor restrictions					
Revenue					
Government grants	$ 4,432,351	$ -	$ 4,432,351	$ -	$ 4,432,351
Contributions	1,195,120	-	1,195,120	-	1,195,120
In-kind contributions	88,852	-	88,852	-	88,852
Contract service income	1,634,731	-	1,634,731	-	1,634,731
Rent and subsidy income - net	99,015	9,516,317	9,615,332	(40,995)	9,574,337
Operating subsidy grants	-	1,638,496	1,638,496	-	1,638,496
Developer fees	87,500	-	87,500	-	87,500
Related party fees	2,138,360	-	2,138,360	(2,138,360)	-
Gain (loss) from investment in other companies	33,956	(817)	33,139	(33,139)	-
Interest and other income	26,489	215,589	242,078	(173,847)	68,231
Investment income	4,064	-	4,064	-	4,064
Total revenue	9,740,438	11,369,585	21,110,023	(2,386,341)	18,723,682
Net assets released from restrictions	100,000	-	100,000	-	100,000
Total revenue net assets released from restrictions	9,840,438	11,369,585	21,210,023	(2,386,341)	18,823,682
Expenses					
Program services	7,789,099	9,195,680	16,984,779	(2,353,202)	14,631,577
Management and general	1,633,492	-	1,633,492	-	1,633,492
Fundraising	397,706	-	397,706	-	397,706
Total expenses before deferred interest, depreciation and amortization	9,820,297	9,195,680	19,015,977	(2,353,202)	16,662,775
Change in net assets without donor restrictions before deferred interest, depreciation and amortization	20,141	2,173,905	2,194,046	(33,139)	2,160,907
Deferred interest	-	1,257,383	1,257,383	-	1,257,383
Depreciation and amortization	173,527	4,044,211	4,217,738	(55,668)	4,162,070
Total deferred interest, depreciation and amortization	173,527	5,301,594	5,475,121	(55,668)	5,419,453
Change in net assets without donor restrictions	(153,386)	(3,127,689)	(3,281,075)	22,529	(3,258,546)
Change in net assets with donor restrictions					
Contributions	-	-	-	-	-
Releases from net assets with donor restrictions	(100,000)	-	(100,000)	-	(100,000)
Change in net assets with donor restrictions	(100,000)	-	(100,000)	-	(100,000)
Total change in net assets	(253,386)	(3,127,689)	(3,381,075)	22,529	(3,358,546)
Net assets, beginning of year	12,608,418	74,126,517	86,734,935	(12,371,190)	74,363,745
Capital contributions - non-controlling interest	-	-	-	-	-
Capital contributions - controlling interest	-	1,000,000	1,000,000	(1,000,000)	-
Net assets, end of year	$ 12,355,032	$ 71,998,828	$ 84,353,860	$ (13,348,661)	$ 71,005,199
Reconciliation of net assets					
Controlling interest					
Beginning of year					$ 9,110,212
Changes in net assets					463,720
End of year					9,573,932
Non-controlling interest					
Beginning of year					65,253,533
Capital contributions					-
Changes in net assets					(3,822,266)
End of year					61,431,267
Net assets, end of year					$ 71,005,199

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2020

AND SIX MONTHS ENDED DECEMBER 31, 2019

	For the year ended December 31, 2020					
	Program Services	Management and General	Fundraising	Subtotal	Eliminations	Total
Expenses						
Professional fees	$ 1,016,609	$ 270,179	$ 37,275	$ 1,324,063	$ -	$ 1,324,063
Office and administration costs	2,296,987	330,016	57,476	2,684,479	263,924	2,948,403
Consulting and contract services	423,864	143,249	5,144	572,257	-	572,257
Repairs and maintenance	3,622,860	97,246	63	3,720,169	(11,224)	3,708,945
Occupancy and ground lease expense	1,391,111	76,949	15,764	1,483,824	(128,882)	1,354,942
Utilities	3,063,035	5,802	862	3,069,699	-	3,069,699
Real estate taxes, business licenses and permits	185,131	4,495	475	190,101	-	190,101
Tenant projects and activities	776,144	1,147	948	778,239	(311,824)	466,415
Insurance	1,396,651	24,258	624	1,421,533	-	1,421,533
Intercompany, indirect and company-wide costs	4,433,999	244	-	4,434,243	(4,434,243)	-
Interest and bank charges	3,457,698	8,072	1	3,465,771	-	3,465,771
Depreciation and amortization	8,448,321	8,674	-	8,456,995	(111,336)	8,345,659
Wages, benefits, payroll taxes and expenses	15,410,117	3,607,526	461,972	19,479,615	(1,277,127)	18,202,488
Total expenses	$ 45,922,527	$ 4,577,857	$ 580,604	$ 51,080,988	$ (6,010,712)	$ 45,070,276

	For the six months ended December 31, 2019					
	Program Services	Management and General	Fundraising	Subtotal	Eliminations	Total
Expenses						
Professional fees	$ 472,071	$ 147,134	$ 45,045	$ 664,250	$ -	$ 664,250
Office and administration costs	1,010,147	314,936	95,015	1,420,098	95,741	1,515,839
Consulting and contract services	561,342	52,679	4,045	618,066	-	618,066
Repairs and maintenance	1,494,252	181	-	1,494,433	(5,612)	1,488,821
Occupancy and ground lease expense	657,461	45,820	9,947	713,228	(62,439)	650,789
Utilities	1,400,019	4,208	914	1,405,141	-	1,405,141
Real estate taxes, business licenses and permits	103,582	123	-	103,705	-	103,705
Tenant projects and activities	322,126	1,701	4,732	328,559	(148,414)	180,145
Insurance	669,939	3,404	762	674,105	-	674,105
Intercompany, indirect and company-wide costs	2,229,464	3,014	-	2,232,478	(2,232,478)	-
Interest and bank charges	1,671,960	677	-	1,672,637	-	1,672,637
Depreciation and amortization	4,217,738	-	-	4,217,738	(55,668)	4,162,070
Wages, benefits, payroll taxes and expenses	7,649,799	1,059,615	237,246	8,946,660	-	8,946,660
Total expenses	$ 22,459,900	$ 1,633,492	$ 397,706	$ 24,491,098	$ (2,408,870)	$ 22,082,228

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
AND SIX MONTHS ENDED DECEMBER 31, 2019

	Year Ended December 31, 2020	Six Months Ended December 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (8,259,479)	$ (3,358,546)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Interest expense - debt issuance costs	21,306	8,702
Amortization of discount	17,943	7,086
Investment income	-	(4,064)
Depreciation and amortization	8,345,659	4,162,070
(Increase) decrease in assets		
Accounts receivable	(2,134,811)	(597,300)
Developer fee receivable	175,000	2,500
Prepaid expenses and deposits	228,139	(689,545)
Marketable securities	-	(8,278)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	2,500,179	(93,457)
Deferred income	581,096	(881,292)
Tenant security deposits payable	(37,201)	6,076
Interest payable	2,436,382	1,203,201
Net cash provided by (used in) operating activities	3,874,213	(242,847)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in investment in other companies	(3,689,272)	-
Purchases of fixed assets, including development-in-progress	(28,444,693)	(660,243)
Net cash used in investing activities	(32,133,965)	(660,243)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contributions - non-controlling interest	7,151,790	-
Capital distributions - non-controlling interest	(27,578)	-
Payment of notes payable	(391,939)	(213,117)
Proceeds from notes payable	26,787,639	62,560
Net cash provided by (used in) financing activities	33,519,912	(150,557)
Net change in cash, cash equivalents, and restricted cash	5,260,160	(1,053,647)
Cash, cash equivalents, and restricted cash at beginning of period	22,754,938	23,808,585
Cash, cash equivalents, and restricted cash at end of period	$ 28,015,098	$ 22,754,938
Cash and cash equivalents	$ 9,918,861	$ 6,810,533
Restricted cash	18,096,237	15,944,405
Total cash, cash equivalents, and restricted cash	$ 28,015,098	$ 22,754,938
Supplemental disclosure of cash flow information		
Cash paid for interest expense	$ 950,445	$ 446,914
Supplemental disclosure of noncash activities		
Assets acquired by assuming liabilities	$ 8,206,678	$ 358,723
Increase in fixed assets from reclassification of tax credit fees	$ -	$ 1,438
Decrease of deferred income from amortization of development fees	$ 111,336	$ 55,668

1. Organization

Community Housing Partnership and affiliates ("CHP" or "Organization") is a California non-profit public benefit corporation first incorporated in March 1990. CHP adopted a fictitious business name, HomeRise, in 2020. CHP's mission is to help homeless people secure housing and become self-sufficient. Through an integrated network of services, from housing to employment, CHP ensures each client has an individualized pathway to success. For the purposes of CHP's financial statements, activities are divided into these functional areas:

Property Management: CHP provides management of the properties owned and/or leased by the Organization. CHP also provides other fee-based services to properties they do not own or lease.

Support Services: CHP provides support services to formerly homeless individuals and families living in affordable housing.

Social Enterprise and Workforce Services: CHP prepares and assists clients living in affordable housing to enter the workforce in lobby services positions. CHP's social enterprise, doing business as Solutions SF, provides front desk staffing services to numerous clients in San Francisco.

Housing Development: CHP develops affordable housing for homeless individuals and families.

Fundraising: CHP raises funds for the Organization's programs and operations.

Management and General: CHP provides administrative support to each of the program areas listed above.

CHP is the sole member of limited liability companies (LLCs) that hold, or intend to hold, a controlling general partner interest in their respective limited partnerships providing affordable housing. These entities, which are included in the consolidated financial statements of CHP in accordance with generally accepted accounting principles, are single-member LLCs:

Limited Liability Companies	*Limited Partnerships*
CHP Essex LLC	Hotel Essex, L.P.
CHP Eddy LLC	650 Eddy, L.P.
CHP San Cristina LLC	San Cristina, L.P.
CHP Scott Street LLC	CHP Scott Street, L.P.
CHP Ellis LLC	473 Ellis, L.P.
CHP Arendt LLC	Arendt House, L.P.
CHP Fulton Street LLC	365 Fulton, L.P.
CHP 666 RAD LLC	666 Ellis, L.P.
CHP 1750 RAD LLC	1750 McAllister, L.P.
Folsom Essex LLC	25 Essex, L.P.
Mission Bay 9 CHP LLC	Mission Bay 9, L.P.
CHP Colton LLC	

CHP is the sole member of CHP Fifth Street LLC, which operates 5th Street Apartments, a property which houses and supports young adults at risk of homelessness, and is also the site of CHP's centralized training center.

1. Organization (continued)

CHP is the sole member of Treasure Island Family Services Space LLC, which supports property management and supportive services for low-income families.

CHP is the sole member of CHP Civic Center LLC, which was formed to lease the rentable space at Civic Center Hotel (see Note 17) and develop an on-site Navigation Center to provide supportive services and help tenants transition to permanent housing.

During 2019, the Organization changed its fiscal year end from June 30 to December 31.

2. Summary of significant accounting policies and nature of operations

Basis of accounting
The Organization uses the accrual method of accounting consistent with accounting principles generally accepted in the United States of America, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

Principles of consolidation
The consolidated financial statements include the accounts of CHP and the activity of limited partnerships and limited liability companies that are controlled by CHP. All significant intercompany transactions and balances have been eliminated in these consolidated financial statements.

Non-controlling interest
The non-controlling interest represents the aggregate balance of limited partner equity interests in Hotel Essex, L.P., 650 Eddy, L.P., 473 Ellis, L.P., Arendt House, L.P., 365 Fulton, L.P., CHP Scott Street, L.P., 25 Essex, L.P., 666 Ellis, L.P.,1750 McAllister, L.P, and Mission Bay 9, L.P. The aggregate balance of the limited partners' interest is shown in net assets without donor restrictions.

Investments in other companies
CHP's investments in other companies are recorded using the equity method. The investments were initially recorded at cost and then adjusted for CHP's proportionate share of undistributed earnings or losses. Investments in other companies that are controlled by CHP are eliminated in these consolidated financial statements.

Financial statement presentation
The Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, which will be met by actions of the Organization or by the passage of time. Other donor restrictions, if applicable, are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

2. Summary of significant accounting policies and nature of operations (continued)

Financial statement presentation (continued)
Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities and changes in net assets.

Cash and cash equivalents
Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or fewer at the date of acquisition.

Restricted cash is not considered cash and cash equivalents, and includes cash held with financial institutions for refunds of tenant security deposits, funding of operating deficits, repairs or improvements to the buildings that extend their useful lives, loan repayments, and other restrictions as stated in the Organization's various governing agreements. Restricted cash does not fall under the criteria for net assets with donor restrictions as these funds are held for operational purposes rather than donor imposed restrictions.

Concentration of credit risk
The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The uninsured cash balance, including restricted accounts, but excluding deposits held by the lender, trustee, or governmental agency, was approximately $15,000,000 as of December 31, 2020. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts receivable and contributions receivable
Management considers receivables to be fully collectible. If amounts become uncollectible, they are charged to operations in the period in which that determination is made. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Fixed assets and depreciation
Purchased fixed assets are stated at cost. The cost associated with the development and the construction of real property is capitalized. Newly purchased, acquired, constructed, or donated fixed assets are capitalized if they have an expected useful life greater than one year and have a value of $2,500 or more. Building improvements, upgrades, or repairs are capitalized if they have a value of $2,500 or more and they extend the useful life of an existing asset by more than one year. When fixed assets are retired or otherwise disposed, the cost of the fixed asset and the related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in the consolidated statements of activities.

Depreciation is computed on the straight-line method over the estimated useful lives of the assets. The useful lives of the Organization's assets are estimated as follows:

Buildings	27.5 to 55 years
Building improvements	10 to 55 years
Land improvements	15 years
Leasehold improvements	3 to 10 years
Furniture, fixtures & equipment	3 to 10 years

2. Summary of significant accounting policies and nature of operations (continued)

Impairment of long-lived assets
The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flows expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flow analysis, or other valuation technique. There were no impairment losses recognized for the year ended December 31, 2020 and the six months ended December 31, 2019.

Development-in-progress
The Organization incurs costs during the construction or rehabilitation phase of each affordable or other housing project. Such costs include governmental fees, legal, consulting and other fees needed to assess a project's feasibility and arrange for financing, in addition to the hard construction costs. These costs are recorded as development-in-progress until the project is completed and placed in service.

Deferred costs and amortization
Deferred costs are comprised of tax credit fees, which are amortized on a straight-line basis over the respective tax credit compliance period. The balance of deferred tax credit fees as of December 31, 2020 and 2019 was $171,166 and $213,537, respectively. The related amortization expense for the year ended December 31, 2020 and six months ended December 31, 2019 was $42,371 and $22,250, respectively.

Income taxes
CHP is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and from California income and franchise taxes under Revenue and Taxation Code Section 23701(d).

Single member limited liability companies are disregarded as an entity separate from its owner.

Income taxes on affiliated partnerships are levied on the partners in their individual capacity. All profits and losses of the partnerships are recognized by each partner on its respective tax return. Accordingly, no provision for income taxes is reflected in the accompanying consolidated financial statements.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. Management has determined whether any tax positions have met the recognition threshold and has measured the Organization's exposure to those tax positions. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years and four years after they were filed for federal and state, respectively. Any interest or penalties assessed to the Organization are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

2. Summary of significant accounting policies and nature of operations (continued)

Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Contributions

Contributions are recognized as revenue when they are pledged unconditionally. Grants represent contributions if resource providers receive no value in exchange for the assets transferred. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

Development fees

CHP recognizes developer fee revenue as earned during the development phase of a project based on the achievement of specified benchmarks in accordance with related development agreement, which generally approximate revenue recognition by the percentage of completion method.

Developer fee profits recognized from subsidiaries are eliminated as intercompany transactions. CHP estimates that 60% of its developer fees cover related project costs. Project costs include costs of development, such as consultants, allocated internal salaries and benefits, related overhead, and other non-reimbursed fees that are ordinarily capitalized. The 40% profit portion of the development fees is considered deferred income and amortized annually to offset the depreciation expense related to the fee capitalized as real property costs.

Guarantees

Generally accepted accounting principles require a liability to be recorded for the fair value of the stand ready obligation associated with a guarantee issued after December 31, 2002. Guarantees issued between entities under common control or on behalf of an entity under common control are excluded. Consequently, no liabilities have been recorded as all guarantees are considered to be issued to entities under common control.

In-kind contributions

Donated services – The Organization receives various volunteer services throughout the year. The fair value of donated services is recognized in the financial statements if the services either (i) create or enhance a nonfinancial asset, or (ii) require specialized skills, are provided by entities or persons possessing those skills, and would need to be purchased if they were not donated. During the year ended December 31, 2020 and six months ended December 31, 2019, the value of volunteer services totaled $0 and $88,852, respectively, which is included in in-kind contributions on the accompanying consolidated statements of activities.

Donated assets – Donated assets are recorded at fair value on the date of donation. The Organization did not receive any donated assets during the year ended December 31, 2020 and six months ended December 31, 2019.

2. Summary of significant accounting policies and nature of operations (continued)

Economic concentrations
The Organization operates various properties located in San Francisco, California. Future operations could be affected by changes in economic or other conditions in that geographical area or by changes in demand for such housing and supportive services.

Revenue recognition
Contract service revenue is recognized when earned and represents fees earned by the Organization for services provided under various agreements and contracts in connection with the Organization's exempt purpose. Additionally, revenue resulting from special events, fees charged by the Organization, and other revenue is recorded when earned.

Rental revenue attributable to residential leases is recorded when due from residents or from the applicable federal or local housing agency. Leases are for periods of up to one year, with rental payments due monthly. Rental payments received in advance are deferred until earned. Vacancy loss and rent concessions are shown as a reduction in rental income. Rental units occupied by employees are included as both rental income and as an expense of operations.

Functional expenses
The cost of program services and supporting activities are presented on a functional basis in the accompanying consolidated statement of functional expenses. Expenses incurred in the direct operation of housing and other programs are presented as program services. Expenses incurred for the purpose of obtaining contributions are presented as fundraising expenses. Other expenses that are necessary to conduct the Organization as a whole, but which are not allocable to another functional expense category, are presented as management and general expenses. In addition, certain expenses are allocable among these three categories in accordance with the Organization's policies as described below.

Salary allocations are based on the type of activities performed and either estimated or actual time spent on the activities. Allocation of specific invoices or reimbursable costs are based on actual staff time spent on a project as reflected on activity logs or time sheets. Allocations of payroll taxes and employee benefits are based on a percentage of salaries as required by the IRS and CHP's workers' compensation insurance carrier. The cost of employee health benefits is allocated based on an analysis of the full time equivalent (FTE) spent on an activity or project.

Other company-wide costs necessary for the operation of program activities, management and administration of the Organization, and fundraising, which are shared among one or more functional categories, are allocated based on FTE spent on an activity or project.

Reclassifications
Certain reclassifications have been made to the prior period financial statements to conform to the current year presentation.

2. Summary of significant accounting policies and nature of operations (continued)

Subsequent events

Subsequent events have been evaluated through October 6, 2021, which is the date the financial statements were available to be issued. The following is a summary of significant transactions through October 6, 2021.

In April 2021, CHP Colton, LLC paid off the loan from Market Street 1629 Ventures, LP. In July 2021, upon substantiation of utilizing loan funds toward eligible expenses, the CARES Act's Paycheck Protection Program loan was forgiven. See Note 10.

3. Restricted cash

The Organization is required by certain loan and regulatory agreements to maintain separate replacement reserves, operating reserves and other reserve accounts, withdrawal from which normally requires prior approval from the lenders or regulatory agencies. The Organization's restricted cash, in part, consisted of the following as of December 31, 2020 and 2019 as shown in the tables below:

	December 31, 2020				
	Replacement Reserves	Operating Reserves	Other Reserves	Subsidy Reserves	Total
Senator Hotel	$ 238,508	$ 343,483	$ 596	$ -	$ 582,587
San Cristina Hotel	135,295	8,044	280,550	-	423,889
Iroquois Hotel	734,646	266,013	-	-	1,000,659
Island Bay Homes	97,215	321,989	715	-	419,919
Hotel Essex, L.P.	410,609	340,005	-	2,311	752,925
650 Eddy, L.P.	276,513	350,678	253,501	32,105	912,797
Arendt House, L.P.	254,748	223,934	-	171,789	650,471
473 Ellis, L.P.	214,915	3,731,134	-	-	3,946,049
365 Fulton, L.P.	548,161	479,228	578,695	74,222	1,680,306
CHP Scott Street, L.P.	171,682	158,772	-	13,099	343,553
CHP Villages	4	1,348,766	117,367	-	1,466,137
25 Essex, L.P.	503,267	704,352	170,621	98,158	1,476,398
666 Ellis, L.P.	9,797	366,487	520,752	-	897,036
1750 McAllister	-	817,212	613,886	-	1,431,098
Civic Center	19,938	-	-	-	19,938
Mission Bay 9, L.P.	-	-	1,040,675	-	1,040,675
Total	$ 3,615,298	$ 9,460,097	$ 3,577,358	$ 391,684	$17,044,437

3. Restricted cash (continued)

	December 31, 2019				
	Replacement Reserves	Operating Reserves	Other Reserves	Subsidy Reserves	Total
Senator Hotel	$ 246,152	$ 343,391	$ 596	$ -	$ 590,139
San Cristina Hotel	102,333	8,042	280,550	-	390,925
Iroquois Hotel	102,026	596,457	-	-	698,483
Island Bay Homes	195,975	104,098	-	-	300,073
Hotel Essex, L.P.	402,270	339,923	-	2,308	744,501
650 Eddy, L.P.	371,833	286,098	253,440	100,810	1,012,181
Arendt House, L.P.	232,410	223,880	-	127,759	584,049
473 Ellis, L.P.	193,984	3,711,605	-	-	3,905,589
365 Fulton, L.P.	501,891	1,035,233	75,730	74,188	1,687,042
CHP Scott Street, L.P.	153,832	141,328	-	113,071	408,231
CHP Villages	97,392	210,226	1,154,922	-	1,462,540
25 Essex, L.P.	453,744	703,997	170,535	98,108	1,426,384
666 Ellis, L.P.	9,943	324,943	27,237	-	362,123
1750 McAllister	-	998,359	322,819	-	1,321,178
Total	$ 3,063,785	$ 9,027,580	$ 2,285,829	$ 516,244	$14,893,438

In addition to the reserves in the tables above, the Organization maintains a corporate reserve and supplemental reserve, the use of which is restricted by certain loan agreements. The balance of the corporate reserve as of December 31, 2020 and 2019 was $715,347 and $715,185, respectively. The balance of the supplemental reserve as of December 31, 2020 and 2019 was $10,051 and $10,046, respectively. The Organization is also required to hold tenant security deposits in a separate bank account in the name of each project. Security deposits as of December 31, 2020 and 2019 were $326,402 and $325,736, respectively.

Senator Hotel – In accordance with the Department of Housing and Community Development ("HCD") Multifamily Housing Program ("MHP") regulatory agreement, CHP is required to make an annual deposit of $37,845 to the replacement reserve. In accordance with the loan agreement between CHP and the City and County of San Francisco (the "City"), deposits to the operating reserve are required if the balance falls below 25% of project income, as defined, in a monthly amount equal to 3% of annual operating expenses. HCD requires operating reserve deposits in accordance with approved annual operating budgets.

San Cristina Hotel – In accordance with the HCD regulatory agreement, CHP shall make deposits into the operating and replacement reserves as specified in approved annual budgets. An additional reserve for capital replacements was funded upon the project's sale of certain transferable development rights during a prior year.

Iroquois Hotel – In accordance with the loan agreement with the City and County of San Francisco's Mayor's Office of Housing ("MOH"), CHP is required to make annual deposits to the replacement reserve equal to $10,679. This agreement also requires CHP to make monthly deposits to the operating reserve equal to 2.5% of average monthly operating expenses of the previous year until such time as the reserve reaches a balance of 25% of prior year operating expenses.

3. Restricted cash (continued)

Island Bay Homes – In accordance with the loan agreement with the City, CHP is required to fund a replacement reserve in an amount equal to $500 per unit per year increasing by 3.5% annually. CHP is also required to maintain an operating reserve balance equal to 25% of the prior year operating expenses. By agreement with the City, CHP set up a separate subsidy reserve in the initial amount of $128,440. The subsidy reserve was established to supplement anticipated future negative cash flows at the project and requires CHP to fund the subsidy reserve annually if the balance of the operating checking account is greater than one-sixth of prior year's operating expenses, in an amount equal to the difference thereof.

Hotel Essex, L.P. – In accordance with the partnership agreement and the lenders' regulatory agreements, the replacement reserve is required to be funded in the annual amount of $45,000. The agreements also require the partnership to maintain an operating reserve that is required to be funded monthly in an amount equal to one-twelfth of 3% of the prior year's actual project expenses until the balance in the operating reserve equals 25% of the prior year's actual project expenses. Additionally, according to the HCD regulatory agreement, the partnership shall fully replace any withdrawals from the operating reserve prior to using available cash flow to pay partnership fees. In addition to the replacement and operating reserves, the partnership is required to maintain an operating subsidy reserve account in accordance with the Local Operating Subsidy Program ("LOSP") grant agreement with the City. The operating subsidy reserve account is used to deposit any excess subsidy payments received from the City that have not been used in operations during the year.

650 Eddy, L.P. – In accordance with the partnership agreement and the lenders' regulatory agreements, the replacement reserve is required to be funded in the annual amount of $49,800. The agreements also require the partnership to maintain an operating reserve that is required to be funded monthly in an amount equal to a specified percentage of the prior year's actual project expenses until the balance in the operating reserve equals 25% of the prior year's actual project expenses. Additionally, according to the HCD regulatory agreement, the partnership shall fully replace any withdrawals from the operating reserve prior to using available cash flow to pay partnership fees. The partnership is also required to maintain a transition reserve in accordance with the partnership agreement and the lenders' regulatory agreement. The reserve was required to be funded in an initial amount of $250,000 with no subsequent deposits required to be made. In addition to the replacement, operating, and transition reserves, the partnership is required to maintain an operating subsidy reserve account in accordance with the LOSP grant agreement with the City. The operating subsidy reserve account is used to deposit any excess subsidy payments received from the City that have not been used in operations during the year.

Arendt House, L.P. – In accordance with the partnership agreement and the lenders' regulatory agreements, the replacement reserve is required to be funded in the annual amount of $28,200. The agreements also require the partnership to maintain an operating reserve that is required to be funded monthly in an amount equal to one-twelfth of 3% of the prior year's actual project expenses until the balance in the operating reserve equals at least 25% of the prior year's actual project expenses. In addition to the replacement and operating reserves, the partnership is required to maintain an operating subsidy reserve account in accordance with the LOSP grant agreement with the City. The operating subsidy reserve account is used to deposit any excess subsidy payments received from the City that have not been used in operations during the year.

3. Restricted cash (continued)

473 Ellis, L.P. – In accordance with the partnership agreement and the lenders' regulatory agreements, the replacement reserve is required to be funded in the annual amount of $30,900. The HCD regulatory agreement requires the partnership to maintain an operating reserve with a minimum balance of $170,224 with any withdrawals from the reserve to be replaced in full prior to any distributions of surplus cash. The loan agreement between 473 Ellis, L.P. and the City requires the minimum operating reserve balance to be equal to 25% of the prior year's project expenses, as defined, with monthly deposits equal to one-twelfth of 3% of the prior year's actual project expenses until the minimum balance is funded. HCD also requires a supplemental operating reserve in order to fund operating deficits throughout the term of the project's HCD loan.

365 Fulton, L.P. – In accordance with the partnership agreement and the lenders' regulatory agreements, the replacement reserve is required to be funded in an annual amount equal to $70,800. The agreements also require the partnership to maintain an operating reserve balance of 25% of prior year operating expenses. Additionally, according to the HCD regulatory agreement, the partnership shall fully replace any withdrawals from the operating reserve prior to using available cash flow to pay partnership fees. The partnership also maintains certain operating reserves pursuant to the partnership's California Housing Finance Agency regulatory agreement. In addition to the replacement and operating reserves, the partnership is required to maintain an operating subsidy reserve account in accordance with the LOSP grant agreement with the City. The operating subsidy reserve account is used to deposit any excess subsidy payments received from the City that have not been used in operations during the year. Additional reserves have been funded in accordance with the partnership agreement.

CHP Scott Street, L.P. – In accordance with the partnership agreement and the lenders' regulatory agreements, the replacement reserve is required to be funded in the annual amount of $13,425. The HCD regulatory agreement requires the partnership to maintain an operating reserve with a minimum balance of $411,875 with any withdrawals from the reserve to be replaced in full prior to any distributions of surplus cash. The partnership must maintain an operating subsidy reserve pursuant to the LOSP grant agreement with the City. The reserve shall be a segregated account comprised of subsidy payments received from the City prior to use in operations as outlined in the grant agreement.

CHP Villages – In accordance with the loan agreement with the City, monthly deposits to the replacement reserve are required in an amount equal to 2% of project income of the previous month, subject to adjustment by the City. The loan agreement also requires an operating reserve to be funded at a minimum balance equal to 25% of the prior year's actual project expenses. Additionally, the loan agreement requires a special surplus reserve account. The project shall deposit project income in excess of project expenses into the special surplus reserve account.

25 Essex, L.P. – In accordance with the partnership agreement and the lenders' regulatory agreements, after the required initial deposit of $54,600, the replacement reserve is required to be funded in an annual amount of $72,000 through equal monthly deposits. The HCD regulatory agreement requires the partnership to maintain an operating reserve with a minimum balance of $701,900 with any withdrawals from the reserve to be replaced in full prior to any distributions of surplus cash. The partnership was also required to establish lease-up reserves in the initial funding amount of $170,000, which funds shall revert to the primary operating reserve after the lease-up or stabilization period. The partnership must also maintain an operating subsidy reserve pursuant to the LOSP grant agreement with the City. The reserve shall be a segregated account comprised of subsidy payments received from the City prior to use in operations as outlined in the grant agreement.

3. Restricted cash (continued)

666 Ellis, L.P. – In accordance with the partnership agreement and the lenders' regulatory agreements, after the required initial deposit of $99,000, the replacement reserve is required to be funded in an annual amount of $39,600 through equal monthly deposits. The partnership must also establish and maintain an operating reserve with a balance of $325,020, with any withdrawals from the reserve to be replaced in full prior to certain other uses of available cash. The partnership agreement and loan agreements also require a transition reserve in the initial funding amount of $325,020 to pay for operating deficits during the initial phase of the project, which funds shall revert to the primary operating reserve after the lease-up. The timing of the funding of these reserves depends on certain events in accordance with the partnership agreement. Additional reserves are required in accordance with the partnership's loan agreements.

1750 McAllister, L.P. – In accordance with the partnership agreement, after the required initial deposit of $97,000, the replacement reserve is required to be funded in an annual amount of $38,796 through equal monthly deposits. The partnership must also establish an operating reserve in the initial amount of $817,212, subject to the terms of the partnership agreement. The partnership agreement also requires a separate subsidy shortfall reserve in the initial amount of $177,284 to pay for operating deficits caused by a subsidy shortfall during the compliance period of the project, with any remaining funds to be used to pay the partnership's permanent loans. The timing of the funding of these reserves depends on certain events in accordance with the partnership agreement. Additional reserves are required in accordance with the partnership's loan agreements.

Mission Bay 9, L.P. – The partnership has proceeds reserved for the development of the project.

4. Contributions and grants receivable

Contributions and grants receivable as of December 31, 2020 and 2019, which represent amounts expected to be received in less than one year, consisted of the following:

	2020	2019
Federal grant receivable	$ 2,919,644	$ 1,371,663
Other contributions and grants	232,912	149,138
Total	$ 3,152,556	$ 1,520,801

5. Fixed assets

Fixed assets as of December 31, 2020 and 2019 consisted of the following:

	2020	2019
Land	$ 6,232,752	$ 6,232,752
Buildings and building improvements	262,079,220	259,300,410
Land improvements	3,118,976	3,118,976
Furniture, fixtures, and equipment	5,018,207	4,944,456
Leasehold improvements	2,224,027	4,722,444
Total fixed assets	278,673,182	278,319,038
Less accumulated depreciation	(70,014,299)	(61,599,675)
Total fixed assets, net	$ 208,658,883	$ 216,719,363
Development-in-progress	$ 37,492,399	$ 1,195,172

5. Fixed assets (continued)

Depreciation expense during the year ended December 31, 2020 and six months ended December 31, 2019 was $8,303,288 and $4,139,820, respectively, which is shown net of deferred developer fee amortization of $111,336 and $55,668 (see Note 12), respectively.

6. Investment in other companies

CHP Colton LLC and Strada Brady, LLC (“Strada”) are co-members of Strada/CHP, LLC, with each party owning 50% of the company. Strada/CHP LLC was formed on November 1, 2017 to serve as the administrative general partner of 53 Colton L.P., which intends to own and operate a future low-income housing development (the “53 Colton”). In accordance with Strada/CHP LLC’s operating agreement, Strada is the managing member during the development phase of 53 Colton and CHP Colton LLC will become the managing member upon permanent loan conversion. Strada is considered to have control of 53 Colton during the development phase, therefore CHP Colton LLC accounts for its investment in Strada/CHP LLC under the equity method of accounting. As of December 31, 2020 and 2019, CHP Colton LLC’s investment balance in Strada/CHP LLC was $0, with no corresponding investment income during the year ended December 31, 2020 and six months ended December 31, 2019.

53 Colton L.P. was formed on August 14, 2019 and is owned .0049% by Strada/CHP LLC, .0051% by CHP Colton LLC, and 99.99% by Strada Colton LLC, a Strada affiliate. On November 19, 2020, Strada Colton LLC withdrew from the partnership and Wincopin Circle LLLP was admitted as the limited partner. Effective March 30, 2021, Wincopin Circle LLLP assigned its partnership interest to Enterprise Neighborhood Partners X, LLLP. As of December 31, 2020 and 2019, CHP Colton LLC’s investment balance in 53 Colton L.P. was $3,694,272 and $0, respectively.

7. Developer fee payable

CHP has entered into a development agreement with 25 Essex, L.P. The agreement provides for a developer fee in the amount of $1,200,000 for services in connection with the development of Rene Cazenave Apartments, with $600,000 payable to CHP and $600,000 payable to MCB Family Housing, Inc., an affiliate of Bridge Housing Corporation (“Bridge”). As of December 31, 2020 and 2019, developer fee payable to MCB Family Housing, Inc. was $13,650.

Pursuant to the development agreement for Arendt House, L.P., Tenderloin Neighborhood Development Corporation, a former general partner of the partnership, earned a specified percentage of the total developer fee of $1,200,000. As of December 31, 2020 and 2019, the developer fee payable was $850.

Pursuant to the development agreement for Mission Bay 9, L.P., CHP shall serve as the co-developer for the Mission Bay project along with Bridge, with the developer fee to be split evenly between CHP and Bridge. For the year ended December 31, 2020 and the six months ended December 31, 2019, Bridge earned developer fees of $2,128,545 and $0, respectively. As of December 31, 2020 and 2019, the balance of developer fee payable was $2,006,045 and $0, respectively.

8. Developer fee revenue and receivable

Pursuant to a memorandum of understanding, CHP and Strada Investment Group intend to execute a development agreement in order to serve as co-developers in connection with a future development located at the site of the Civic Center Hotel and its adjacent parcels. For the year ended December 31, 2020 and six months ended December 31, 2019, CHP earned developer fees of $90,000 and $0, respectively, for services performed during the predevelopment phase of the project. As of December 31, 2020 and 2019, the balance of developer fees receivable was $0.

9. Marketable securities

Marketable securities consist of mutual funds, which are reported at quoted market prices. The balance of marketable securities at December 31, 2020 and 2019 was $20,149. For the year ended December 31, 2020 and six months ended December 31, 2019, realized and unrealized gain from marketable securities was $0 and $4,064, respectively.

10. Notes payable

Notes payable are secured by the property unless otherwise noted and consist of the following:

	2020	2019
CHP loans:		
Community Housing Partnership During 2017, CHP and Bank of America California, N.A. executed a loan under the Affordable Housing Program in the principal amount of $970,000. CHP, in turn, made a loan of equal amount to 1750 McAllister, L.P. The loan bears no interest and is secured by a subordinate deed of trust in the housing project. The loan is forgivable after 15 years from the date the project's rehabilitation was completed, which occurred during the year ended June 30, 2019, provided the project complies with certain affordable housing provisions of the loan agreement; otherwise, the loan is payable at maturity on October 1, 2072.	$ 970,000	$ 970,000
During 2018, CHP and Bank of America California, N.A. executed a loan under the Affordable Housing Program in the principal amount of $1,485,000. CHP, in turn, made a loan of equal amount to 666 Ellis, L.P. The loan bears no interest and is secured by a subordinate deed of trust in the housing project. The loan is forgivable after 15 years from the date the project's rehabilitation was completed, which occurred during the year ended June 30, 2018, provided the project complies with certain affordable housing provisions of the loan agreement; otherwise, the loan is payable at maturity on October 1, 2072.	1,485,000	1,485,000

10. Notes payable (continued)

	2020	2019
Community Housing Partnership (continued) On April 18, 2020, CHP was a successful loan applicant to the CARES Act's Paycheck Protection Program ("PPP") in the amount of $2,816,191. The purpose of the program is to provide resources to maintain payroll to offset the economic effects of the COVID-19 pandemic. The PPP loan bears 1% simple interest and is due at maturity on April 18, 2022, with the first payment deferred until December 2020. In July 2021, upon substantiation of utilizing loan funds toward eligible expenses, the PPP loan was forgiven.	2,816,191	-
Senator Hotel On September 12, 2006, Senator Hotel obtained a loan from HCD's MHP program in the amount of $4,294,690. The loan bears interest at a rate of 3% per annum. The loan requires an annual payment equal to 0.42% of the unpaid principal balance for the first 30 years. Thereafter until maturity in September 2061, principal and interest payments shall be determined by HCD based on their costs of monitoring the project. Additional payments are made to the extent of available cash flow. Accrued interest as of December 31, 2020 and 2019 was $1,579,766 and $1,450,925, respectively. Current interest expense during the year ended December 31, 2020 and six months ended December 31, 2019 was $18,038 and $9,019, respectively, which is included in program services expense on the accompanying consolidated statements of activities. Deferred interest expense during the year ended December 31, 2020 and six months ended December 31, 2019 was $110,803 and $55,401, respectively.	4,294,690	4,294,690
Senator Hotel obtained a permanent loan from the Redevelopment Agency of the City and County of San Francisco. On March 11, 2003, the loan was amended to reflect a principal balance of $907,037. The permanent loan bears interest at 8% compounded annually. On September 15, 2006, an additional $440,495 of indebtedness was added to the deed of trust. The additional amount represents accrued interested related to a prior construction loan and does not bear interest. Payments are to be made from net cash flow with any remaining principal and interest due at maturity on March 11, 2053. Accrued interest as of December 31, 2020 and 2019 was $1,926,795 and $1,854,232, respectively. Deferred interest expense during the year ended December 31, 2020 and six months ended December 31, 2019 was $72,563 and $63,406, respectively.	1,347,532	1,347,532

10. Notes payable (continued)

	2020	2019
Senator Hotel (continued) Senator Hotel executed a loan with the City and County of San Francisco in the maximum principal amount of $262,975 in order to replenish the project's operating reserve. The loan is secured by a deed of trust on the project. The loan bears contingent interest at a rate of 3% and is payable only to the extent of residual receipts as defined in the loan agreement. Principal repayments are also contingent on sufficient residual receipts. Otherwise, all unpaid principal and interest is payable upon maturity 55 years from the execution of the loan, on July 17, 2072. For the year ended December 31, 2020 and six months ended December 31, 2019, no interest was incurred or paid.	239,036	239,036
San Cristina Hotel On February 11, 1992, San Cristina Hotel obtained a loan from HCD's California Housing Rehabilitation Program ("CHRP") in the amount of $1,750,000. The loan bears simple interest at a rate of 3% per annum. No payments are due until maturity. The loan is due in February 2047, but can be deferred upon approval of the lender. Accrued interest as of December 31, 2020 and 2019 was $1,297,001 and $1,244,501, respectively. Deferred interest expense during the year ended December 31, 2020 and six months ended December 31, 2019 was $52,500 and $26,250, respectively.	1,750,000	1,750,000
On April 9, 2019, San Cristina Hotel executed a loan with Century Housing Corporation in the maximum principal amount of $1,958,000. The loan requires payments on a monthly basis beginning May 1, 2019. The required monthly principal payment is equal to the amount of outstanding principal divided by the number of the remaining months of the 60-month loan term. The loan bears a variable interest rate equal to the 1-month LIBOR plus 4.50% with a floor rate of 6.50% and a maximum rate of 7.75%, adjusted monthly (6.50% as of December 31, 2020). As of December 31, 2020 and 2019, accrued interest was $4,136 and $3,292, respectively. Interest expense during the year ended December 31, 2020 and six months ended December 31, 2019 was $71,157 and $19,388, respectively.	1,662,993	563,489
On January 25, 2012, San Cristina Hotel obtained an unsecured loan from Energy Update California - Bay Area Multifamily Program ("BAM"), with Enterprise Community Loan Fund, Inc. in the original amount of $59,699 to construct retrofit improvements on the property. The loan bears 5% simple interest and matures on July 1, 2022. Interest expense during the year ended December 31, 2020 and six months ended December 31, 2019 was $625 and $2,824, respectively, and is included in program services expense on the accompanying consolidated statements of activities.	12,998	18,091

10. Notes payable (continued)

	2020	2019
San Cristina Hotel (continued) San Cristina Hotel executed a loan with the City and County of San Francisco in the maximum principal amount of $197,530 in order to replenish the project's operating reserve. The loan is secured by a deed of trust on the project. The loan bears contingent interest at a rate of 3% and is payable only to the extent of residual receipts as defined in the loan agreement. Principal repayments are also contingent on sufficient residual receipts. Otherwise, all unpaid principal and interest is payable upon maturity 55 years from the execution of the loan, on January 17, 2073. For the year ended December 31, 2020 and six months ended December 31, 2019, no interest was incurred or paid.	146,990	146,990
On January 10, 2018, CHP, on behalf of San Cristina Hotel, executed a loan in the maximum principal amount of $450,000 with the City and County of San Francisco, as funded by HUD's CDBG program, in order to rehabilitate the San Cristina Hotel. The loan is secured by a deed of trust in the project. The loan bears simple interest at a rate of 3% per annum and is payable only to the extent of residual receipts as defined in the loan agreement. Principal repayments are also contingent on sufficient residual receipts. Otherwise, all unpaid principal and interest is payable on the date that is the later of (a) the fifty-seventh (57th) anniversary of the recording of the deed of trust or (b) the fifty-fifth (55th) anniversary of the conversion date, as defined. Accrued interest as of December 31, 2020 and 2019 was $32,627 and $19,127, respectively. Interest expense during the year ended December 31, 2020 and six months ended December 31, 2019 was $13,500 and $19,127, respectively.	450,000	450,000
Iroquois Hotel On April 20, 1995, Iroquois Hotel obtained a loan from the City in the amount of $1,500,000. The loan bears a 6% simple interest rate. Interest will be accrued, but no payments of interest or principal are due in the first 15 years of the term. Thereafter, payments of principal and interest are made to the extent of residual receipts. No payments of principal or interest were made for the year ended December 31, 2020 and six months ended December 31, 2019. Provided that no event of default occurs, any remaining obligation will be forgiven upon maturity on April 20, 2070. Accrued interest as of December 31, 2020 and 2019 was $2,052,764 and $2,134,228, respectively. Deferred interest expense during the year ended December 31, 2020 and six months ended December 31, 2019 was $90,000 and $45,000, respectively.	1,500,000	1,500,000

10. Notes payable (continued)

	2020	2019
Iroquois Hotel (continued) On January 6, 2012, Iroquois Hotel obtained an unsecured loan from BAM, with Enterprise Community Loan Fund, Inc. in the original amount of $53,774 to construct retrofit improvements on the property. The loan bears 5% simple interest and is due at maturity on July 1, 2022. Accrued interest as of December 31, 2020 and 2019 was $157 and $0, respectively. Interest expense during the year ended December 31, 2020 and six months ended December 31, 2019 was $720 and $368, respectively, which is included in program services expense on the accompanying consolidated statements of activities.	11,708	16,295
Island Bay Homes On July 26, 2000, Island Bay Homes obtained a loan from the City in the amount of $997,409. The loan bears 2.33% simple interest through maturity on July 26, 2050, but only if the project has enough available cash to make surplus cash payments. Payments of principal and interest are due to the extent of residual receipts. Accrued interest as of December 31, 2020 and 2019 was $396,023. There was no interest expense during the year ended December 31, 2020 and six months ended December 31, 2019.	997,409	997,409
LIHTC partnerships and other affiliates:		
473 Ellis, L.P. On March 19, 2012, the partnership executed a loan agreement with the City, through its Housing Site Acquisition Program and CDBG Program, to assume the outstanding debt encumbering the project. Pursuant to the Amended and Restated Loan agreement, the loan amounts under the two programs were combined into a single loan in the amount of $4,397,874 with an amended maturity date. The loan is payable without interest with all unpaid principal due at maturity on March 21, 2069. During 2015, the partnership discounted the principal debt assumed at acquisition to its present value as of the acquisition date, with a corresponding reduction in the basis of the acquired land and building by the amount of the discount. Deferred interest expense for the year ended December 31, 2020 and six months ended December 31, 2019 was $19,626 and $9,619, respectively. The outstanding principal balance as of December 31, 2020 and 2019 was $2,264,358 and $2,244,732, respectively, net of discount of $1,927,683 and $1,947,309, respectively.	4,192,041	4,192,041

10. Notes payable (continued)

	2020	2019
473 Ellis, L.P. (continued) On March 16, 2012, in connection with the acquisition of the project, the partnership executed a loan agreement through HCD's CHRP program to assume the outstanding principal and accrued interest encumbering the project in the amounts of \$1,298,743 and \$816,696, respectively. The loan bears 3% simple interest, with annual payments equal to 0.42% of the unpaid principal amount. All principal and interest are due at maturity on August 30, 2067. Additional payments are made to the extent to available cash. During 2015, the partnership discounted the debt assumed at acquisition, including principal, accrued interest, and future interest payments, to its present value as of the acquisition date, with a corresponding reduction in the basis of the acquired land and building by the amount of the discount. Accrued interest as of December 31, 2020 and 2019 was \$672,649 and \$665,944, respectively, net of discount of \$416,852 and \$415,124, respectively. Current interest expense for the year ended December 31, 2020 and six months ended December 31, 2019 was \$5,455 and \$2,727, respectively, which is included in program services expense on the accompanying consolidated statements of activities. Deferred interest expense during the year ended December 31, 2020 and six months ended December 31, 2019 was \$33,508 and \$11,529, respectively. The outstanding principal balance as of December 31, 2020 and 2019 was \$635,848 and \$638,595, respectively, net of discount of \$662,895 and \$660,148, respectively.	1,298,743	1,298,743
On June 18, 2014, the partnership obtained an HCD MHP loan in the amount of \$4,826,617. The loan bears interest at 3% with annual interest payments equal to 0.42% of the outstanding principal balance for the first 30 years. Thereafter, payments are determined by HCD based on their costs of monitoring the project. Additional payments may be made to the extent of available cash. All unpaid principal and interest is otherwise due at maturity in June 2069. Accrued interest as of December 31, 2020 and 2019 was \$673,358 and \$652,091, respectively. Current interest expense for the year ended December 31, 2020 and six months ended December 31, 2019 was \$20,272 and \$10,136, respectively, and is included in program services expense on the accompanying consolidated statements of activities. Deferred interest expense during the year ended December 31, 2020 and six months ended December 31, 2019 was \$124,527 and \$62,263, respectively.	4,826,617	4,826,617

10. Notes payable (continued)

	2020	2019
CHP Ellis LLC On March 1, 2012, CHP Ellis LLC obtained an interest free loan from Silicon Valley Bank through the Affordable Housing Program ("AHP") in the amount of $600,000. The loan is forgivable at the end of the retention period, as defined, on June 10, 2028, provided the project complies with certain provisions of the loan agreement. Otherwise the loan is due in full on June 1, 2069.	600,000	600,000
650 Eddy, L.P. On March 7, 2007, the partnership obtained a loan from MOH through the Affordable Housing Fund in the maximum amount of $7,177,673. The loan bears no interest. Payments are to be made from residual receipts. Any unpaid principal is due at maturity in March 2062.	5,138,514	5,138,514
On July 20, 2005, the partnership obtained a HOME loan from MOH in the original amount of $855,463. The initial interest rate was 3% simple interest until 2006 when the loan was amended to bear no interest. As part of the amendment, the principal balance of the loan was increased to $7,280,745. On January 19, 2007, principal debt in the amount of $2,258,303 was forgiven when the land and associated debt were transferred to the City. All accrued interest was forgiven as well, except for $29,658 which would remain payable. Payments are to be made from residual receipts with the entire principal and interest due on July 20, 2060. Accrued interest as of December 31, 2020 and 2019 was $29,658.	5,022,442	5,022,442
On December 15, 2009, the partnership obtained a loan from HCD in the amount of $6,091,709. The loan bears 3% simple interest with annual payments equal to 0.42% of the unpaid principal balance for the first 30 years. Thereafter, payments are determined by HCD based on their costs of monitoring the project. For the year ended December 31, 2020 and six months ended December 31, 2019, the effective interest rate, which includes amortization of debt issuance costs, was 3.09% and 3.01%, respectively. Additional payments are made to the extent of available cash. All principal and interest are due at maturity in February 2065. Accrued interest as of December 31, 2020 and 2019 was $1,734,159 and $1,551,407, respectively. Interest expense during the year ended December 31, 2020 and six months ended December 31, 2019 was $25,586 and $12,793, respectively, which is included in program services expense on the accompanying consolidated statements of activities. Deferred interest expense during the year ended December 31, 2020 and six months ended December 31, 2019 was $157,166 and $78,583, respectively.	6,091,709	6,091,709

10. Notes payable (continued)

	2020	2019
650 Eddy, L.P. (continued) On March 9, 2007, the partnership obtained a loan from Citibank through the AHP program in the amount of $581,000. The loan bears no interest. No payments are due until maturity in March 2064.	581,000	581,000
Arendt House, L.P. On January 11, 2012, Arendt House, L.P. obtained an HCD MHP loan in the amount of $6,247,804. The loan bears 3% simple interest and requires annual payments equal to 0.42% of the unpaid principal balance. Additional payments are made to the extent of available cash. For the periods ended December 31, 2020 and December 31, 2019, the effective interest rate, which includes amortization of debt issuance costs, was 3.01%. All principal and interest are due at maturity in January 2067. Accrued interest as of December 31, 2020 and 2019 was $1,465,339 and $1,277,905, respectively. Interest expense during the year ended December 31, 2020 and six months ended December 31, 2019 was $26,241 and $13,121, respectively, which is included in program services expense on the accompanying consolidated statements of activities. Deferred interest expense during the year ended December 31, 2020 and six months ended December 31, 2019 was $161,193 and $80,597, respectively.	6,247,804	6,247,804
On September 24, 2008, Arendt House, L.P. obtained a loan from MOH through the AHF fund in the amount of $2,720,940. The loan does not bear interest. Payments are to be made from residual receipts. Unpaid principal is due at maturity in September 2063.	1,878,866	1,878,866
On December 14, 2007, Arendt House, L.P. obtained a loan from MOH through the HUD Neighborhood Initiative Grant Fund in the amount of $962,240. The loan does not bear interest. Payments are to be made from residual receipts. Unpaid principal is due at maturity in December 2063.	962,240	962,240
Hotel Essex, L.P. On May 27, 2005, Hotel Essex, L.P. obtained a loan from MOH in the original amount of $3,465,750, which was amended to $5,106,483 on September 12, 2006. The loan was amended again on December 11, 2006 to a total of $6,096,483. Interest at the simple rate of 3% shall accrue provided that residual receipts, as defined, are sufficient to pay the full amount of interest then due. Unpaid interest in any year shall not accrue. A portion of the loan equal to $3,679,700 matures in May 2060 with the remaining amount due at maturity in December 2063. Interest expense during the year ended December 31, 2020 and six months ended December 31, 2019 was $86,024 and $0, respectively.	4,670,017	4,670,017

10. Notes payable (continued)

	2020	2019
Hotel Essex, L.P. (continued) On October 15, 2008, Hotel Essex, L.P. obtained an HCD MHP loan in the amount of $7,000,000. The loan bears 3% simple interest rate with annual payments equal to 0.42% of the unpaid principal balance for the first 30 years. Thereafter payments are determined by HCD based on their costs of monitoring the project. For each of the year ended December 31, 2020 and six months ended December 31, 2019, the effective interest rate, which includes amortization of debt issuance costs, was 3.00% and 3.02%, respectively. The entire principal and unpaid accrued interest is to be repaid in October 2063. Accrued interest as of December 31, 2020 and 2019 was $2,195,703 and $2,015,103, respectively. For the year ended December 31, 2020 and six months ended December 31, 2019, current interest expense was $29,400 and $14,700, respectively, which is included in program services expense on the accompanying consolidated statements of activities. For the year ended December 31, 2020 and six months ended December 31, 2019, deferred interest expense was $180,600 and $90,300, respectively.	7,000,000	7,000,000
On February 28, 2007, Hotel Essex, L.P. obtained an AHP loan from Citibank in the amount of $680,000. The loan does not bear interest. No payments are due until maturity in April 2062.	680,000	680,000
CHP Scott Street, L.P. In February 2016, CHP Scott Street, L.P. obtained an HCD MHP loan in the amount of $3,944,116. The loan bears 3% simple interest rate with annual payments equal to 0.42% of the unpaid principal balance for the first 30 years. Thereafter payments are determined by HCD based on their costs of monitoring the project. For the year ended December 31, 2020 and six months ended December 31, 2019, the effective interest rate, which includes amortization of debt issuance costs, was 3.00% and 3.02%, respectively. The entire principal and unpaid accrued interest is to be repaid in February 2071. Accrued interest as of December 31, 2020 and 2019 was $510,711 and $408,953, respectively. For the year ended December 31, 2020 and six months ended December 31, 2019, current interest expense was $16,590 and $8,240, respectively, which is included in program services expense on the accompanying consolidated statements of activities. For the year ended December 31, 2020 and six months ended December 31, 2019, deferred interest expense was $101,733 and $50,879, respectively.	3,944,116	3,944,116

10. Notes payable (continued)

	2020	2019
CHP Scott Street, L.P. (continued) In July and December of 2010, CHP Scott Street, LLC obtained predevelopment loans from MOH in the total amount of $4,416,508. The loan was subsequently assigned to CHP Scott Street, L.P. A portion of the loan totaling $4,016,508 was due the earlier of March 31, 2016 or the close of permanent financing. The remaining portion of the loan equal to $400,000 is payable from residual receipts and is otherwise due at maturity on the date that is 55 years after the close of permanent financing. The stated interest rate of the loan is 0%. During 2015, the partnership discounted the permanent portion of the loan that was used to finance the acquisition of the project, resulting in a corresponding reduction in the basis of the land and building by the amount of the discount. Interest expense for the year ended December 31, 2020 and six months ended December 31, 2019 was $2,792 and $2,692, respectively. The outstanding principal balance as of December 31, 2020 and 2019 was $78,134 and $75,342, respectively, net of discount of $321,866 and $324,658, respectively.	400,000	400,000
CHP Scott Street, LLC On December 6, 2013, CHP Scott Street, LLC obtained a Federal Home Loan Bank ("FHLB") AHP loan from Bank of America in the principal amount of $250,000. The loan does not bear interest and no payments of principal are due until maturity. For the year ended December 31, 2020 and six months ended December 31, 2019, the effective interest rate, which includes amortization of debt issuance costs, was 0.84%. The loan is forgivable at the end of the retention period, which shall be 15 years from the date of completion of construction as determined by FHLB, provided the project complies with the provisions of the loan agreement. Otherwise, the loan is due at maturity in November 2068.	250,000	250,000
CHP Fulton Street, LLC On January 5, 2010, CHP Fulton Street, LLC obtained an AHP loan from Silicon Valley Bank in the original amount of $1,200,000. The loan does not bear interest and no principal payments are due until maturity. Subject to the terms of the loan agreement, the unpaid principal balance may be forgiven at the end of the retention period in September 2026; otherwise the loan is due at maturity in August 2066.	1,200,000	1,200,000
CHP Colton, LLC On November 1, 2020, CHP Colton, LLC obtained a loan from Market Street 1629 Ventures, LP in the principal amount of $3,694,272. The loan does not bear interest and is payable at maturity on May 1, 2021. In April 2021, the loan was paid off.	3,694,272	-

10. Notes payable (continued)

	2020	2019
365 Fulton, L.P. On February 8, 2013, 365 Fulton, L.P. obtained an HCD MHP loan in the amount of $8,907,928. The loan bears 3% simple interest rate with annual payments equal to 0.42% of the unpaid principal balance for the first 30 years. Thereafter, payments are determined by HCD based on their costs of monitoring the project. For the year ended December 31, 2020 and six months ended December 31, 2019, the effective interest rate, which includes amortization of debt issuance costs, was 3.02% and 3.11%, respectively. The entire principal and unpaid accrued interest is to be repaid in full in February 2068. Accrued interest as of December 31, 2020 and 2019 was $1,848,782 and $1,613,905, respectively. Interest expense during the year ended December 31, 2020 and six months ended December 31, 2019 was $37,413 and $18,707, respectively, and is included in program services expense on the accompanying consolidated statements of activities. Deferred interest expense during the year ended December 31, 2020 and six months ended December 31, 2019 was $229,828 and $114,914, respectively.	8,907,928	8,907,928
On November 3, 2009, 365 Fulton, L.P. obtained a loan from the San Francisco Redevelopment Agency (succeeded by Office of Community Investment and Infrastructure) in the original amount of $2,753,291. The loan bears 3% simple interest. Payments are made from available cash flow. Unpaid interest and principal is payable at maturity in November 2066. Accrued interest as of December 31, 2020 and 2019 was $519,873 and $494,635, respectively. Deferred interest expense during the year ended December 31, 2020 and six months ended December 31, 2019 was $25,238 and $12,619, respectively.	841,263	841,263
In January 2010, 365 Fulton, L.P. obtained a loan from CalHFA in the original amount of $1,200,000. Principal payments are payable from residual receipts. The loan does not bear interest and is due at maturity in February 2065.	1,199,850	1,199,850
666 Ellis, L.P. On December 22, 2014, the partnership executed a loan with the City in the principal amount of $660,640. In June 2015 the loan was amended to increase the maximum principal balance to $3,238,367. The loan is secured by a subordinate deed of trust. The loan does not accrue interest. Payments are made to the extent of residual receipts. Any unpaid principal is due upon maturity on the 55th anniversary of the completion date, as defined.	3,192,704	3,238,367

10. Notes payable (continued)

	2020	2019
666 Ellis, L.P. (continued) In November 2015, the partnership executed a construction loan with the City in the maximum principal amount of $19,897,000, secured by a first priority deed of trust on the project. The loan accrued interest at a variable rate equal to the sum of the LIBOR daily floating rate, as that term is defined, plus 1.5% (3.88% as of March 7, 2019). On March 7, 2019, the partnership's construction loan was paid off and converted into permanent loan with modified terms. In connection with the loan conversion, the loan was acquired by the Federal Home Loan Mortgage Corporation. The initial principal balance of the loan was $3,285,000. Interest on the loan accrues at a rate of 4.41%, which includes a servicing fee of 0.06%. The loan requires monthly payments of principal, interest, and service fees for a total payment of $18,092. For the year ended December 31, 2020 and six months ended December 31, 2019, the effective interest rate, which includes amortization of debt issuance costs, was 4.61% and 4.14%, respectively. All remaining unpaid principal and accrued interest is due at the maturity date of the loan on May 1, 2035. Accrued interest as of December 31, 2020 and 2019 was $12,463. For the year ended December 31, 2020 and six months ended December 31, 2019, total interest expense, including servicing fees was $140,916 and $59,698, respectively.	3,153,839	3,215,984
In November 2015, the partnership executed a loan with the San Francisco Housing Authority ("SFHA") in the principal amount of $600,000, secured by a subordinate deed of trust. The loan does not accrue interest. Payments are made to the extent of residual receipts. Any unpaid principal is due upon maturity on the 55th anniversary of the loan disbursement date.	600,000	600,000
In November 2015, the partnership executed a loan with SFHA in the principal amount of $14,375,000, secured by a subordinate deed of trust. The loan accrues interest at a rate of 2.57%, compounded annually. Annual interest payments in the amount of $15,000 shall be made, with additional payments to be made to the extent of residual receipts. Any unpaid principal is due upon maturity on the 55th anniversary of the loan disbursement date. For the year ended December 31, 2020 and six months ended December 31, 2019, deferred interest expense was $420,564 and $200,183, respectively. As of December 31, 2020 and 2019, the balance of accrued interest was $1,806,488 and $1,593,943, respectively.	14,375,000	14,375,000

10. Notes payable (continued)

	2020	2019
1750 McAllister, L.P. In October 2016, the partnership executed a construction loan with the City in the maximum principal amount of $30,548,000, secured by a first priority deed of trust on the project. The loan accrues interest at a variable rate equal to the LIBOR daily floating rate plus 1.80% (4.18% as of June 26, 2019). On June 26, 2019, the partnership's construction loan was paid off and converted into permanent loan with modified terms. In connection with the loan conversion, the loan was acquired by the Federal Home Loan Mortgage Corporation. The initial principal balance of the loan was $9,603,000. Interest on the loan accrues at a rate of 3.71%, which includes a servicing fee of 0.1%. The loan requires monthly payments of principal, interest, and service fees for a total payment of $44,801. For the year ended December 31, 2020 and six months ended December 31, 2019, the effective interest rate, which includes amortization of debt issuance costs, was 3.76% and 4.40%, respectively. All remaining unpaid principal and accrued interest is due at the maturity date of the loan on May 1, 2035. Accrued interest as of December 31, 2020 and 2019 was $30,927 and $31,465, respectively. For the year ended December 31, 2020 and six months ended December 31, 2019, interest expense was $349,528 and $177,202, respectively.	9,338,330	9,516,449
In October 2016, the partnership executed a loan with SFHA in the principal amount of $1,000,000, secured by a subordinate deed of trust. The loan does not accrue interest. Payments on the loan are made to the extent of residual receipts. Any unpaid principal is due upon maturity on the 55th anniversary of the loan disbursement date.	500,000	500,000
In October 2016, the partnership executed a loan with SFHA in the principal amount of $21,661,312, secured by a subordinate deed of trust. The loan accrues interest at a rate of 1.95%, compounded annually. Annual interest payments in the amount of $15,000 shall be made beginning on the first June 30 after the project's rehabilitation is completed, and continuing annually thereafter, with additional payments to be made to the extent of residual receipts. Any unpaid principal is due upon maturity on the 55th anniversary of the loan disbursement date. For the year ended December 31, 2020 and six months ended December 31, 2019, deferred interest expense was $449,772 and $220,585, respectively. As of December 31, 2020 and 2019 the balance of accrued interest was $1,853,728 and $1,403,956, respectively.	21,661,312	21,661,312

10. Notes payable (continued)

	2020	2019
25 Essex, L.P. In August 2014, the partnership executed an MHSA loan with CalHFA in the principal amount of $1,000,000. The loan bears deferred interest at a simple rate of 3% per annum. A servicing fee is due annually at an amount equal to 0.42% of the unpaid principal balance. Payments on the loan are only due to the extent of surplus cash in accordance with the partnership's regulatory agreements. Principal and interest are otherwise payable at maturity in August 2069. Accrued interest as of December 31, 2020 and 2019 was $183,128 and $153,128, respectively. For the year ended December 31, 2020 and six months ended December 31, 2019, deferred interest expense was $30,000 and $27,900, respectively.	1,000,000	1,000,000
In October 2015, the partnership obtained an HCD MHP loan in the amount of $9,334,681. The loan bears 3% simple interest rate with annual payments equal to 0.42% of the unpaid principal balance for the first 30 years. Thereafter payments are determined by HCD based on their costs of monitoring the project. For the year ended December 31, 2020 and six months ended December 31, 2019, the effective interest rate, which includes amortization of debt issuance costs, was 3.01%. The entire principal and unpaid accrued interest is to be repaid in October 2070. Accrued interest as of December 31, 2020 and 2019 was $1,228,340 and $949,080, respectively. For the year ended December 31, 2020 and six months ended December 31, 2019, current interest expense was $39,096 and $19,548, respectively, and is included in program services expense on the accompanying consolidated statements of activities. For the year ended December 31, 2020 and December 31, 2019, deferred interest expense was $240,164 and $111,749, respectively.	9,308,687	9,308,687
In February 2011, the partnership executed a loan with the City in the maximum principal amount of $8,758,641. Interest shall accrue at a rate of 3% per annum, but only to the extent the partnership has residual receipts with which to make payment. Similarly, principal payments shall only be made from residual receipts; otherwise no payments are due until maturity in December 2068.	7,724,548	7,724,548
In February, 2011, the partnership executed a loan with the City in the principal amount of $950,000. Interest shall accrue at a rate of 3% per annum, but only to the extent the partnership has residual receipts with which to make payment. Similarly, principal payments shall only be made from residual receipts. Otherwise, no payments are due until maturity in December 2068.	837,838	837,838

10. Notes payable (continued)

	2020	2019
CHP Villages In connection with CHP's assumption of the sublease for CHP Villages (see note 15), on July 1, 2014, CHP also assumed, from Rubicon Villages, Inc., the note payable encumbering the project. The note is payable to the City. The loan was initially executed on March 26, 2002 in the initial principal balance of $1,860,620. Upon execution of the first amendment to the note in December 2003, the maximum principal balance was amended to $1,621,032. Upon execution of the second amendment to the note in May 2011, the interest rate was amended from 7.5% to 0%. The maturity date of the note is the earlier of the 50th anniversary of the execution of the note or the date the sublease for CHP Villages is terminated.	66,007	66,007
Mission Bay 9, L.P. On February 20, 2018, the partnership obtained a predevelopment loan from the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, hereafter referred to as the Office of Community Investment and Infrastructure ("OCII") in the amount of $5,000,000. On April 7, 2020, the loan was amended and restated, and the loan amount was increased to $37,245,760. The loan bears interest at a rate of 1.5% per annum and any unpaid principal and accrued interest is due and payable upon the expiration of the compliance term of the project. For the year ended December 31, 2020, interest expense was $311,586, all of which was capitalized to development-in-progress. As of December 31, 2020, the balance of accrued interest was $311,586.	19,031,082	-
In August 2020, the partnership obtained financing for the construction of its project from the proceeds of tax-exempt California Multifamily Housing Revenue Note, Series 2020G issued by City and County of San Francisco in the amount of $45,970,000, funded by Wells Fargo Bank NA. The loan is secured by a first priority deed of trust on the project and accrues interest at a rate of 1.65% per annum and any unpaid principal and accrued interest is due in full at maturity on November 11, 2022. For the year ended December 31, 2020, interest expense was $335, all of which was capitalized to development-in-progress. As of December 31, 2020, the balance of accrued interest was $78.	50,258	-
Total notes payable	178,151,574	151,755,874
Less: total discounts	(2,912,444)	(2,932,115)
Less: unamortized debt issuance costs	(284,390)	(305,696)
Note payable, net of discounts and unamortized debt issuance costs	$ 174,954,740	$ 148,518,063

Debt issuance costs are being amortized to interest expense over the term of the respective loans. For the year ended December 31, 2020 and six months ended December 31, 2019, amortization expense for debt issuance costs was $21,306 and $8,702, respectively.

10. Notes payable (continued)

Expected future minimum principal payments on notes payable over each of the next five years and thereafter are as follows:

Year Ending December 31,	
2021	$ 4,088,163
2022	3,218,235
2023	402,189
2024	1,614,440
2025	310,373
Thereafter	168,518,174
Total	$ 178,151,574

11. Line of credit

CHP has a line of credit with Wells Fargo Bank with maximum borrowings of $1,000,000. As of December 31, 2020 and 2019, the outstanding balance was $0. Advances on the credit line carry interest at 5%. The credit line is secured by all property and assets of CHP and matures on February 15, 2022. There was no interest expense incurred during the year ended December 31, 2020 and six months ended December 31, 2019.

12. Deferred income

As of December 31, 2020 and 2019, deferred income, which related to the 40% profit portion of CHP's developer fees, was $4,744,074 and $4,003,992, respectively, and net of accumulated amortization of $640,718 and $529,382, respectively. For the year ended December 31, 2020 and six months ended December 31, 2019, amortization to offset the depreciation expense related to the fee capitalized as real property totaled $111,336 and $55,668, respectively. The deferred income is amortized using the straight-line method over the estimated useful life of the underlying asset.

13. Net assets with donor restrictions

Net assets with donor restrictions consist of the following:

	Dec. 31, 2019	Contributions	Released from Restrictions	Dec 31, 2020
Specific programs and time restrictions:				
Community Housing Partnership	$ 130,000	$ 347,444	$ (130,000)	$ 347,444
Recoverable contributions for the purchase and rehabilitation of:				
Senator Hotel	1,519,000	-	-	1,519,000
San Cristina Hotel	2,116,506	-	-	2,116,506
Iroquois Hotel	1,500,000	-	-	1,500,000
	5,135,506	-	-	5,135,506
Total net assets with donor restrictions	$ 5,265,506	$ 347,444	$ (130,000)	$ 5,482,950

13. Net assets with donor restrictions (continued)

	June 30, 2019	Contributions	Released from Restrictions	Dec. 31, 2019
Specific programs and time restrictions:				
Community Housing Partnership	$ 230,000	$ -	$ (100,000)	$ 130,000
Recoverable contributions for the purchase and rehabilitation of:				
Senator Hotel	1,519,000	-	-	1,519,000
San Cristina Hotel	2,116,506	-	-	2,116,506
Iroquois Hotel	1,500,000	-	-	1,500,000
	5,135,506	-	-	5,135,506
Total net assets with donor restrictions	$ 5,365,506	$ -	$ (100,000)	$ 5,265,506

In prior years, CHP received funding of $1,175,000, $2,116,506, and $1,500,000 from MOH for the acquisition and rehabilitation of the Senator Hotel, the San Cristina Hotel, and the Iroquois Hotel, respectively. An additional $344,000 was received under the Affordable Housing Program for the rehabilitation of the Senator Hotel. Terms of these grants stipulate that the funds are recoverable by the grantor in the event certain specific covenants and restrictions of the awards are violated. These contributions are included in net assets with donor restrictions and are released in accordance with the terms of the respective grant agreements.

14. Island Bay Homes lease and operating grant

CHP subleases the Island Bay Homes property from the Treasure Island Development Authority ("TIDA") (who leases it from the U.S. Department of Navy) for the purpose of overseeing the property to benefit eligible tenants. CHP is responsible for all costs related to the use of the premises, which consisted of 24 rental units as of June 30, 2007. On July 17, 2007, CHP took the leasehold possession of an additional 42 units on Treasure Island, which increased the Island Bay Homes unit count to 66 units at June 30, 2008. Effective July 1, 2017, an amendment was executed in order to increase the total units to 70. The term of the sublease is from March 11, 2001 through August 31, 2014 with an extension of the lease terms thereafter on a month-to-month basis. There is no provision for the payment of rent in the sublease agreement. CHP has an option to purchase the property under the Base Closure Agreement with the Treasure Island Homeless Development Initiative ("TIHDI"), of which CHP is a member. The option allows CHP to obtain an equal number of comparable units on Treasure Island in the event that TIDA requires TIHDI to relinquish the housing to accommodate development of the parcel subleased by CHP.

CHP records no rent expense under this arrangement, and has estimated that there is no monetary value from this sublease.

CHP was awarded a LOSP grant which provides maximum funding of $2,619,077 over a nine-year term, commencing July 1, 2010. The nine-year grant subsidizes CHP's operating costs and cash flow shortfalls from the Island Bay Homes project. The grant agreement provides for certain tenant eligibility and rent restriction requirements, among other matters.

15. CHP Villages lease

On July 1, 2014, CHP assumed a sublease from Rubicon Villages, Inc. for a 44-unit project located on Treasure Island ("CHP Villages") for the purpose of renting each of the 44 units to low-income tenants. Under the sublease, CHP leases the project from TIDA (who leases it from the U.S. Department of Navy). There is no provision for payment of rent under the sublease. The sublease is a "triple net lease," whereby CHP is responsible for paying all charges, costs, and expenses related to the operation of the project including repair and maintenance and common area maintenance expenses. The term of the sublease was from March 11, 2002 to August 31, 2014 with an extension of the lease terms thereafter on a month-to-month basis.

16. 666 Ellis, L.P. and 1750 McAllister, L.P. ground leases

The project owned by 666 Ellis, L.P. is built on land owned by SFHA. Pursuant to the terms of the lease executed November 1, 2015, 666 Ellis, L.P. leases the land from the City on a prepaid basis for a 99-year term. The lease, which is classified as an operating lease, was prepaid on the date of lease execution in the total amount of $350,000. Under the terms of the lease, the land will revert to SFHA at the end of the lease. For the year ended December 31, 2020 and six months ended December 31, 2019, rent expense was $3,535 and $2,035, respectively, which is included in program expenses on the accompanying consolidated statements of activities. As of December 31, 2020 and 2019, the balance of prepaid rent was $331,860 and $335,395, respectively, which is included in prepaid expenses and deposits on the accompanying consolidated statements of financial position.

Similarly, the project owned by 1750 McAllister, L.P. is built on land owned by SFHA. Pursuant to the terms of the lease executed October 1, 2016, 1750 McAllister L.P. leases the land from SFHA on a prepaid basis for a 99-year term. The lease, which is classified as an operating lease, was prepaid on the date of lease execution in the total amount of $1,980,000. Under the terms of the lease, the land will revert to SFHA at the end of the lease. For the year ended December 31, 2020 and six months ended December 31, 2019, rent expense was $20,000 and $10,000, respectively, which is included in program expenses on the accompanying consolidated statements of activities. As of December 31, 2020 and 2019, the balance of prepaid rent was $1,895,787 and $1,917,000, respectively, which is included in prepaid expenses and deposits on the accompanying consolidated statements of financial position.

17. Commitments and contingencies

CHP leases its main office facility under a lease agreement which commenced April 2012 and expires ten years thereafter. The lease agreement provides for monthly base rent, plus a portion of the building's direct operating expenses, as defined. The lease is recorded as an operating lease. Base rent for the first 12-month period of the lease is $15,500 with annually increases thereafter, reaching $19,234 per month in the final 12-month period. The agreement has an option to extend the lease term for an additional period of five years upon written notice of intent from the Organization. Total rent expense related to this lease for the year ended December 31, 2020 and six months ended December 31, 2019 was $225,781 and $110,432, respectively, which is allocated among program services, management and general, and fundraising expense on the accompanying consolidated statements of activities.

17. Commitments and contingencies (continued)

CHP Fifth Street LLC leases the property operating as 5th Street Apartments from Vikas Hotel, LLC, a third party lessor. The lease commenced on October 12, 2013 and expires ten years thereafter on October 12, 2023, at which point the lease is available for extension. The lease is recorded as an operating lease. Lease payments for the first 12 months are equal to $44,000 per month. During months 13 through 60, rent shall be increased annually at 101.5% of the prior year's monthly rent. During months 61 through 120, rent shall be increased annually at 102% of the prior year's monthly rent. Total rent expense related to this lease for the year ended December 31, 2020 and six months ended December 31, 2019 was $585,955 and $288,662, respectively, which is included in program services expense on the accompanying consolidated statements of activities.

On November 2, 2015, CHP began leasing Civic Center Hotel from U.A. Local 38 Pension Trust Fund ("PTF") to develop an on-site Navigation Center to provide supportive services and help tenants transition to permanent housing. On January 1, 2018, PTF assigned its rights as lessor to Strada Brady, LLC. The lease is recorded as an operating lease. The lease stipulates payments on a monthly basis in an amount equal to $34,000, subject to partial abatement of $10,000 per month during the first ten months of the lease. The lease expires on December 31, 2021. Total rent expense related to this lease for the year ended December 31, 2020 and six months ended December 31, 2019 was $408,173 and $204,000, respectively, which is included in program services expense on the accompanying consolidated statements of activities.

Rene Cazenave Apartments, which is owned by 25 Essex, L.P., is built on land owned by the City and County of San Francisco. Pursuant to the terms of the lease dated December 6, 2011, 25 Essex, L.P. leases the land from the City on a 75-year term with an option for a 24-year extension thereafter. The lease, which is classified as an operating lease, provides for accrual of annual base rent of $1 for any year in which the partnership receives LOSP operating subsidy. Otherwise, in any year the partnership does not receive LOSP operating subsidy, base rent shall accrue in the amount of $15,000, payable to the extent of residual receipts. Additionally, residual rent of up to $737,000 per year shall accrue, but only in the event and to the extent there are residual receipts available for such payment. Under the terms of the lease, the land will revert to the City at the end of the lease. For the year ended December 31, 2020 and six months ended December 31, 2019, rent expense was $1 for each period, which is included in program services expense on the accompanying consolidated statements of activities. As of December 31, 2020 and 2019, total rent payable to the City was $11 and $10, respectively, which is included in accounts payable and accrued expenses on the accompanying consolidated statements of financial position.

Pursuant to the First Amended and Restated Ground Lease agreement, 365 Fulton, L.P. leases the land on which its housing project is built from the Office of Community Investment and Infrastructure, successor agency to the San Francisco Redevelopment Agency. The lease agreement was executed on January 5, 2010 and expires in January 2085 unless the partnership exercises a one-time 24-year option. Provided the project is maintained as housing for very low-income persons, as defined, annual rent shall be comprised of base rent of $1, which is due and payable annually, and residual rent, which only accrues to the extent of surplus cash, as defined in the ground lease agreement. For the year ended December 31, 2020 and six months ended December 31, 2019, rent expense was $0 for each period, which represents residual rent and is included in program services expense on the accompanying consolidated statements of activities.

17. Commitments and contingencies (continued)

650 Eddy, L.P. purchased the land on which its housing project is built in July 2005. During 2007, as consideration for the City's debt forgiveness, the land and improvements were transferred to the City. The partnership currently leases the land pursuant to the 650 Eddy Street Ground Lease agreement between the partnership and the City. The lease expires March 2077 unless the partnership exercises a 29-year option or unless otherwise extended or terminated pursuant to the lease agreement. Title to the improvements reverts to the City at the end of the lease term. Annual rent shall be $1 provided the project is maintained as housing for low-income and formerly homeless families and individuals. The partnership prepaid rent of $70 upon execution of the ground lease. As of December 31, 2020 and 2019, the balance of the prepaid ground lease was $57 and $58, respectively, which is included in prepaid expenses and deposits on the accompanying consolidated statements of financial position. Ground lease expense for the year ended December 31, 2020 and six months ended December 31, 2019 was $1 for each period, which is included in program services expense on the accompanying consolidated statements of activities.

Minimum annual rents required for the next five years are as follows:

Year Ending December 31,	
2021	$ 1,217,248
2022	609,628
2023	464,045
2024	-
2025	-
Total	$ 2,290,921

CHP has provided loan and operating deficit guarantees as well as guarantees with regard to projected tax benefits for its affiliates. CHP does not require any collateral or other security from its affiliates and projects related to these guarantees. Management believes that the likelihood of funding a material amount of any of the guarantees is remote. Summaries of these guarantees as of December 31, 2020 are shown below, and are subject to change in accordance with the respective partnership agreements.

	Operating Deficit Guarantee	
Project	Maximum Amount	Expiration
Arendt House, L.P.	$ 331,070	(1)
Essex Hotel, LP	500,000	(2)
650 Eddy, LP	600,000	(3)
365 Fulton, L.P.	500,000	(4)
473 Ellis, LP	200,000	(5)
CHP Scott Street, L.P.	206,000	(6)
25 Essex, L.P.	701,900	(7)
666 Ellis, L.P.	677,142	(8)
1750 McAllister, L.P.	817,212	(9)
Total	$ 4,533,324	

17. Commitments and contingencies (continued)

	Tax Benefit Indemnifications[10]	
Project	Projected Benefit	Expiration
Arendt House, L.P.	$ -	2024
Essex Hotel, LP	-	2022
650 Eddy, LP	-	2023
365 Fulton, L.P.	2,273,113	2027
473 Ellis, LP	1,827,713	2028
CHP Scott Street, L.P.	2,808,237	2030
25 Essex, L.P.	8,570,842	2029
666 Ellis, L.P.	12,162,387	2032
1750 McAllister, L.P.	18,148,246	2033
Total	$ 45,790,538	

[1] The obligation shall terminate on the later of (i) the tenth anniversary of the date of achievement of breakeven operations, (ii) the fifth anniversary of the closing of or conversion to the permanent loan, or (iii) the date upon which the partnership achieves five consecutive calendar years during which there is an expense coverage ratio of 1.15 or better for each year the operating reserve is fully funded.

[2] The obligation shall terminate on the date that the following have occurred simultaneously: (i) the project has operated at break-even for at least three calendar years following stabilization, as defined; and (ii) the balance in the operating reserve equals or exceeds $190,954.

[3] The guarantee shall only apply during any period in which the project is not fully subsidized under the LOSP. If the project maintains a 1.15 service coverage ratio for twelve consecutive months, the operating deficit loan limit shall be reduced by one-third per year beginning with the first fiscal year in which a 1.15 debt service coverage ratio is achieved. This reduction in the operating deficit loan limit will be suspended in any fiscal year that a 1.15 debt service coverage ratio is not achieved and shall resume only once a 1.15 debt service coverage ratio has been fully restored for a subsequent fiscal year.

[4] The obligation shall terminate on December 31 of the fifth year after the date of the stabilization capital contribution, as defined, provided that the following conditions are satisfied (a) during the five year period the general partner has not been obligated to make any operating deficit loans and the partnership has not drawn on any reserves established for operating deficits, (b) the amount on deposit in the partnership's operating reserve is not less than the operating reserve minimum, as defined, (c) the partnership is current on its required reserve payments, operating expenses, mandatory debt service, and payments for any necessary maintenance or capital improvements, (d) the Supportive Services Agreement is in full force and effect, and (e) the LOSP and MHSA subsidies are in place and being fully funded in accordance with their respective terms.

[5] The obligation to fund operating deficits during the operating deficit guarantee period, which shall begin on the date of the stabilization capital contribution and shall continue until the close of business on the December 31 (i) that is at least five years thereafter, and (ii) on which all the applicable conditions are met as stated in the partnership agreement. The advance will be payable without interest from excess/distributable cash.

17. <u>Commitments and contingencies (continued)</u>

(6) The obligation to make operating deficit contributions shall terminate on the date that the following have occurred simultaneously: (i) the project has operated at the required expense coverage, as defined, for a period of at least two consecutive years, which two year period shall have commenced no earlier than three years after the later to occur of the achievement of the stabilization date or loan conversion, as defined; and (ii) the balance in the operating reserve equals or exceeds the required amount.

(7) The obligation to fund the operating deficit shall be unlimited through the stabilization date, as defined, after which the obligation shall be limited to $701,900. The obligation to fund operating deficits shall terminate on the date that the following have occurred simultaneously: (i) the project has operated at break-even, as defined, for two consecutive years, which two-year period shall have commenced no earlier than one year after the achievement of the stabilization date; and (ii) the partnership's operating reserve equals or exceeds the required minimum balance.

(8) The obligation to fund the operating deficit shall terminate on the third anniversary of the later to occur of (i) the development obligation date, as defined, or (ii) achievement of a 1.15 to 1.00 debt service coverage ratio average over a period of three consecutive calendar months commencing after final closing, as defined. Notwithstanding the foregoing, the obligation to fund operating deficits shall not terminate unless and until (x) the partnership's operating reserve shall have been replenished to at least $325,020, (y) the average debt service coverage ratio for the three-month period prior to the date of termination must be at least 1.15 to 1.00, and (z) each of the HAP contract and the RAD HAP contract shall be in full force and effect. Prior to the development obligation date, payments furnished to the partnership shall be considered special capital contributions by CHP as the general partner, and after the development obligation date, the payments to the partnership shall be considered loans, with the maximum loan amount to be no greater than $677,142.

(9) The obligation to fund the operating deficit shall terminate on the third anniversary of the later to occur of (i) the development obligation date, as defined, or (ii) achievement of a 1.15 to 1.00 debt service coverage ratio average over a period of three consecutive calendar months commencing after final closing, as defined. Notwithstanding the foregoing, the obligation to fund operating deficits shall not terminate unless and until (x) the partnership's operating reserve shall have been replenished to at least one-half the initial required balance for the operating reserve, or $408,606, (y) the average debt service coverage ratio for the three-month period prior to the date of termination must be at least 1.15 to 1.00, and (z) each of the HAP contract and the RAD HAP contract shall be in full force and effect. Prior to the development obligation date, payments furnished to the partnership shall be considered special capital contributions by CHP as the general partner, and after the development obligation date, the payments to the partnership shall be considered loans, with the maximum loan amount to be no greater than $817,212.

(10) CHP has made guarantees to deliver tax benefits at certain amounts, or purchase the limited partner interest, at a price derived from the limited partner's contributions to the partnerships in accordance with the respective partnership agreements. In general, CHP's obligation with respect to these guarantees decreases over time as benefits are delivered to the limited partners.

CHP has options to purchase the projects in the table above, subject to the terms specified in the respective partnership agreements.

17. Commitments and contingencies (continued)

Impact of COVID-19
The severity of the impact of COVID-19 on the Organization's operations will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Organization's stakeholders, all of which are uncertain and cannot be predicted. The Organization's future results could be adversely impacted by delays in rent collection and loan payments. Management is unable to predict with absolute certainty the impact of COVID-19 on its financial condition, results of operations or cash flows.

18. Retirement plan

CHP established a tax deferred annuity plan effective July 25, 2003, covering employees of CHP and its affiliates. Employee contributions to the plan are voluntary and any contributions made are immediately vested. The plan does not include employer matching contributions.

CHP switched to a 403(b) retirement plan effective July 1, 2020. Employees are eligible to contribute to the plan on their dates of hire. Employer contributions, which cover employees who complete minimum six months of service with 1,000 hours during the year, are discretionary. Employee contributions are fully vested at all times whereas employer contributions are fully vested after three years of service. The Organization made contributions of $68,638 and $0 for the year ended December 31, 2020 and six months ended December 31, 2019, respectively.

19. Liquidity and availability of financial assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following:

	2020	2019
Cash and cash equivalents	$ 9,918,861	$ 6,810,533
Receivables	5,769,552	3,809,741
Total	$ 15,688,413	$ 10,620,274

On an annual basis, CHP prepares a budget for its corporate body and each of its affiliates in order to project revenues, expenses, and cash flows and evaluate its liquid resources for the upcoming 12-month period. The Organization monitors its liquidity on an ongoing basis to ensure the operating needs and other contractual obligations are timely fulfilled. To manage unanticipated liquidity needs, it has a line of credit in the amount of $1 million to draw upon (see Note 11). The Organization also has cash reserve accounts that are restricted by various purposes in accordance with regulatory, loan, or other agreements, which may be drawn upon under certain conditions as stipulated by the applicable agreement (see Note 3).

SUPPLEMENTARY INFORMATION

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED SCHEDULE OF FINANCIAL POSITION - CHP PROGRAM SERVICES
DECEMBER 31, 2020

	General	Solutions SF	5th Street Apartments	Civic Center	Total CHP Program Services
ASSETS					
Current assets					
Cash and cash equivalents	$ 2,046,381	$ 48,584	$ 12,598	$ 63,545	$ 2,171,108
Receivables					
Government grants	1,986,559	-	-	933,085	2,919,644
Other grants and contributions	232,912	-	-	-	232,912
Contract services	-	663,526	-	-	663,526
Related parties - current portion	3,368,606	333,731	25,000	629	3,727,966
Developer fee receivable - current portion	2,213,826	-	-	-	2,213,826
Rent, subsidy, and others	86,885	-	25,405	12,383	124,673
Prepaid expenses and deposits	449,452	-	47,615	(1,685)	495,382
Marketable securities	20,149	-	-	-	20,149
Total current assets	10,404,770	1,045,841	110,618	1,007,957	12,569,186
Related party receivable - net of current portion	2,455,000	-	-	-	2,455,000
Developer fee receivable - net of current portion	1,801,601	-	-	-	1,801,601
Restricted deposits					
Replacement, operating and other reserves	725,398	-	-	19,938	745,336
Tenant security deposits	-	-	8,077	-	8,077
Development-in-progress	-	-	-	-	-
Fixed assets - net	347,690	-	-	344,995	692,685
Investment in other companies	4,939,123	-	-	-	4,939,123
Total non-current assets	10,268,812	-	8,077	364,933	10,641,822
Total assets	$ 20,673,582	$ 1,045,841	$ 118,695	$ 1,372,890	$ 23,211,008
LIABILITIES					
Current liabilities					
Accounts payable and accrued expenses	$ 2,573,733	$ 128,766	$ 14,119	$ 485,058	$ 3,201,676
Related parties - current portion	555,919	1,671,006	20,094	-	2,247,019
Notes payable - current portion	250,000	-	-	-	250,000
Total current liabilities	3,379,652	1,799,772	34,213	485,058	5,698,695
Tenant security deposits	-	-	21,499	-	21,499
Deferred income	-	8,447	-	2,307	10,754
Notes payable - net of current portion	5,271,191	-	-	-	5,271,191
Total non-current liabilities	5,271,191	8,447	21,499	2,307	5,303,444
Total liabilities	8,650,843	1,808,219	55,712	487,365	11,002,139
Net assets					
Net assets without donor restrictions	11,675,295	(762,378)	62,983	885,525	11,861,425
Net assets with donor restrictions	347,444	-	-	-	347,444
Total net assets	12,022,739	(762,378)	62,983	885,525	12,208,869
Total liabilities and net assets	$ 20,673,582	$ 1,045,841	$ 118,695	$ 1,372,890	$ 23,211,008

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES

CONSOLIDATED SCHEDULE OF FINANCIAL POSITION - CHP PROGRAM SERVICES

DECEMBER 31, 2019

	General	Solutions SF	5th Street Apartments	Civic Center	Total CHP Program Services
ASSETS					
Current assets					
Cash and cash equivalents	$ 263,830	$ 84,313	$ 35,320	$ 387,866	$ 771,329
Receivables					
Government grants	1,115,260	-	-	256,403	1,371,663
Other grants and contributions	149,138	-	-	-	149,138
Contract services	-	628,775	-	-	628,775
Related parties - current portion	2,941,642	127,750	36,055	128,466	3,233,913
Developer fee receivable - current portion	845,281	-	-	-	845,281
Rent, subsidy, and others	12,008	-	5,682	10,284	27,974
Prepaid expenses and deposits	214,153	-	56,987	16,508	287,648
Marketable securities	20,149	-	-	-	20,149
Total current assets	5,561,461	840,838	134,044	799,527	7,335,870
Related party note receivable	2,455,000	-	-	-	2,455,000
Developer fee receivable - net of current portion	1,995,258	-	-	-	1,995,258
Restricted deposits					
Replacement, operating and other reserves	725,231	-	-	-	725,231
Tenant security deposits	-	-	8,076	-	8,076
Development-in-progress	2,500	-	-	-	2,500
Fixed assets - net	387,328	-	-	689,989	1,077,317
Investment in other companies	5,594,920	-	-	-	5,594,920
Total non-current assets	11,160,237	-	8,076	689,989	11,858,302
Total assets	$ 16,721,698	$ 840,838	$ 142,120	$ 1,489,516	$ 19,194,172
LIABILITIES					
Current liabilities					
Accounts payable and accrued expenses	$ 1,671,230	$ 984	$ 878	$ 285,384	$ 1,958,476
Related parties - current portion	825,208	1,312,547	5,649	-	2,143,404
Notes payable - current portion	250,000	-	-	-	250,000
Total current liabilities	2,746,438	1,313,531	6,527	285,384	4,351,880
Tenant security deposits	-	-	15,031	-	15,031
Deferred income	-	8,447	-	8,782	17,229
Notes payable - net of current portion	2,455,000	-	-	-	2,455,000
Total non-current liabilities	2,455,000	8,447	15,031	8,782	2,487,260
Total liabilities	5,201,438	1,321,978	21,558	294,166	6,839,140
Net assets					
Net assets without donor restrictions	11,390,260	(481,140)	120,562	1,195,350	12,225,032
Net assets with donor restrictions	130,000	-	-	-	130,000
Total net assets	11,520,260	(481,140)	120,562	1,195,350	12,355,032
Total liabilities and net assets	$ 16,721,698	$ 840,838	$ 142,120	$ 1,489,516	$ 19,194,172

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES

CONSOLIDATED SCHEDULE OF FINANCIAL POSITION - CHP PROPERTY OPERATIONS

DECEMBER 31, 2020

	Senator Hotel	San Cristina Hotel	Iroquois Hotel	Island Bay Homes	CHP Villages	Tax Credit Partnerships and LLCs	Total CHP Property Operations
ASSETS							
Current assets							
Cash and cash equivalents	$ 119,363	$ 822,669	$ 497,134	$ 613,581	$ 1,159,466	$ 4,535,540	$ 7,747,753
Receivables							
Related parties - current portion	1,036	-	451,452	17,588	-	321,121	791,197
Rent, subsidy, and others	74,858	349,181	190,243	258,852	31,211	924,452	1,828,797
Prepaid expenses and deposits	16,993	9,677	11,616	59,382	17,664	2,455,181	2,570,513
Total current assets	212,250	1,181,527	1,150,445	949,403	1,208,341	8,236,294	12,938,260
Related party note receivable	-	-	-	-	-	2,425,151	2,425,151
Restricted deposits							
Replacement, operating and other reserves	582,587	423,889	1,000,659	419,919	1,466,137	13,131,308	17,024,499
Tenant security deposits	19,150	8,011	15,078	37,252	18,682	220,152	318,325
Development-in-progress	8,675	2,087,157	25,242	-	-	35,371,325	37,492,399
Fixed assets - net	5,101,831	3,432,403	3,668,393	1,734,701	447,824	193,581,046	207,966,198
Deferred costs - net	-	-	-	-	-	171,166	171,166
Investment in other companies	-	-	-	-	-	7,158,136	7,158,136
Total non-current assets	5,712,243	5,951,460	4,709,372	2,191,872	1,932,643	252,058,284	272,555,874
Total assets	$ 5,924,493	$ 7,132,987	$ 5,859,817	$ 3,141,275	$ 3,140,984	$ 260,294,578	$ 285,494,134
LIABILITIES							
Current liabilities							
Accounts payable and accrued expenses	$ 82,499	$ 193,131	$ 54,329	$ 99,824	$ 42,209	$ 7,749,363	$ 8,221,355
Related parties - current portion	781,566	247,335	18,825	-	8,309	1,559,949	2,615,984
Developer fee payable	-	-	-	-	-	4,114,090	4,114,090
Interest payable - current portion	27,057	4,136	42,886	-	-	252,962	327,041
Notes payable, net - current portion	-	122,783	6,471	-	-	3,958,909	4,088,163
Total current liabilities	891,122	567,385	122,511	99,824	50,518	17,635,273	19,366,633
Tenant security deposits	16,119	22,322	12,177	37,252	18,682	218,863	325,415
Deferred income	5,706	1,123	7,229	227,670	31,663	379,007	652,398
Related parties - net of current portion	-	-	-	-	-	1,801,601	1,801,601
Interest payable - net of current portion	3,479,504	1,329,628	2,010,035	396,023	-	14,848,387	22,063,577
Notes payable, net - net of current portion	5,881,258	3,900,198	1,505,237	997,409	66,007	158,126,277	170,476,386
Total non-current liabilities	9,382,587	5,253,271	3,534,678	1,658,354	116,352	175,374,135	195,319,377
Total liabilities	10,273,709	5,820,656	3,657,189	1,758,178	166,870	193,009,408	214,686,010
Net assets							
Net assets without donor restrictions							
Controlling interest	(5,868,216)	(804,175)	702,628	1,383,097	2,974,114	7,450,709	5,838,157
Non-controlling interest	-	-	-	-	-	59,834,461	59,834,461
Total net assets without donor restrictions	(5,868,216)	(804,175)	702,628	1,383,097	2,974,114	67,285,170	65,672,618
Net assets with donor restrictions	1,519,000	2,116,506	1,500,000	-	-	-	5,135,506
Total net assets	(4,349,216)	1,312,331	2,202,628	1,383,097	2,974,114	67,285,170	70,808,124
Total liabilities and net assets	$ 5,924,493	$ 7,132,987	$ 5,859,817	$ 3,141,275	$ 3,140,984	$ 260,294,578	$ 285,494,134

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED SCHEDULE OF FINANCIAL POSITION - CHP PROPERTY OPERATIONS
DECEMBER 31, 2019

	Senator Hotel	San Cristina Hotel	Iroquois Hotel	Island Bay Homes	CHP Villages	Tax Credit Partnerships and LLCs	Total CHP Property Operations
ASSETS							
Current assets							
Cash and cash equivalents	$ 2,325	$ 476,531	$ 1,033,049	$ 284,115	$ 236,020	$ 4,007,164	$ 6,039,204
Receivables							
Related parties - current portion	1,036	-	4,579	-	-	274,934	280,549
Rent, subsidy, and others	94,356	82,785	92,549	195,713	187,735	804,053	1,457,191
Prepaid expenses and deposits	47,537	31,942	35,855	83,268	53,526	3,252,373	3,504,501
Total current assets	145,254	591,258	1,166,032	563,096	477,281	8,338,524	11,281,445
Related party note receivable	-	-	-	-	-	2,426,000	2,426,000
Restricted deposits							
Replacement, operating and other reserves	590,139	390,925	698,483	300,073	1,462,540	11,451,278	14,893,438
Tenant security deposits	19,140	8,157	15,071	39,275	16,492	219,525	317,660
Development-in-progress	-	1,177,882	-	14,790	-	-	1,192,672
Fixed assets - net	5,506,933	3,558,547	3,783,880	1,854,573	357,875	200,580,238	215,642,046
Deferred costs - net	-	-	-	-	-	213,537	213,537
Investment in other companies	-	-	-	-	-	3,754,749	3,754,749
Total non-current assets	6,116,212	5,135,511	4,497,434	2,208,711	1,836,907	218,645,327	238,440,102
Total assets	$ 6,261,466	$ 5,726,769	$ 5,663,466	$ 2,771,807	$ 2,314,188	$ 226,983,851	$ 249,721,547
LIABILITIES							
Current liabilities							
Accounts payable and accrued expenses	$ 85,423	$ 409,517	$ 55,359	$ 69,252	$ 44,721	$ 516,946	$ 1,181,218
Related parties - current portion	499,700	120,422	(8,036)	3,453	-	1,730,848	2,346,387
Developer fee payable	-	-	-	-	-	14,500	14,500
Interest payable - current portion	18,038	3,292	-	-	-	224,572	245,902
Notes payable, net - current portion	-	139,421	6,156	-	-	254,303	399,880
Total current liabilities	603,161	672,652	53,479	72,705	44,721	2,741,169	4,187,887
Tenant security deposits	17,049	23,842	15,456	39,216	16,492	257,029	369,084
Deferred income	-	-	-	252,821	61,664	601,760	916,245
Related parties - net of current portion	-	-	-	-	-	1,995,258	1,995,258
Interest payable - net of current portion	3,287,119	1,263,628	2,134,228	396,023	-	12,629,064	19,710,062
Notes payable, net - net of current portion	5,881,258	2,789,149	1,510,139	997,409	66,007	139,300,221	150,544,183
Total non-current liabilities	9,185,426	4,076,619	3,659,823	1,685,469	144,163	154,783,332	173,534,832
Total liabilities	9,788,587	4,749,271	3,713,302	1,758,174	188,884	157,524,501	177,722,719
Net assets							
Net assets without donor restrictions							
Controlling interest	(5,046,121)	(1,139,008)	450,164	1,013,633	2,125,304	8,028,083	5,432,055
Non-controlling interest	-	-	-	-	-	61,431,267	61,431,267
Total net assets without donor restrictions	(5,046,121)	(1,139,008)	450,164	1,013,633	2,125,304	69,459,350	66,863,322
Net assets with donor restrictions	1,519,000	2,116,506	1,500,000	-	-	-	5,135,506
Total net assets	(3,527,121)	977,498	1,950,164	1,013,633	2,125,304	69,459,350	71,998,828
Total liabilities and net assets	$ 6,261,466	$ 5,726,769	$ 5,663,466	$ 2,771,807	$ 2,314,188	$ 226,983,851	$ 249,721,547

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
CHP PROGRAM SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2020

	General	Solutions SF	5th Street Apartments	Civic Center	Total CHP Program Services
Change in net assets without donor restrictions					
Revenue					
Government grants	$ 6,883,123	$ -	$ -	$ 2,338,393	$ 9,221,516
Contributions - without donor restrictions	2,229,865	-	-	-	2,229,865
Contributions - with donor restrictions	347,444	-	-	-	347,444
Contract service income	-	2,775,664	-	-	2,775,664
Rent and subsidy income - net	3,000	-	46,171	142,867	192,038
Developer fees	2,218,545	-	-	-	2,218,545
Related party fees	3,129,674	1,168,072	-	-	4,297,746
Loss from investments in other companies	(240,837)	-	-	-	(240,837)
Interest and other income	29,536	15	1	-	29,552
Investment income	-	-	-	-	-
Total revenue	14,600,350	3,943,751	46,172	2,481,260	21,071,533
Expenses					
Program services	8,899,772	4,224,989	103,751	2,446,091	15,674,603
Management and general	4,577,857	-	-	-	4,577,857
Fundraising	580,604	-	-	-	580,604
Total expenses before depreciation and amortization	14,058,233	4,224,989	103,751	2,446,091	20,833,064
Change in net assets before depreciation and amortization	542,117	(281,238)	(57,579)	35,169	238,469
Depreciation and amortization	39,638	-	-	344,994	384,632
Change in net assets	502,479	(281,238)	(57,579)	(309,825)	(146,163)
Net assets, beginning of period	11,520,260	(481,140)	120,562	1,195,350	12,355,032
Net assets, end of period	$ 12,022,739	$ (762,378)	$ 62,983	$ 885,525	$ 12,208,869

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
CHP PROGRAM SERVICES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

	General	Solutions SF	5th Street Apartments	Civic Center	Total CHP Program Services
Change in net assets without donor restrictions					
Revenue					
Government grants	$ 3,359,951	$ -	$ -	$ 1,072,400	$ 4,432,351
Contributions - without donor restrictions	1,195,120	-	-	-	1,195,120
In-kind contributions	88,852	-	-	-	88,852
Contract service income	-	1,634,731	-	-	1,634,731
Rent and subsidy income - net	-	-	26,854	72,161	99,015
Developer fees	87,500	-	-	-	87,500
Related party fees	1,676,597	461,763	-	-	2,138,360
Gain from investment in other companies	33,956	-	-	-	33,956
Interest and other income	23,530	-	2,959	-	26,489
Investment income	4,064	-	-	-	4,064
Total revenue	6,469,570	2,096,494	29,813	1,144,561	9,740,438
Expenses					
Program services	4,628,101	2,177,978	46,697	936,323	7,789,099
Management and general	1,633,492	-	-	-	1,633,492
Fundraising	397,706	-	-	-	397,706
Total expenses before depreciation and amortization	6,659,299	2,177,978	46,697	936,323	9,820,297
Change in net assets before depreciation and amortization	(189,729)	(81,484)	(16,884)	208,238	(79,859)
Depreciation and amortization	33,774	-	2,573	137,180	173,527
Change in net assets	(223,503)	(81,484)	(19,457)	71,058	(253,386)
Net assets, beginning of year	11,743,763	(399,656)	140,019	1,124,292	12,608,418
Net assets, end of year	$ 11,520,260	$ (481,140)	$ 120,562	$ 1,195,350	$ 12,355,032

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
CHP PROPERTY OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Senator Hotel	San Cristina Hotel	Iroquois Hotel	Island Bay Homes	CHP Villages	Tax Credit Partnerships and LLCs	Total CHP Property Operations
Change in net assets without donor restrictions							
Revenue							
Rent and subsidy income - net	$ 1,016,022	$ 1,603,235	$ 1,704,966	$ 2,152,650	$ 1,877,366	$ 10,537,665	$ 18,891,904
Operating subsidy grants	41,312	76,722	59,016	-	-	2,790,544	2,967,594
Loss from investments in other companies	-	-	-	-	-	(873)	(873)
Interest and other income	944	10,336	7,480	36,951	3,783	210,281	269,775
Total revenue	1,058,278	1,690,293	1,771,462	2,189,601	1,881,149	13,537,617	22,128,400
Expenses							
Program services	1,278,562	1,165,132	1,302,478	1,596,085	921,966	13,046,547	19,310,770
Change in net assets before deferred interest, depreciation and amortization	(220,284)	525,161	468,984	593,516	959,183	491,070	2,817,630
Deferred interest	183,366	52,500	90,000	-	-	2,154,293	2,480,159
Depreciation and amortization	418,445	137,828	126,520	224,052	110,373	7,055,145	8,072,363
Total deferred interest, depreciation and amortization	601,811	190,328	216,520	224,052	110,373	9,209,438	10,552,522
Change in net assets	(822,095)	334,833	252,464	369,464	848,810	(8,718,368)	(7,734,892)
Net assets, beginning of period	(3,527,121)	977,498	1,950,164	1,013,633	2,125,304	69,459,350	71,998,828
Capital contributions - non-controlling interest	-	-	-	-	-	7,151,790	7,151,790
Capital distributions - non-controlling interest	-	-	-	-	-	(27,578)	(27,578)
Capital distributions - controlling interest	-	-	-	-	-	(580,024)	(580,024)
Net assets, end of period	$ (4,349,216)	$ 1,312,331	$ 2,202,628	$ 1,383,097	$ 2,974,114	$ 67,285,170	$ 70,808,124

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
CHP PROPERTY OPERATIONS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

	Senator Hotel	San Cristina Hotel	Iroquois Hotel	Island Bay Homes	CHP Villages	Tax Credit Partnerships and LLCs	Total CHP Property Operations
Change in net assets without donor restrictions							
Revenue							
Rent and subsidy income - net	$ 546,509	$ 806,481	$ 883,058	$ 994,974	$ 828,143	$ 5,457,152	$ 9,516,317
Operating subsidy grants	14,629	40,726	21,964	-	-	1,561,177	1,638,496
Loss from investment in other companies	-	-	-	-	-	(817)	(817)
Interest and other income	358	15,576	207	112,333	1,830	85,285	215,589
Total revenue	561,496	862,783	905,229	1,107,307	829,973	7,102,797	11,369,585
Expenses							
Program services	558,018	500,097	592,621	707,231	540,048	6,297,665	9,195,680
Change in net assets before deferred interest, depreciation and amortization	3,478	362,686	312,608	400,076	289,925	805,132	2,173,905
Deferred interest	118,807	26,250	45,000	-	-	1,067,326	1,257,383
Depreciation and amortization	200,373	66,837	62,704	108,445	49,200	3,556,652	4,044,211
Total deferred interest, depreciation and amortization	319,180	93,087	107,704	108,445	49,200	4,623,978	5,301,594
Change in net assets	(315,702)	269,599	204,904	291,631	240,725	(3,818,846)	(3,127,689)
Net assets, beginning of year	(3,211,419)	707,899	1,745,260	722,002	1,884,579	72,278,196	74,126,517
Capital contributions - non-controlling interest	-	-	-	-	-	-	-
Capital contributions - controlling interest	-	-	-	-	-	1,000,000	1,000,000
Net assets, end of year	$ (3,527,121)	$ 977,498	$ 1,950,164	$ 1,013,633	$ 2,125,304	$ 69,459,350	$ 71,998,828

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors of
Community Housing Partnership and Affiliates:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Community Housing Partnership and Affiliates (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 6, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Novogradac & Company LLP

Walnut Creek, California
October 6, 2021

NOVOGRADAC & COMPANY LLP®

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors of
Community Housing Partnership and Affiliates:

Report on Compliance for Each Major Federal Program

We have audited the compliance of Community Housing Partnership, a California nonprofit corporation, and affiliates (the "Organization"), with the types of compliance requirements described in *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2020. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Novogradac & Company LLP

Walnut Creek, California
October 6, 2021

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2020

Federal Grantor / Pass-Through Grantor / Program Title:	Federal CFDA No.	Federal Expenditures
U.S. Department of Housing and Urban Development:		
Community Development Block Grants Cluster:		
Community Development Block Grants/Entitlement Grants:	14.218	
Pass-through awards:		
City and County of San Francisco, Mayor's Office of Housing:		
Housing Site Acquisition Program, San Cristina Hotel		$ 2,116,506
Workforce Development Grants, Job Readiness Services		60,150
Workforce Development Grants, Occupation Skills Training		145,983
Community Development Block Grants/Special Purpose Grants/ Insular Areas:	14.225	
Pass-through awards:		
City and County of San Francisco, Mayor's Office of Housing:		
CDBG Program Loan, San Cristina Hotel		450,000
Community Development Block Grants/Special Purpose Grants/ Insular Areas (Recovery Act Funded):	14.254	
Pass-through awards:		
City and County of San Francisco, Mayor's Office of Housing:		
Supporting Housing Program Loan, Iroquois Hotel		1,500,000
Total cluster		4,272,639
Section 8 Housing Choice Vouchers:	14.871	
Pass-through awards:		
San Francisco Housing Authority:		
Island Bay		1,374,748
CHP Villages		1,699,377
Total		3,074,125
Section 8 Project-Based Cluster:		
Pass-through awards:		
San Francisco Housing Authority:		
Lower Income Housing Assistance Program		
Section 8 Moderate Rehabilitation for Iroquois and Senator	14.856	2,183,288
Section 8 Moderate Rehabilitation		
Single Room Occupancy for San Cristina Hotel	14.249	1,266,704
Total cluster		3,449,992
Shelter Plus Care:	14.238	
Pass-through awards:		
City and County of San Francisco, Department of Human Services:		
Island Bay Homes – Project Based Rental Assistance		331,674

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2020

Federal Grantor / Pass-Through Grantor / Program Title:	Federal CFDA No.	Federal Expenditures
Continuum of Care Program:	14.267	
Direct award:		
Iroquois Hotel		104,367
Pass-through awards:		
City and County of San Francisco, Dept. of Human Services:		
Integrated Services Network (ISN)		192,693
Total		297,060
Home Investments Partnerships Program:	14.239	
Pass-through awards:		
City and County of San Francisco:		
Housing Development Grants, Affordable Housing Development		21,495
Total U.S. Department of Housing and Urban Development		**11,446,985**
Department of Health and Human Services:		
Medical Assistance Program (Medicaid):	93.778	
Pass-through awards:		
City and County of San Francisco, Human Services Agency:		
Supportive Tenant Services Grant		36,137
United States Department of Agriculture (USDA):		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	
Pass-through awards:		
City and County of San Francisco, Department of Human Services:		
Employment Services for At Risk and Formerly Homeless		284,435
TOTAL EXPENDITURES OF FEDERAL AWARDS		$ 11,767,557

see accompanying notes to schedule of expenditures of federal awards

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

1. Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the expenditures of the Organization under programs of the federal government for the year ended December 31, 2020. The information in the Schedule is presented in accordance with the requirements of *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the basic consolidated financial statements.

For purposes of the Schedule, federal awards include all sub-awards to the Organization by nonfederal organizations pursuant to federal grants, contracts and similar agreements.

The Organization did not elect to use the 10% de minimis indirect cost rate in the Schedule.

2. Summary of significant accounting policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and OMB Circular A-122, *Cost Principles for Non-Profit Organizations,* wherein certain types of expenditures are not allowed. Catalogue of Federal Domestic Assistance numbers ("CFDA No.") are provided when available.

3. Federal grants outstanding

The Organization had the following repayable grant balance outstanding as of December 31, 2020. Such grants require continuing compliance and will be repayable only if demanded by the grantor in the event of non-compliance. These balances are included in the Schedule.

Program Title	Federal CFDA Number	Amount Outstanding
Community Development Block Grant – San Cristina	14.218	$ 2,116,506

4. Federal loans outstanding

The Organization had the following loans outstanding as of December 31, 2020. These loans require continuing compliance, and these balances are included in the Schedule.

CFDA No.	Program title	Loans received in the current period	Prior year loans with continuing compliance requirements	Total outstanding loans
14.254	Community Development Block Grant/Special Purpose Grants (Recovery (Act Funded)	$ -	$ 1,500,000	$ 1,500,000
14.225	Community Development Block Grants/Special Purpose Grants/Insular Areas	$ -	$ 450,000	$ 450,000

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Section I – Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

	Yes	No
Material weakness(es) identified?		X
Significant deficiency(ies) identified that are not considered to be material weakness(es)?		X
Noncompliance material to financial statements noted?		X

Federal Awards

Internal control over major programs:

	Yes	No
Material weakness(es) identified?		X
Significant deficiency(ies) identified that are not considered to be material weakness(es)?		X

Type of auditor's report issued on compliance for major programs: Unmodified

	Yes	No
Audit findings required to be reported in accordance with 2 CFR section 200.516(a)?		X

Identification of major programs:	Name of Federal Program or Cluster
14.218	Community Development Block Grants/Entitlement Grants
14.225	Community Development Block Grants/Special Purpose Grants/Insular Areas
14.254	Community Development Block Grants/Special Purpose Grants/Insular Areas (Recovery Act Funded)
14.871	Section 8 Housing Choice Vouchers

	Yes	No
Auditee qualified as low-risk auditee?		X

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.