NOVOGRADAC & COMPANY LLP®

Community Housing Partnership and Affiliates

Consolidated Financial Statements with Report of Independent Auditors
December 31, 2023 and 2022

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES

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Report of Independent Auditors

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

Opinion

We have audited the accompanying consolidated financial statements of Community Housing Partnership and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Housing Partnership and Affiliates as of December 31, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of certain limited partnerships controlled by Community Housing Partnership and Affiliates, which statements reflect total assets constituting 22.54% and 0% of the total assets at December 31, 2023 and 2022, respectively, and total revenues constituting 4.56% and 0%, respectively, of the total revenues for the years then ended. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these limited partnerships, is based solely on the reports of the other auditors.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Community Housing Partnership and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Housing Partnership and Affiliates' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Community Housing Partnership and Affiliates' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Housing Partnership and Affiliates' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. 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* and the accompanying consolidated schedules are presented for purposes of additional analysis and are 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 February 11, 2025, on our consideration of Community Housing Partnership and Affiliates' internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of Community Housing Partnership and Affiliates' 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' internal control over financial reporting and compliance.

Novogradac & Company LLP

Walnut Creek, California
February 11, 2025

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

	CHP Resident Services and	*CHP Property Operations*	*Subtotal*	*Eliminations*	*Total*
ASSETS					
Current assets					
Cash and cash equivalents	$ 929,948	$ 5,697,996	$ 6,627,944	$ -	$ 6,627,944
Receivables					
Government grants	1,682,423	-	1,682,423	-	1,682,423
Other grants and contributions	320,469	25,000	345,469	-	345,469
Related parties - current portion	18,073,224	4,740,413	22,813,637	(22,813,637)	-
Rent, subsidy, and others	7,807	1,875,017	1,882,824	-	1,882,824
Prepaid expenses and deposits	1,170,061	787,015	1,957,076	-	1,957,076
Marketable securities	105,986	-	105,986	-	105,986
Total current assets	22,289,918	13,125,441	35,415,359	(22,813,637)	12,601,722
Related party receivable - net of current portion	12,725,970	2,425,151	15,151,121	(15,151,121)	-
Developer fee receivable - net of current portion	2,537,183	-	2,537,183	(2,537,183)	-
Restricted deposits					
Replacement, operating and other reserves	258,488	22,267,237	22,525,725	-	22,525,725
Tenant security deposits	8,153	292,303	300,456	-	300,456
Development-in-progress	-	31,929,499	31,929,499	1,737,954	33,667,453
Fixed assets - net	233,730	313,385,929	313,619,659	(2,722,194)	310,897,465
Right-of-use assets	829,381	2,357,810	3,187,191	-	3,187,191
Deferred costs - net	-	328,147	328,147	-	328,147
Investment in other companies	10,108,156	11,462,433	21,570,589	(21,570,589)	-
Total non-current assets	26,701,061	384,448,509	411,149,570	(40,243,133)	370,906,437
Total assets	$ 48,990,979	$ 397,573,950	$ 446,564,929	$ (63,056,770)	$ 383,508,159
LIABILITIES AND NET ASSETS					
Current liabilities					
Accounts payable and accrued expenses	$ 1,883,500	$ 6,527,787	$ 8,411,287	$ 193,634	$ 8,604,921
Related parties - current portion	7,854,419	13,960,551	21,814,970	(21,814,970)	-
Developer fee payable	-	2,406,149	2,406,149	(2,190,649)	215,500
Interest payable - current portion	-	582,168	582,168	-	582,168
Notes payable, net - current portion	225,000	28,869,741	29,094,741	(225,000)	28,869,741
Lease liabilities - current portion	621,748	11	621,759	-	621,759
Total current liabilities	10,584,667	52,346,407	62,931,074	(24,036,985)	38,894,089
Tenant security deposits	15,242	378,032	393,274	-	393,274
Deferred income	(51,073)	1,317,396	1,266,323	5,878,896	7,145,219
Related parties - net of current portion	-	1,312,986	1,312,986	(1,312,986)	-
Interest payable - net of current portion	-	28,679,576	28,679,576	(270,970)	28,408,606
Notes payable, net - net of current portion	2,455,000	214,751,651	217,206,651	(14,881,000)	202,325,651
Lease liabilities - net of current portion	307,090	-	307,090	-	307,090
Total non-current liabilities	2,726,259	246,439,641	249,165,900	(10,586,060)	238,579,840
Total liabilities	13,310,926	298,786,048	312,096,974	(34,623,045)	277,473,929
Net assets					
Net assets without donor restrictions					
Controlling interest	35,680,053	13,334,256	49,014,309	(28,433,725)	20,580,584
Non-controlling interest	-	82,434,646	82,434,646	-	82,434,646
Total net assets without donor restrictions	35,680,053	95,768,902	131,448,955	(28,433,725)	103,015,230
Net assets with donor restrictions	-	3,019,000	3,019,000	-	3,019,000
Total net assets	35,680,053	98,787,902	134,467,955	(28,433,725)	106,034,230
Total liabilities and net assets	$ 48,990,979	$ 397,573,950	$ 446,564,929	$ (63,056,770)	$ 383,508,159

see accompanying notes to consolidated financial statements

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

	CHP Resident Services and	*CHP Property Operations*	*Subtotal*	*Eliminations*	*Total*
ASSETS					
Current assets					
Cash and cash equivalents	$ 776,570	$ 5,732,260	$ 6,508,830	$ -	$ 6,508,830
Receivables					
Government grants	1,020,800	-	1,020,800	-	1,020,800
Contract services	46,542	-	46,542	-	46,542
Related parties - current portion	13,066,976	1,358,070	14,425,046	(13,652,771)	772,275
Developer fee receivable - current portion	4,711,862	-	4,711,862	(3,820,711)	891,151
Rent, subsidy, and others	108,796	5,434,211	5,543,007	(713,221)	4,829,786
Prepaid expenses and deposits	409,077	634,575	1,043,652	-	1,043,652
Marketable securities	56,044	-	56,044	-	56,044
Total current assets	20,196,667	13,159,116	33,355,783	(18,186,703)	15,169,080
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	1,693,360	-	1,693,360	(1,693,360)	-
Restricted deposits					
Replacement, operating and other reserves	721,208	21,913,075	22,634,283	-	22,634,283
Tenant security deposits	8,079	268,123	276,202	-	276,202
Development-in-progress	-	7,694,006	7,694,006	-	7,694,006
Fixed assets - net	262,895	273,610,718	273,873,613	-	273,873,613
Right-of-use assets	1,703,201	2,180,631	3,883,832	-	3,883,832
Deferred costs - net	-	314,249	314,249	-	314,249
Investment in other companies	5,281,722	6,126,956	11,408,678	(7,714,508)	3,694,170
Total non-current assets	12,125,465	314,532,909	326,658,374	(14,288,019)	312,370,355
Total assets	$ 32,322,132	$ 327,692,025	$ 360,014,157	$ (32,474,722)	$ 327,539,435
LIABILITIES AND NET ASSETS					
Current liabilities					
Accounts payable and accrued expenses	$ 2,624,366	$ 12,910,479	$ 15,534,845	$ 93,706	$ 15,628,551
Related parties - current portion	2,837,720	10,337,785	13,175,505	(13,175,505)	-
Developer fee payable	-	8,505,235	8,505,235	(4,790,305)	3,714,930
Interest payable - current portion	-	460,868	460,868	-	460,868
Notes payable, net - current portion	250,000	286,591	536,591	(250,000)	286,591
Lease liabilities	845,970	11	845,981	-	845,981
Total current liabilities	6,558,056	32,500,969	39,059,025	(18,122,104)	20,936,921
Tenant security deposits	14,308	289,255	303,563	-	303,563
Deferred income	385,922	929,054	1,314,976	5,491,082	6,806,058
Related parties - net of current portion	-	1,757,110	1,757,110	(1,757,110)	-
Interest payable - net of current portion	-	25,638,336	25,638,336	-	25,638,336
Notes payable, net - net of current portion	2,455,000	216,875,411	219,330,411	(4,881,000)	214,449,411
Lease liabilities - net of current portion	928,837	-	928,837	-	928,837
Total non-current liabilities	3,784,067	245,489,166	249,273,233	(1,147,028)	248,126,205
Total liabilities	10,342,123	277,990,135	288,332,258	(19,269,132)	269,063,126
Net assets					
Net assets without donor restrictions					
Controlling interest	21,480,009	3,075,498	24,555,507	(13,205,590)	11,349,917
Non-controlling interest	-	41,490,886	41,490,886	-	41,490,886
Total net assets without donor restrictions	21,480,009	44,566,384	66,046,393	(13,205,590)	52,840,803
Net assets with donor restrictions	500,000	5,135,506	5,635,506	-	5,635,506
Total net assets	21,980,009	49,701,890	71,681,899	(13,205,590)	58,476,309
Total liabilities and net assets	$ 32,322,132	$ 327,692,025	$ 360,014,157	$ (32,474,722)	$ 327,539,435

see accompanying notes to consolidated financial statements

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	CHP Resident Services and	*CHP Property Operations*	*Subtotal*	*Eliminations*	*Total*
Change in net assets without donor restrictions					
Revenue					
Government grants	$ 6,501,067	$ -	$ 6,501,067	$ 321,329	$ 6,822,396
Contributions	2,426,810	-	2,426,810	139,857	2,566,667
Income from loan assumption	10,270,970	-	10,270,970	(93,425)	10,177,545
Contract service income	274,661	-	274,661	-	274,661
Rent and subsidy income - net	49,994	17,278,138	17,328,132	(21,516)	17,306,616
Operating subsidy grants	-	7,278,495	7,278,495	(344,058)	6,934,437
Developer fees	1,381,848	-	1,381,848	(1,381,848)	-
Related party fees	2,737,664	-	2,737,664	(2,737,664)	-
Loss from investment in other companies	(796,122)	(287,079)	(1,083,201)	1,083,201	-
Interest and other income	148,165	385,572	533,737	-	533,737
Employee retention credit	3,777,308	-	3,777,308	-	3,777,308
Total revenue	26,772,365	24,655,126	51,427,491	(3,034,124)	48,393,367
Net assets released from restrictions	500,000	2,116,506	2,616,506	-	2,616,506
Total revenue and net assets released from restrictio	27,272,365	26,771,632	54,043,997	(3,034,124)	51,009,873
Expenses					
Program services	8,229,712	33,302,485	41,532,197	(4,747,392)	36,784,805
Management and general	4,394,628	-	4,394,628	-	4,394,628
Fundraising	418,816	-	418,816	-	418,816
Total expenses before deferred interest, depreciation and amortization, loss on disposal of assets and impairment loss	13,043,156	33,302,485	46,345,641	(4,747,392)	41,598,249
Change in net assets without donor restrictions before deferred interest, depreciation and amortization, loss on disposal of assets, and impairment loss	14,229,209	(6,530,853)	7,698,356	1,713,268	9,411,624
Deferred interest	-	2,641,439	2,641,439	-	2,641,439
Depreciation and amortization	29,165	11,913,727	11,942,892	(164,925)	11,777,967
Loss on disposal of assets	-	(52)	(52)	2,167,046	2,166,994
Impairment loss	-	3,080,147	3,080,147	-	3,080,147
Total deferred interest, depreciation and amortization, loss on disposal of assets, and impairment loss	29,165	17,635,261	17,664,426	2,002,121	19,666,547
Total expenses	13,072,321	50,937,746	64,010,067	(2,745,271)	61,264,796
Change in net assets without donor restrictions	14,200,044	(24,166,114)	(9,966,070)	(288,853)	(10,254,923)
Change in net assets with donor restrictions					
Contributions	-	-	-	-	-
Releases from net assets with donor restrictions	(500,000)	(2,116,506)	(2,616,506)	-	(2,616,506)
Change in net assets with donor restrictions	(500,000)	(2,116,506)	(2,616,506)	-	(2,616,506)
Total change in net assets	13,700,044	(26,282,620)	(12,582,576)	(288,853)	(12,871,429)
Net assets, beginning of period	21,980,009	49,701,890	71,681,899	(13,205,590)	58,476,309
Capital contributions - non-controlling interest	-	60,227,698	60,227,698	-	60,227,698
Capital distributions - non-controlling interest	-	(140,412)	(140,412)	-	(140,412)
Capital contributions - controlling interest	-	15,281,346	15,281,346	(14,939,282)	342,064
Net assets, end of period	$ 35,680,053	$ 98,787,902	$ 134,467,955	$ (28,433,725)	$ 106,034,230
Reconciliation of net assets					
Controlling interest					
Beginning of period					$ 16,985,423
Capital contributions					342,064
Changes in net assets					6,272,097
End of period					23,599,584
Non-controlling interest					
Beginning of period					41,490,886
Capital contributions					60,227,698
Capital distributions					(140,412)
Changes in net assets					(19,143,526)
End of period					82,434,646
Net assets, end of period					$ 106,034,230

see accompanying notes to consolidated financial statements

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	CHP Resident Services and	*CHP Property Operations*	*Subtotal*	*Eliminations*	*Total*
Change in net assets without donor restrictions					
Revenue					
Government grants	$ 11,847,626	$ -	$ 11,847,626	$ (414,393)	$ 11,433,233
Contributions	1,526,318	-	1,526,318	-	1,526,318
Contract service income	1,453,423	-	1,453,423	-	1,453,423
Rent and subsidy income - net	275,131	16,751,739	17,026,870	(21,298)	17,005,572
Operating subsidy grants	-	5,289,837	5,289,837	414,393	5,704,230
Developer fees	2,221,800	-	2,221,800	(1,330,649)	891,151
Related party fees	3,489,413	-	3,489,413	(3,444,369)	45,044
Gain (loss) from investment in other companies	980,607	(423,642)	556,965	(557,065)	(100)
Interest and other income	7,012	119,375	126,387	-	126,387
Total revenue	21,801,330	21,737,309	43,538,639	(5,353,381)	38,185,258
Net assets released from restrictions	605,000	-	605,000	-	605,000
Total revenue net assets released from restrictions	22,406,330	21,737,309	44,143,639	(5,353,381)	38,790,258
Expenses					
Program services	13,082,042	22,487,412	35,569,454	(4,264,056)	31,305,398
Management and general	4,911,510	-	4,911,510	-	4,911,510
Fundraising	656,600	-	656,600	-	656,600
Total expenses before deferred interest, depreciation and amortization, and loss on disposal of assets	18,650,152	22,487,412	41,137,564	(4,264,056)	36,873,508
Change in net assets without donor restrictions before deferred interest, depreciation and amortization and loss on disposal of assets	3,756,178	(750,103)	3,006,075	(1,089,325)	1,916,750
Deferred interest	-	2,697,739	2,697,739	-	2,697,739
Depreciation and amortization	51,971	8,729,425	8,781,396	(111,336)	8,670,060
Loss on disposal of assets	-	321,706	321,706	-	321,706
Total deferred interest, depreciation and amortization, and loss on disposal of assets	51,971	11,748,870	11,800,841	(111,336)	11,689,505
Total expenses	18,702,123	34,236,282	52,938,405	(4,375,392)	48,563,013
Change in net assets without donor restrictions	3,704,207	(12,498,973)	(8,794,766)	(977,989)	(9,772,755)
Change in net assets with donor restrictions					
Contributions	500,000	-	500,000	-	500,000
Releases from net assets with donor restrictions	(605,000)	-	(605,000)	-	(605,000)
Change in net assets with donor restrictions	(105,000)	-	(105,000)	-	(105,000)
Total change in net assets	3,599,207	(12,498,973)	(8,899,766)	(977,989)	(9,877,755)
Net assets, beginning of period	18,380,802	62,309,447	80,690,249	(12,227,601)	68,462,648
Capital distributions - non-controlling interest	-	(108,584)	(108,584)	-	(108,584)
Net assets, end of period	$ 21,980,009	$ 49,701,890	$ 71,681,899	$ (13,205,590)	$ 58,476,309
Reconciliation of net assets					
Controlling interest					
Beginning of period					$ 16,650,973
Changes in net assets					334,450
End of period					16,985,423
Non-controlling interest					
Beginning of period					51,811,675
Capital contributions					-
Capital distributions					(108,584)
Changes in net assets					(10,212,205)
End of period					41,490,886
Net assets, end of period					$ 58,476,309

see accompanying notes to consolidated financial statements

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	For the year ended December 31, 2023					
	Program Services	Management and General	Fundraising	Subtotal	Eliminations	Total
Expenses						
Professional fees	$ 880,269	$ 483,008	$ 20,861	$ 1,384,138	$ -	$ 1,384,138
Office and administration costs	2,442,794	83,243	16,335	2,542,372	(153,953)	2,388,419
Consulting and contract services	19,265	24,770	-	44,035	-	44,035
Repairs and maintenance	6,504,878	74,998	-	6,579,876	984,240	7,564,116
Occupancy and ground lease expense	890,492	195,260	-	1,085,752	(21,516)	1,064,236
Utilities	3,583,543	12,787	-	3,596,330	-	3,596,330
Real estate taxes, business licenses and permits	389,402	6,236	-	395,638	-	395,638
Tenant projects and activities	305,613	-	-	305,613	-	305,613
Insurance	2,920,541	31,502	-	2,952,043	-	2,952,043
Intercompany, indirect and company-wide costs	2,465,900	683	-	2,466,583	(2,466,583)	-
Interest and bank charges	8,220,523	80,408	-	8,300,931	(93,425)	8,207,506
Depreciation and amortization	11,913,727	29,165	-	11,942,892	(164,925)	11,777,967
Wages, benefits, payroll taxes and expenses	15,579,529	3,372,568	381,620	19,333,717	(829,109)	18,504,608
Impairment loss	3,080,147	-	-	3,080,147	-	3,080,147
Total expenses	$ 59,196,623	$ 4,394,628	$ 418,816	$ 64,010,067	$ (2,745,271)	$ 61,264,796

	For the year ended December 31, 2022					
	Program Services	Management and General	Fundraising	Subtotal	Eliminations	Total
Expenses						
Professional fees	$ 1,008,048	$ 320,749	$ 22,614	$ 1,351,411	$ -	$ 1,351,411
Office and administration costs	1,944,575	329,567	93,354	2,367,496	178,918	2,546,414
Consulting and contract services	1,801	30,599	-	32,400	-	32,400
Repairs and maintenance	4,707,632	92,028	-	4,799,660	-	4,799,660
Occupancy and ground lease expense	1,140,330	290,351	-	1,430,681	(21,298)	1,409,383
Utilities	3,155,443	4,151	-	3,159,594	-	3,159,594
Real estate taxes, business licenses and permits	383,321	38,766	413	422,500	-	422,500
Tenant projects and activities	755,290	90,807	25,396	871,493	-	871,493
Insurance	1,822,156	(20,949)	-	1,801,207	-	1,801,207
Intercompany, indirect and company-wide costs	3,516,680	106,607	-	3,623,287	(3,623,287)	-
Interest and bank charges	3,565,123	57,497	-	3,622,620	-	3,622,620
Depreciation and amortization	8,729,425	51,971	-	8,781,396	(111,336)	8,670,060
Wages, benefits, payroll taxes and expenses	16,640,471	3,519,366	514,823	20,674,660	(798,389)	19,876,271
Total expenses	$ 47,370,295	$ 4,911,510	$ 656,600	$ 52,938,405	$ (4,375,392)	$ 48,563,013

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (12,871,429)	$ (9,877,755)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Interest expense - debt issuance costs	509,618	17,414
Amortization of discount	22,236	20,764
Depreciation and amortization	11,777,967	8,670,060
Loss on disposal of assets	2,166,994	321,706
Impairment loss	3,080,147	-
Amortization of right-of-use assets	696,641	881,645
Loss from investment in other companies	-	100
Income from loan assumption	(10,177,545)	-
(Increase) decrease in assets		
Accounts receivable	2,758,687	336,006
Developer fee receivable	-	(891,151)
Prepaid expenses and deposits	(913,424)	(592,540)
Marketable securities	(49,942)	8,338
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	1,829,378	(92,696)
Deferred income	504,086	883,709
Tenant security deposits payable	89,711	(38,954)
Lease liabilities	(845,969)	(786,503)
Interest payable	2,892,383	2,859,176
Net cash provided by operating activities	1,469,539	1,719,319
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets, including development-in-progress	(41,725,782)	(27,848,539)
Payment of tax credit fees	(57,669)	(195,873)
Net cash used in investing activities	(41,783,451)	(28,044,412)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contributions - non-controlling interest	55,984,441	-
Capital distributions - non-controlling interest	(140,412)	(108,584)
Payment of notes payable	(63,422,761)	(2,302,023)
Proceeds from notes payable	48,355,500	30,867,045
Payment of loan costs	(428,046)	(1,094,648)
Net cash provided by financing activities	40,348,722	27,361,790
Net change in cash, cash equivalents, and restricted cash	34,810	1,036,697
Cash, cash equivalents, and restricted cash at beginning of period	29,419,315	28,382,618
Cash, cash equivalents, and restricted cash at end of period	$ 29,454,125	$ 29,419,315
Cash and cash equivalents	$ 6,627,944	$ 6,508,830
Restricted cash	22,826,181	22,910,485
Total cash, cash equivalents, and restricted cash	$ 29,454,125	$ 29,419,315
Supplemental disclosure of cash flow information		
Interest capitalized to fixed assets	$ 1,427,881	$ 1,167,895
Cash paid for interest expense	$ 6,121,486	$ 1,788,031
Supplemental disclosure of noncash activities		
Assets acquired by assuming liabilities	$ -	$ 3,563,167
Decrease of deferred income from amortization of development fees	$ 164,925	$ 111,336
Increase in right-of-use assets - lease and lease payable	$ -	$ 2,561,310
Increase in capital contributions from investment and developer fee receivable	$ 4,585,321	$ -

see accompanying notes to consolidated financial statements

1. Organization

Community Housing Partnership and affiliates ("CHP" or "Organization") is a California non-profit public benefit corporation first incorporated in March 1990. In 2020, CHP adopted a fictitious business name, HomeRise. 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:

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	53 Colton, L.P.

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 14) and develop an on-site Navigation Center to provide supportive services and help tenants transition to permanent housing.

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, Mission Bay 9, L.P and 53 Colton, 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 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
Accounts receivable is stated at the amount management expects to collect from outstanding balances. Management closely monitors outstanding balances and provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are generally written off through a charge to the valuation allowance and a credit to trade accounts receivable. As of December 31, 2023 and 2022, the balance of the allowance for doubtful accounts was $2,816,668 and $1,791,764, respectively.

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 $5,000 or more. Building improvements, upgrades, or repairs are capitalized if they have a value of $5,000 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.

In 2023, Senator Hotel's current year operations or cash flow loss combined with a history of operations or cash flow losses may indicate that impairment exists. The Organization determined that Senator Hotel's sum of estimated undiscounted cash flows from the long-lived assets is less than the carrying amount. Management reviewed and approved the calculation and determined that Senator Hotel is impaired and should be written down. For the year ended December 31, 2023, the Organization recognized impairment loss of $3,080,147. See Fair value measurements below.

Fair value measurements

The Organization applies the accounting provisions related to fair value measurements. These provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data.

These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows) and the cost approach (cost to replace the service capacity of an asset or replacement cost).

An asset's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

Level 1: Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Inputs other than quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Unobservable inputs that reflect the Organization's own assumptions.

Certain of these fair value measurements are based on significant unobservable inputs classified within Level 3 of the valuation hierarchy. When a determination is made to classify a fair value measurement within Level 3 of the valuation hierarchy, the determination is based upon the significance of the unobservable factors to the overall fair value measurement. However, Level 3 fair value measurement typically include, in addition to the unobservable or Level 3 components, observable components that can be validated to observable external sources; accordingly, the fair values in the below are due in part to observable factors that are part of the valuation methodology.

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

Fair value measurements (continued)

	Level 3
Senator Hotel fixed assets, net	$ 785,502

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, 2023 and 2022 was $328,147 and $314,249, respectively. The related amortization expense for the years ended December 31, 2023 and 2022 was $43,771 and $25,397, 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.

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.

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.

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

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.

Revenue recognition
Contract service revenue is derived from contracts with customers and is recognized when performance obligations are met. Additionally, revenue resulting from special events, fees charged by the Organization, and other revenue is recognized at the point in time services are performed.

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.

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.

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 years ended December 31, 2023 and 2022, the value of volunteer services totaled $0.

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, 2022. During 2023, Market Street 1629 Ventures, LP assigned a notes receivable in the amount of $10,000,000 and interest receivable of $177,545 to the Organization. The Organization recognized income from loan assumption in the amount of $10,177,545 and was included in the consolidated statements of activities and changes in net assets.

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

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.

Functional expenses
The costs 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 activities of 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.

Leases
The Organization determines if an arrangement is a lease at inception. An arrangement is a lease if the arrangement conveys a right to direct the use of and to obtain substantially all of the economic benefits from the use of an asset for a period of time in exchange for consideration.

Operating lease right-of use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Organization uses the risk-free rate at the commencement date in determining the present value of lease payments.

The operating lease right-of-use asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The lease agreement does not contain any material residual value guarantees or material restrictive covenants. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

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

Subsequent events

Subsequent events have been evaluated through February 11, 2025, which is the date the financial statements were available to be issued, and there are no subsequent events requiring disclosure.

Reclassifications

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

2. Restricted cash

The Organization is required by certain loan and regulatory agreements to maintain separate replacement reserves, operating reserves and other reserve accounts, withdrawals from which normally require prior approval from the lenders or regulatory agencies. The Organization's restricted cash, in part, consisted of the following as of December 31, 2023 and 2022 as shown in the tables below:

	December 31, 2023				
	Replacement Reserves	Operating Reserves	Other Reserves	Subsidy Reserves	Total
Senator Hotel	$ 164,030	$ 346,701	$ 601	$ -	$ 511,332
San Cristina, L.P.	33,925	8,166	592	-	42,683
Iroquois Hotel	844,765	312,826	-	-	1,157,591
Island Bay Homes	184,126	325,006	722	-	509,854
Hotel Essex, L.P.	453,740	343,191	-	7,702	804,633
650 Eddy, L.P.	441,686	438,813	255,876	4,180	1,140,555
Arendt House, L.P.	331,135	226,032	-	52,398	609,565
473 Ellis, L.P.	245,323	3,806,023	-	-	4,051,346
365 Fulton, L.P.	672,301	483,708	54,310	76,109	1,286,428
CHP Scott Street, L.P.	225,466	137,943	-	13,245	376,654
CHP Villages	117,390	4,927,577	-	-	5,044,967
25 Essex, L.P.	488,300	738,182	170,806	98,311	1,495,599
666 Ellis, L.P.	376,594	365,835	353,800	-	1,096,229
1750 McAllister	-	840,665	527,128	-	1,367,793
Civic Center	19,938	-	-	-	19,938
Mission Bay 9, L.P.	250,130	952,903	658,585	100	1,861,718
53 Colton, L.P.	16,100	794,090	100,000	100	910,290
Total	$ 4,864,949	$15,047,661	$ 2,122,420	$ 252,145	$22,287,175

3. Restricted cash (continued)

	December 31, 2022				
	Replacement Reserves	Operating Reserves	Other Reserves	Subsidy Reserves	Total
Senator Hotel	$ 262,921	$ 343,565	$ 596	$ -	$ 607,082
San Cristina Hotel	22,050	8,172	666	-	30,888
Iroquois Hotel	830,549	304,930	-	-	1,135,479
Island Bay Homes	172,993	322,067	715	-	495,775
Hotel Essex, L.P.	473,928	340,087	-	6,998	821,013
650 Eddy, L.P.	531,644	434,775	253,562	2,110	1,222,091
Arendt House, L.P.	300,091	223,988	-	50,664	574,743
473 Ellis, L.P.	240,156	3,767,188	-	-	4,007,344
365 Fulton, L.P.	642,669	479,333	578,708	74,240	1,250,061
CHP Scott Street, L.P.	230,168	141,434	-	13,124	384,726
CHP Villages	117,390	2,491,365	-	-	2,608,755
25 Essex, L.P.	515,964	726,593	170,652	98,185	1,511,394
666 Ellis, L.P.	336,379	365,835	352,581	-	1,054,795
1750 McAllister	-	822,868	442,962	-	1,265,830
Civic Center	19,938	-	-	-	19,938
Mission Bay 9, L.P.	130	691	4,395,354	22,035	4,418,210
Total	$ 4,696,970	$10,772,891	$ 6,195,796	$ 267,356	$21,933,013

In addition to the reserves in the tables above, the Organization maintains a corporate reserve, supplemental reserve, and other reserve the use of which is restricted by certain loan agreements. The balance of the corporate reserve as of December 31, 2023 and 2022 was $228,405 and $659,547, respectively. The balance of the supplemental reserve as of December 31, 2023 and 2022 was $10,145 and $10,053, respectively. The balance of the other reserve as of December 31, 2023 and 2022 was $0 and $31,670, 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, 2023 and 2022 were $300,456 and $276,202, 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. – In accordance with the partnership agreement and the lenders' regulatory agreements, the replacement reserve is required to be funded in the amount equal to $500 per unit per year. The partnership must also establish and maintain an operating reserve with a balance of $952,212, 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 land settlement reserve in the amount of $250,000. 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.

53 Colton, 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 of $48,000 through equal monthly deposits. The partnership must also establish and maintain an operating reserve with a balance of $793,990, 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 an insurance reserve in the initial funding amount of $100,000. 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.

4. Contributions and grants receivable

Contributions and grants receivable as of December 31, 2023 and 2022, which represent amounts expected to be received in less than one year, consisted of the following:

	2023	2022
Federal grant receivable	$ 1,682,423	$ 1,020,800
Other contributions and grants	345,469	-
Total	$ 2,027,892	$ 1,020,800

5. Fixed assets

Fixed assets as of December 31, 2023 and 2022 consisted of the following:

	2023	2022
Land	$ 6,234,849	$ 7,737,710
Buildings and building improvements	382,921,370	337,388,762
Land improvements	3,119,185	3,119,185
Furniture, fixtures, and equipment	6,962,617	5,618,840
Leasehold improvements	8,317,348	7,164,706
Total fixed assets	407,555,369	361,029,203
Less accumulated depreciation	(96,657,904)	(87,155,590)
Total fixed assets, net	$ 310,897,465	$ 273,873,613
Development-in-progress	$ 33,667,453	$ 7,694,006

Depreciation expense during the years ended December 31, 2023 and 2022 was $11,734,196 and $8,644,663, respectively, which is shown net of deferred developer fee amortization of $164,925 (see Note 12).

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, 2022, CHP Colton LLC's investment balance in Strada/CHP LLC was $0, with no corresponding investment income.

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, 2022, CHP Colton LLC's investment balance was $3,694,170, with corresponding investment loss of $100 during the year ended December 31, 2022.

During 2022, the Organization paid for certain operating and construction expenses on behalf of 53 Colton L.P. As of December 31, 2022, the outstanding balance receivable from 53 Colton L.P. was $772,275, which is included in receivables from related parties on the accompanying consolidated statements of financial position.

During 2023, the Organization obtained control of 53 Colton L.P. and material intercompany balances were eliminated.

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, 2023 and 2022, 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, 2023 and 2022, 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 years ended December 31, 2023 and 2022, Bridge earned developer fees of $1,413,518 and $923,335, respectively. As of December 31, 2023 and 2022, the balance of developer fee payable to Bridge was $151,000 and $3,700,430, respectively.

Pursuant to the development agreement for 53 Colton, L.P., CHP shall serve as the co-developer for 53 Colton along with Strada Brady, LLC. For the years ended December 31, 2023 and 2022, Strada Brady, LLC earned developer fees of $733,333 and $0, respectively. As of December 31, 2023 and 2022, the balance of developer fee payable to Strada Brady, LLC was $50,000 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 the development of 53 Colton. For the year ended December 31, 2022, CHP earned developer fees of $891,151 for services performed for the development of the project. As of December 31, 2022, the balance of developer fees receivable was $891,151. During 2023, the Organization obtained control of 53 Colton and material intercompany balances were eliminated.

9. Marketable securities

Marketable securities consist of mutual funds, which are reported at quoted market prices. The balance of marketable securities at December 31, 2023 and 2022 was $105,986 and $56,044, respectively. For the years ended December 31, 2023 and 2022, realized and unrealized loss from marketable securities was $0 and $84, respectively.

10. Notes payable

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

	2023	2022
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
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, 2023 and 2022 was $1,903,156 and $1,792,353, respectively. Current interest expense during the years ended December 31, 2023 and 2022 was $18,038, which is included in program services expense on the accompanying consolidated statements of activities. Deferred interest expense during the years ended December 31, 2023 and 2022 was $110,803.	4,294,690	4,294,690

10. Notes payable (continued)

	2023	2022
Senator Hotel (continued) 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 interest 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, 2023 and 2022 was \$2,643,188 and \$2,398,345, respectively. Deferred interest expense during the years ended December 31, 2023 and 2022 was \$244,843.	1,347,532	1,347,532
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 years ended December 31, 2023 and 2022, no interest was incurred or paid.	239,036	239,036
San Cristina Hotel On February 11, 1992, CHP, on behalf of San Cristina Hotel, obtained a loan from HCD's California Housing Rehabilitation Program ("CHRP") in the amount of \$1,750,000. On August 31, 2022, the loan was amended wherein \$1,381,988 of accrued interest was converted to principal. The loan was assumed by San Cristina, L.P. Interest accrues at a rate of 3% per annum on the original loan of \$1,750,000 only. No payments are due until maturity. The loan is due on February 13, 2077, but can be deferred upon approval of the lender. Accrued interest as of December 31, 2023 and 2022 was \$70,180 and \$17,680, respectively. Deferred interest expense during the years ended December 31, 2023 and 2022 was \$52,500.	3,131,988	3,131,988

10. Notes payable (continued)

	2023	2022
San Cristina Hotel (continued) CHP, on behalf of 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. On August 10, 2022, the loan was amended and restated and assumed by San Cristina, L.P. 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. All unpaid principal and interest is payable on August 1, 2077. Accrued interest as of December 31, 2023 and 2022 was $5,926 and $0, respectively. Interest expense during the years ended December 31, 2023 and 2022 was $5,926 and $0, respectively.	197,530	146,990
CHP, on behalf of San Cristina Hotel, executed a forgivable loan in the maximum principal amount of $2,116,506 with the City and County of San Francisco, as funded by HUD's CDBG program, in order to rehabilitate the San Cristina Hotel. On August 10, 2022, the forgivable loan was amended and assumed by San Cristina, L.P. 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. All unpaid principal and interest is payable on August 1, 2077. Accrued interest as of December 31, 2023 and 2022 was $63,495 and $0, respectively. Interest expense during the years ended December 31, 2023 and 2022 was $63,495 and $0, respectively.	2,116,506	-
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. On August 10, 2022, the loan was amended and restated and assumed by San Cristina, L.P. 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. All unpaid principal and interest is payable on August 1, 2077. Accrued interest as of December 31, 2023 and 2022 was $73,127 and $59,627, respectively. Interest expense during the years ended December 31, 2023 and 2022 was $13,500.	450,000	450,000

10. Notes payable (continued)

	2023	2022
San Cristina Hotel (continued) On August 31, 2022, San Cristina L.P. executed a construction loan with Merchants Bank of Indiana in the principal amount of $35,657,570, secured by a deed of trust on the project. The loan accrues interest at a rate of 5.77%. The maturity date of the loan is September 10, 2024. As of December 31, 2023 and 2022, accrued interest was $196,991 and $29,405, respectively. Interest expense during the years ended December 31, 2023 and 2022 was $1,356,784 and $67,587, respectively, all of which was capitalized to fixed assets.	28,571,497	5,278,475
On July 15, 2022, San Cristina, L.P. executed a loan with Century Housing Corporation under the Affordable Housing Program in the principal amount of $750,000. The loan bears no interest and is secured by a subordinate deed of trust in the housing project. The loan is forgivable after 55 years from the date the project's rehabilitation was completed, provided the project complies with certain affordable housing provisions of the loan agreement; otherwise, the loan is payable at maturity on July 15, 2027.	750,000	750,000
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. Interest payments of $42,866 and $64,309 were made for the years ended December 31, 2023 and 2022, respectively. 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, 2023 and 2022 was $2,172,723 and $2,125,589, respectively. Deferred interest expense during the years ended December 31, 2023 and 2022 was $90,000.	1,500,000	1,500,000
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, 2023 and 2022 was $374,728. There was no interest expense during the years ended December 31, 2023 and 2022.	997,409	997,409

10. Notes payable (continued)

	2023	2022
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 years ended December 31, 2023 and 2022 was \$21,228 and \$20,679, respectively. The outstanding principal balance as of December 31, 2023 and 2022 was \$2,154,606 and \$2,206,703, respectively, net of discount of \$1,865,630 and \$1,886,858, respectively.	4,020,236	4,093,561
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, 2023 and 2022 was \$659,132 and \$620,982, respectively, net of discount of \$420,222 and \$419,409, respectively. Current interest expense for the years ended December 31, 2023 and 2022 was \$5,455, which is included in program services expense on the accompanying consolidated statements of activities. Deferred interest expense during the years ended December 31, 2023 and 2022 was \$33,508. The outstanding principal balance as of December 31, 2023 and 2022 was \$630,489 and \$631,782, respectively, net of discount of \$668,254 and \$666,961, respectively.	1,298,743	1,298,743

10. Notes payable (continued)

	2023	2022
473 Ellis, L.P. (continued) 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, 2023 and 2022 was $941,522 and $842,722, respectively. Current interest expense for the years ended December 31, 2023 and 2022 was $20,272 and $19,856, respectively, and is included in program services expense on the accompanying consolidated statements of activities. Deferred interest expense during the years ended December 31, 2023 and 2022 was $124,527 and $130,172, respectively.	4,826,617	4,826,617
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, 2023 and 2022 was $29,658.	5,022,442	5,022,442

10. Notes payable (continued)

	2023	2022
650 Eddy, L.P. 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 years ended December 31, 2023 and 2022, the effective interest rate, which includes amortization of debt issuance costs, was 3.01%. 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, 2023 and 2022 was $2,180,071 and $2,048,490, respectively. Interest expense during the years ended December 31, 2023 and 2022 was $25,585, which is included in program services expense on the accompanying consolidated statements of activities. Deferred interest expense during the years ended December 31, 2023 and 2022 was $157,166.	6,091,709	6,091,709
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 years ended December 31, 2023 and 2022, 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, 2023 and 2022 was $1,922,677 and $1,761,484, respectively. Interest expense during the years ended December 31, 2023 and 2022 was $26,241, which is included in program services expense on the accompanying consolidated statements of activities. Deferred interest expense during the years ended December 31, 2023 and 2022 was $161,193.	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

10. Notes payable (continued)

	2023	2022
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 years ended December 31, 2023 and 2022 was $0.	4,670,017	4,670,017
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 years ended December 31, 2023 and 2022, the effective interest rate, which includes amortization of debt issuance costs, was 3.00%. The entire principal and unpaid accrued interest is to be repaid in October 2063. Accrued interest as of December 31, 2023 and 2022 was $2,700,002 and $2,548,802, respectively. For the years ended December 31, 2023 and 2022, current interest expense was $29,400, which is included in program services expense on the accompanying consolidated statements of activities. For the years ended December 31, 2023 and 2022, deferred interest expense was $180,600.	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 years ended December 31, 2023 and 2022, 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 February 2071. Accrued interest as of December 31, 2023 and 2022 was $815,987 and $714,228, respectively. For the years ended December 31, 2023 and 2022, current interest expense was $16,565, which is included in program services expense on the accompanying consolidated statements of activities. For the years ended December 31, 2023 and 2022, deferred interest expense was $101,759.	3,944,116	3,944,116

10. Notes payable (continued)

	2023	2022
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 loans were subsequently assigned to CHP Scott Street, L.P. A portion of the loans totaling $4,016,508 was due the earlier of March 31, 2016 or the close of permanent financing. The remaining portion of the loans 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 years ended December 31, 2023 and 2022 was $3,114 and $3,002, respectively. The outstanding principal balance as of December 31, 2023 and 2022 was $87,145 and $84,031, respectively, net of discount of $312,855 and $315,969, 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. 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
365 Fulton, L.P. On November 3, 2009, 365 Fulton, L.P. obtained a loan from Office of Community Investment and Infrastructure ("OCII"), successor agency to the San Francisco Redevelopment Agency 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, 2023 and 2022 was $595,587 and $570,349, respectively. Deferred interest expense during the years ended December 31, 2023 and 2022 was $25,238.	841,263	841,263

10. Notes payable (continued)

	2023	2022
365 Fulton, L.P. (continued) 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
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 years ended December 31, 2023 and 2022, the effective interest rate, which includes amortization of debt issuance costs, was 3.04%. The entire principal and unpaid accrued interest is to be repaid in full in February 2068. Accrued interest as of December 31, 2023 and 2022 was $2,481,112 and $2,303,665, respectively. Interest expense during the years ended December 31, 2023 and 2022 was $37,413, and is included in program services expense on the accompanying consolidated statements of activities. Deferred interest expense during the years ended December 31, 2023 and 2022 was $229,828.	8,907,928	8,907,928
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.	2,808,530	2,819,097
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. 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 years ended December 31, 2023 and 2022, the effective interest rate, which includes amortization of debt issuance costs, was 4.56% and 4.55%, 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, 2023 and 2022 was $12,462. For the years ended December 31, 2023 and 2022, total interest expense, including servicing fees was $130,188 and $133,905, respectively.	2,904,119	2,991,031

10. Notes payable (continued)

	2023	2022
666 Ellis, L.P. (continued) 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 years ended December 31, 2023 and 2022, deferred interest expense was $427,848 and $426,552, respectively. As of December 31, 2023 and 2022, the balance of accrued interest was $2,637,210 and $2,272,796, respectively.	14,375,000	14,375,000
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. 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 servicing fees for a total payment of $44,801. For the years ended December 31, 2023 and 2022, the effective interest rate, which includes amortization of debt issuance costs, was 4.05% and 3.77%, 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, 2023 and 2022 was $11,684 and $1,225, respectively. For the years ended December 31, 2023 and 2022, interest expense was $353,834 and $336,342, respectively.	8,745,105	8,944,757
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.	247,973	247,973

10. Notes payable (continued)

	2023	2022
1750 McAllister, L.P. 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 years ended December 31, 2023 and 2022, deferred interest expense was $462,734 for each year. As of December 31, 2023 and 2022, the balance of accrued interest was $2,838,835 and $2,531,347, respectively.	21,661,312	21,661,312
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, 2023 and 2022 was $273,128 and $243,128, respectively. For the years ended December 31, 2023 and 2022, deferred interest expense was $30,000.	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 years ended December 31, 2023 and 2022, 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, 2023 and 2022 was $1,907,083 and $1,708,669, respectively. For the years ended December 31, 2023 and 2022, current interest expense was $39,097, and is included in program services expense on the accompanying consolidated statements of activities. For the years ended December 31, 2023 and 2022, deferred interest expense was $240,164.	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

10. Notes payable (continued)

	2023	2022
25 Essex, L.P. (continued) 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
CHP Villages In connection with CHP's assumption of the sublease for CHP Villages (see note 14), 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 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 years ended December 31, 2023 and 2022, interest expense was $447,205 and $395,318, respectively, of which $0 and $395,318, respectively, was capitalized to development-in-progress. As of December 31, 2023 and 2022, the balance of accrued interest was $1,338,548 and $891,344, respectively.	37,245,761	26,652,780
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 years ended December 31, 2023 and 2022, interest expense was $1,525,054 and $704,990, respectively, of which $71,097 and $704,990, respectively, was capitalized to development-in-progress. As of December 31, 2022, the balance of accrued interest was $140,463. The loan was paid in full on August 9, 2023.	-	33,797,269

10. Notes payable (continued)

	2023	2022
Mission Bay 9, L.P. (continued) On August 11, 2020, the partnership obtained an AHP loan from Wells Fargo National Bank West in the principal amount of $1,500,000. The loan bears no interest and is secured by a subordinate deed of trust. The entire principal is to be repaid in full on August 11, 2075.	1,500,000	1,500,000
53 Colton, L.P. On December 1, 2023, the partnership obtained an HCD MHP loan in the amount of $11,477,490. The loan bears 3% simple interest and requires annual payments equal to 0.42% of the unpaid principal balance. All principal and interest are due at maturity in December 2078. Accrued interest as of December 31, 2023 was $23,911. Interest expense during the years ended December 31, 2023 was $23,911, which is included in program services expense on the accompanying consolidated statements of activities. .	11,477,490	-
On October 30, 2020, the partnership obtained a loan from MOH in the original amount of $2,750,000. On November 27, 2023, the loan was amended to reduce the maximum principal balance to $1,741,955. The loan is secured by a subordinate deed of trust on the project. The loan does not accrue interest. Payments on the loan are made to the extent of residual receipts as defined in the loan agreement. Any unpaid principal is due upon maturity on January 1, 2078. As of December 31, 2023 and 2022, the principal balance of the loan was $1,741,955 and $0, respectively.	1,741,955	-
On September 13, 2023, the partnership obtained an AHP loan from Century Housing Corporation in the principal amount of $1,250,000. The loan bears no interest and is secured by a subordinate deed of trust on the project. The loan is forgivable after 15 years from the date the project's rehabilitation was completed provided the project complies with certain affordable housing provisions of the loan agreement; otherwise, the loan is payable at maturity on September 13, 2078. As of December 31, 2023, the principal balance of the loan was $1,250,000.	1,250,000	-
Total notes payable	235,306,858	218,952,089
Less: total discounts	(2,846,739)	(2,869,788)
Less: unamortized debt issuance costs	(1,264,727)	(1,346,299)
Notes payable, net of discounts and unamortized debt issuance costs	$ 231,195,392	$214,736,002

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. Interest expense during the year ended December 31, 2022 was $82,046. In August 2022, the loan was paid off.

10. Notes payable (continued)

On January 6, 2012, Iroquois 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 $53,774 to construct retrofit improvements on the property. The loan bears 5% simple interest and is due at maturity on July 1, 2022. Interest expense during the year ended December 31, 2022 was $41. In July 2022, the loan was paid off.

On January 25, 2012, San Cristina Hotel obtained an unsecured loan from 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. In July 2022, the loan was paid off.

On November 1, 2020, 53 Colton, L.P. executed a construction loan with the City and County of San Francisco in the principal amount of $29,520,000, secured by a deed of trust on 53 Colton. The loan accrues interest at a rate equal to LIBOR (but no less than 0.75%) plus 2.10%. The maturity date of the loan was December 10, 2023. The loan was paid off on December 7, 2023. As of December 31, 2022, the interest rate was 2.85%. As of December 31, 2023 and 2022, the outstanding principal balance was $0 and $29,520,000, respectively, with accrued interest of $0 and $205,833, respectively. For the years ended December 31, 2023 and 2022, interest expense on the construction loan of $2,019,089 and $1,027,734, respectively, was incurred, of which $0 and $219,176, respectively, was capitalized to fixed assets and $2,019,089 and $772,558, respectively, was expensed.

Debt issuance costs are being amortized to interest expense over the term of the respective loans. For the years ended December 31, 2023 and 2022, amortization expense for debt issuance costs was $244,454 and $17,414, respectively.

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

Year Ending December 31,	
2024	$ 28,869,741
2025	310,373
2026	322,999
2027	336,140
2028	349,819
Thereafter	205,117,786
Total	$ 235,306,858

11. Line of credit

CHP had a line of credit with Wells Fargo Bank with maximum borrowings of $1,000,000. As of December 31, 2022, 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 matured on February 15, 2022. There was no interest expense incurred during the year ended December 31, 2022.

12. Deferred income

As of December 31, 2023 and 2022, deferred income includes the 40% profit portion of CHP's developer fees of $5,878,896 and $5,491,082, respectively, which is net of accumulated amortization of $1,028,315 and $863,390, respectively. For the years ended December 31, 2023 and 2022, amortization to offset the depreciation expense related to the fee capitalized as real property totaled $164,925 and $111,336, 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, 2022	Contributions	Released from Restrictions	Dec 31, 2023
Specific programs and time restrictions:				
Community Housing Partnership	$ 500,000	$	$ (500,000)	$ -
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	-	-	3,019,000
Total net assets with donor restrictions	$ 5,635,506	$	$ (2,616,506)	$ 3,019,000

	Dec. 31, 2021	Contributions	Released from Restrictions	Dec 31, 2022
Specific programs and time restrictions:				
Community Housing Partnership	$ 605,000	$ 500,000	$ (605,000)	$ 500,000
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	$ 5,740,506	$ 500,000	$ (605,000)	$ 5,635,506

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. Leases

Island Bay Homes lease
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 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.

666 Ellis, L.P. ground lease
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 years ended December 31, 2023 and 2022, rent expense was $3,535 which is included in program expenses on the accompanying consolidated statements of activities. As of December 31, 2023 and 2022, the balance of right of use asset was $321,255 and $324,790, respectively.

1750 McAllister, L.P. ground lease
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 years ended December 31, 2023 and 2022, rent expense was $20,000, which is included in program expenses on the accompanying consolidated statements of activities. As of December 31, 2023 and 2022, the balance of right of use asset was $1,835,787 and $1,855,787, respectively.

14. Leases (continued)

On October 29, 2021, CHP entered into an operating lease sublease agreement with Schoolmint, Inc. for its main office facility. The term of the sublease is from December 1, 2021 to November 28, 2025. The sublease agreement provides for monthly base rent plus a portion of the office's direct operating expenses as defined. As of December 31, 2023 and 2022, the balance of right of use asset was $527,343 and $806,064, respectively. Total net expenses related to this lease for the years ended December 31, 2023 and 2022 were $293,990, which are allocated among program services, management and general, and fundraising expense on the accompanying consolidated statements of activities.

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 was extended through June 30, 2024. 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 to 101.5% of the prior year's monthly rent. During months 61 through 120, rent shall be increased annually to 102% of the prior year's monthly rent. As of December 31, 2023 and 2022, the balance of right of use asset was $302,038 and $897,137, respectively. Total rent expense related to this lease for the years ended December 31, 2023 and 2022 was $606,595 and $612,307, 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 expired on December 31, 2021 with an extension of the lease terms thereafter on a month-to-month basis. Total rent expense related to this lease for the years ended December 31, 2023 and 2022 was $0 and $349,241, 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 years ended December 31, 2023 and 2022, 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, 2023 and 2022, total ground lease payable to the City was $0 and $11, respectively.

14. Leases (continued)

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 OCII. The lease is classified as an operating lease. 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 years ended December 31, 2023 and 2022, rent expense was $0, which represents residual rent.

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, 2023 and 2022, the balance of the right of use asset was $53 and $54, respectively. Ground lease expense for the years ended December 31, 2023 and 2022 was $1 for each year, which is included in program services expense on the accompanying consolidated statements of activities.

Mission Bay 9 L.P. leases land from the OCII, on a 75-year term commencing on April 7, 2020, which expires in 2095. Upon termination of the lease, improvements, alterations, additions, equipment fixtures shall automatically transfer to the possession of the OCII. Upon commencement of the lease, the partnership shall pay a total of $75, or $1 per year for the 75-year term. In any given year that is not a LOSP Subsidy year, as defined, base rent is $15,000 per year. Since it is not reasonably determinable that there will not be a LOSP Subsidy year in the future, any such payment will be deemed variable rent. The agreement also provides for residual rent in the maximum amount of $1,615,000 per year, subject to the availability of excess/distributable cash. If the project does not generate excess/distributable cash, there is no requirement to accrue a payment. The lease is classified as an operating lease. Ground lease expense for the years ended December 31, 2023 and 2022 was $1and $0, respectively, which is included in program services expense on the accompanying consolidated statements of activities.

53 Colton, which is owned by 53 Colton L.P., is built on land owned by PTF for 99 years. Pursuant to the terms of the lease executed on January 1, 2018, 53 Colton L.P. leases the land from U.A. with an annual rent of $1 for a 99 year-term. Under the terms of the lease, the title to the land will revert to U.A. at the end of the lease. The lease has been classified as an operating lease and the partnership incurred acquisition costs of $206,947, which will be amortized over the 99 year-term. As of December 31, 2023, the balance of the right of use asset was $200,715. For the year ended December 31, 2023, ground lease expense was $2,131, which is included in program services expense on the accompanying consolidated statements of activities.

14. Leases (continued)

The balances for operating leases are presented as follows on the consolidated statements of financial position as of December 31:

	2023	2022
Operating leases:		
Operating lease right-of-use assets	$ 3,187,191	$ 3,883,832
Operating lease liabilities	$ 928,849	$ 1,774,818

Lease expense on the consolidated statements of activities and changes in net assets for the year ended December 31, 2023 consists of the following:

	2023	2022
Operating lease expense:		
Operating lease expense – base rent	$ 926,253	$ 924,121
Operating lease expense – variable	-	5,712
Total operating lease expense	$ 926,253	$ 929,833

As of December 31, 2023 and 2022, the weighted-average remaining lease term for these leases approximated 58.68 and 52.73 years, respectively, and the weighted-average discount rate approximated 2%.

The lease agreements did not provide an implicit rate of return and the Organization used its risk-free rate based on information available at the commencement date in determining the present value of lease payments.

As of December 31, 2023, the maturities of operating lease liabilities are summarized as follows:

2024	$ 632,082
2025	309,654
2026	-
2027	-
2028	-
Thereafter	-
Total minimum lease payments	941,736
Less: interest	(12,897)
Present value of lease obligations	$ 928,849

15. Commitments and contingencies

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, 2023 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)
53 Colton, L.P.	794,000	(10)
Total	$ 5,327,324	

	Tax Benefit Indemnifications[11]	
Project	Projected Benefit	Expiration
Arendt House, L.P.	$ -	2024
Essex Hotel, LP	-	2022
650 Eddy, LP	-	2023
365 Fulton, L.P.	-	2027
473 Ellis, LP	-	2028
CHP Scott Street, L.P.	601,998	2030
25 Essex, L.P.	-	2029
666 Ellis, L.P.	8,141,747	2032
1750 McAllister, L.P.	12,356,794	2033
53 Colton, L.P.	17,606,152	2037
Total	$ 38,706,691	

(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.

15. Commitments and contingencies (continued)

(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.

(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.

15. Commitments and contingencies (continued)

[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] The obligation to fund the operating deficit shall terminate on date that the following have occurred simultaneously: (i) the Project has operated at the required expense coverage determined by audited financial statements for a period of at least two (2) consecutive fiscal years, which two (2) year period shall have commenced no earlier than three (3) years after the first day of the year in which the later of the stabilization date is achieved and loan conversion occurs; (ii) the LOSP Subsidy Agreement is in full force and effect in at least the per unit annual amount shown in the projections; and (iii) the balance in the operating reserve equals or exceeds $794,000.

[11] 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.

Noncompliance with grantor

On April 2, 2024, the Office of the Controller of the City and County of San Francisco, City Services Auditor, Audits Division, presented its report on the audit of the agreements between the Organization and the City and County of San Francisco, The Department of Homelessness and Supportive Housing ("HSH"), and the Mayor's Office of Housing and Community Development ("MOHCD"). The audit found significant and pervasive issues with the Organization and noncompliance with City and grant agreements. The report makes nine recommendations for HSH and MOHCD to remediate the findings with the Organization, and the City Services Auditor will follow up every six months on the status of the open recommendations made in the report. No provision has been made for any liabilities that may arise from the audit.

16. 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 $84,893 and $67,673 for the years ended December 31, 2023 and 2022, respectively.

17. 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:

	2023	2022
Cash and cash equivalents	$ 6,627,944	$ 7,033,719
Receivables	3,910,716	7,560,554
Total	$ 10,538,660	$ 14,594,273

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. 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 RESIDENT SERVICES AND ADMINISTRATION
DECEMBER 31, 2023

	General	Solutions SF	5th Street Apartments	Civic Center	Total CHP Program Services
ASSETS					
Current assets					
Cash and cash equivalents	$ 727,267	$ 204,287	$ (2,769)	$ 1,163	$ 929,948
Receivables					
Government grants	1,682,423	-	-	-	1,682,423
Other grants and contributions	320,469	-	-	-	320,469
Related parties - current portion	15,849,963	281,720	189,761	1,751,780	18,073,224
Rent, subsidy, and others	-	-	7,807	-	7,807
Prepaid expenses and deposits	1,103,241	-	66,820	-	1,170,061
Marketable securities	105,986	-	-	-	105,986
Total current assets	19,789,349	486,007	261,619	1,752,943	22,289,918
Related party receivable - net of current portion	12,725,970	-	-	-	12,725,970
Developer fee receivable - net of current portion	2,537,183	-	-	-	2,537,183
Restricted deposits					
Replacement, operating and other reserves	238,550	-	-	19,938	258,488
Tenant security deposits	-	-	8,153	-	8,153
Fixed assets - net	233,730	-	-	-	233,730
Right-of-use assets	527,343	-	302,038	-	829,381
Investment in other companies	10,108,156	-	-	-	10,108,156
Total non-current assets	26,370,932	-	310,191	19,938	26,701,061
Total assets	$ 46,160,281	$ 486,007	$ 571,810	$ 1,772,881	$ 48,990,979
LIABILITIES					
Current liabilities					
Accounts payable and accrued expenses	$ 1,859,137	$ -	$ 24,363	$ -	$ 1,883,500
Related parties - current portion	6,116,198	1,551,743	186,478	-	7,854,419
Notes payable - current portion	225,000	-	-	-	225,000
Lease liability - current portion	319,710	-	302,038	-	621,748
Total current liabilities	8,520,045	1,551,743	512,879	-	10,584,667
Tenant security deposits	-	-	15,242	-	15,242
Deferred income	(51,073)	-	-	-	(51,073)
Notes payable - net of current portion	2,455,000	-	-	-	2,455,000
Lease liability - net of current portion	307,090	-	-	-	307,090
Total non-current liabilities	2,711,017	-	15,242	-	2,726,259
Total liabilities	11,231,062	1,551,743	528,121	-	13,310,926
Net assets					
Net assets without donor restrictions	34,929,219	(1,065,736)	43,689	1,772,881	35,680,053
Net assets with donor restrictions	-	-	-	-	-
Total net assets	34,929,219	(1,065,736)	43,689	1,772,881	35,680,053
Total liabilities and net assets	$ 46,160,281	$ 486,007	$ 571,810	$ 1,772,881	$ 48,990,979

see report of independent auditors

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED SCHEDULE OF FINANCIAL POSITION –
CHP RESIDENT SERVICES AND ADMINISTRATION
DECEMBER 31, 2022

	General	Solutions SF	5th Street Apartments	Civic Center	Total CHP Program Services
ASSETS					
Current assets					
Cash and cash equivalents	$ 469,243	$ 62,809	$ 881	$ 243,637	$ 776,570
Receivables					
Government grants	775,145	-	245,655	-	1,020,800
Other grants and contributions	-	-	-	-	-
Contract services	-	46,542	-	-	46,542
Related parties - current portion	10,544,409	572,193	163,146	1,787,228	13,066,976
Developer fee receivable - current portion	4,711,862	-	-	-	4,711,862
Rent, subsidy, and others	2,559	8,218	57,560	40,459	108,796
Prepaid expenses and deposits	308,906	-	81,452	18,719	409,077
Marketable securities	56,044	-	-	-	56,044
Total current assets	16,868,168	689,762	548,694	2,090,043	20,196,667
Related party receivable - net of current portion	2,455,000	-	-	-	2,455,000
Developer fee receivable - net of current portion	1,693,360	-	-	-	1,693,360
Restricted deposits					
Replacement, operating and other reserves	701,270	-	-	19,938	721,208
Tenant security deposits	-	-	8,079	-	8,079
Fixed assets - net	262,895				262,895
Right-of-use assets	806,064	-	897,137	-	1,703,201
Investment in other companies	5,281,722	-	-	-	5,281,722
Total non-current assets	11,200,311	-	905,216	19,938	12,125,465
Total assets	$ 28,068,479	$ 689,762	$ 1,453,910	$ 2,109,981	$ 32,322,132
LIABILITIES					
Current liabilities					
Accounts payable and accrued expenses	$ 2,122,140	$ 323,160	$ 12,436	$ 166,630	$ 2,624,366
Related parties - current portion	1,542,628	1,271,616	23,476	-	2,837,720
Notes payable - current portion	250,000	-	-	-	250,000
Lease liability - current portion	250,871	-	595,099	-	845,970
Total current liabilities	4,165,639	1,594,776	631,011	166,630	6,558,056
Tenant security deposits	-	-	14,308	-	14,308
Deferred income	252,376	8,447	122,925	2,174	385,922
Notes payable - net of current portion	2,455,000	-	-	-	2,455,000
Lease liability - net of current portion	626,799	-	302,038	-	928,837
Total non-current liabilities	3,334,175	8,447	439,271	2,174	3,784,067
Total liabilities	7,499,814	1,603,223	1,070,282	168,804	10,342,123
Net assets					
Net assets without donor restrictions	20,068,665	(913,461)	383,628	1,941,177	21,480,009
Net assets with donor restrictions	500,000	-	-	-	500,000
Total net assets	20,568,665	(913,461)	383,628	1,941,177	21,980,009
Total liabilities and net assets	$ 28,068,479	$ 689,762	$ 1,453,910	$ 2,109,981	$ 32,322,132

see report of independent auditors

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED SCHEDULE OF FINANCIAL POSITION - CHP PROPERTY OPERATIONS
DECEMBER 31, 2023

	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	$ 115,794	$ 19,530	$ 689,552	$ (7,507)	$ 948,637	$ 3,931,990	$ 5,697,996
Receivables							
Related parties - current portion	156,374	716,773	807,121	934,539	-	2,125,606	4,740,413
Rent, subsidy, and others	49,948	5,809	98,577	28,702	22,549	1,669,432	1,875,017
Other grants and contributions	12,500	-	12,500	-	-	-	25,000
Prepaid expenses and deposits	3,077	20,921	25,457	70,555	2,931	664,074	787,015
Total current assets	337,693	763,033	1,633,207	1,026,289	974,117	8,391,102	13,125,441
Related party note receivable	-	-	-	-	-	2,425,151	2,425,151
Restricted deposits							
Replacement, operating and other reserves	511,332	42,683	1,157,591	509,854	5,044,967	15,000,810	22,267,237
Tenant security deposits	15,896	5,763	8,735	38,333	19,550	204,026	292,303
Development-in-progress	9,000	32,000,260	-	-	-	(79,761)	31,929,499
Fixed assets - net	785,502	5,810,880	3,350,237	1,328,324	142,499	301,968,487	313,385,929
Right-of-use assets	-	-	-	-	-	2,357,810	2,357,810
Deferred costs - net	-	-	-	-	-	328,147	328,147
Investment in other companies	-	-	-	-	-	11,462,433	11,462,433
Total non-current assets	1,321,730	37,859,586	4,516,563	1,876,511	5,207,016	333,667,103	384,448,509
Total assets	$ 1,659,423	$ 38,622,619	$ 6,149,770	$ 2,902,800	$ 6,181,133	$ 342,058,205	$ 397,573,950
LIABILITIES							
Current liabilities							
Accounts payable and accrued expenses	$ 160,344	$ 4,257,379	$ 77,000	$ 342,325	$ 108,337	$ 1,582,402	$ 6,527,787
Related parties - current portion	2,363,643	379,001	-	-	640,018	10,577,889	13,960,551
Developer fee payable	-	-	-	-	-	2,406,149	2,406,149
Interest payable - current portion	18,038	196,991	-	-	-	367,139	582,168
Notes payable, net - current portion	-	28,571,497	-	-	-	298,244	28,869,741
Lease liability	-	-	-	-	-	11	11
Total current liabilities	2,542,025	33,404,868	77,000	342,325	748,355	15,231,834	52,346,407
Tenant security deposits	16,285	20,505	16,978	32,466	19,575	272,223	378,032
Deferred income	-	2,763	17,877	298,080	55,493	943,183	1,317,396
Related parties - net of current portion	-	-	-	-	-	1,312,986	1,312,986
Interest payable - net of current portion	4,528,306	212,728	2,172,723	374,728	-	21,391,091	28,679,576
Notes payable, net - net of current portion	5,881,258	5,891,797	1,500,000	997,409	66,007	200,415,180	214,751,651
Total non-current liabilities	10,425,849	6,127,793	3,707,578	1,702,683	141,075	224,334,663	246,439,641
Total liabilities	12,967,874	39,532,661	3,784,578	2,045,008	889,430	239,566,497	298,786,048
Net assets							
Net assets without donor restrictions							
Controlling interest	(12,827,451)	(910,042)	865,192	857,792	5,291,703	20,057,062	13,334,256
Non-controlling interest	-	-	-	-	-	82,434,646	82,434,646
Total net assets without donor restrictions	(12,827,451)	(910,042)	865,192	857,792	5,291,703	102,491,708	95,768,902
Net assets with donor restrictions	1,519,000	-	1,500,000	-	-	-	3,019,000
Total net assets	(11,308,451)	(910,042)	2,365,192	857,792	5,291,703	102,491,708	98,787,902
Total liabilities and net assets	$ 1,659,423	$ 38,622,619	$ 6,149,770	$ 2,902,800	$ 6,181,133	$ 342,058,205	$ 397,573,950

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED SCHEDULE OF FINANCIAL POSITION - CHP PROPERTY OPERATIONS
DECEMBER 31, 2022

	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	$ (10,857)	$ 781,410	$ 743,599	$ 491,983	$ 1,541,686	$ 2,184,439	$ 5,732,260
Receivables							
Related parties - current portion	41,019	58,019	745,244	121,044	-	392,744	1,358,070
Rent, subsidy, and others	44,948	258,991	145,798	781,612	846,182	3,356,680	5,434,211
Prepaid expenses and deposits	36,817	20,143	24,695	58,406	37,893	456,621	634,575
Total current assets	111,927	1,118,563	1,659,336	1,453,045	2,425,761	6,390,484	13,159,116
Related party note receivable	-	-	-	-	-	2,425,151	2,425,151
Restricted deposits							
Replacement, operating and other reserves	607,082	30,888	1,135,479	495,775	2,608,755	17,035,096	21,913,075
Tenant security deposits	15,752	5,956	9,531	37,261	19,550	180,073	268,123
Development-in-progress	9,000	7,764,767	-	-	-	(79,761)	7,694,006
Fixed assets - net	4,281,525	3,234,737	3,436,279	1,338,214	223,262	261,096,701	273,610,718
Right-of-use assets	-	-	-	-	-	2,180,631	2,180,631
Deferred costs - net	-	-	-	-	-	314,249	314,249
Investment in other companies	-	-	-	-	-	6,126,956	6,126,956
Total non-current assets	4,913,359	11,036,348	4,581,289	1,871,250	2,851,567	289,279,096	314,532,909
Total assets	$ 5,025,286	$ 12,154,911	$ 6,240,625	$ 3,324,295	$ 5,277,328	$ 295,669,580	$ 327,692,025
LIABILITIES							
Current liabilities							
Accounts payable and accrued expenses	$ 109,490	$ 1,712,136	$ 103,558	$ 171,959	$ 98,339	$ 10,714,997	$ 12,910,479
Related parties - current portion	1,601,286	127,659	-	-	496,591	8,112,249	10,337,785
Developer fee payable	-	-	-	-	-	8,505,235	8,505,235
Interest payable - current portion	18,038	29,405	-	-	-	413,425	460,868
Notes payable, net - current portion	-	-	-	-	-	286,591	286,591
Lease liabilities	-	-	-	-	-	11	11
Total current liabilities	1,728,814	1,869,200	103,558	171,959	594,930	28,032,508	32,500,969
Tenant security deposits	14,017	20,258	10,610	37,252	19,575	187,543	289,255
Deferred income	(4,969)	2,114	21,362	327,311	63,743	519,493	929,054
Related parties - net of current portion	-	-	-	-	-	1,757,110	1,757,110
Interest payable - net of current portion	4,172,660	77,307	2,125,589	374,728	-	18,888,052	25,638,336
Notes payable, net - net of current portion	5,881,258	9,003,226	1,500,000	997,409	66,007	199,427,511	216,875,411
Total non-current liabilities	10,062,966	9,102,905	3,657,561	1,736,700	149,325	220,779,709	245,489,166
Total liabilities	11,791,780	10,972,105	3,761,119	1,908,659	744,255	248,812,217	277,990,135
Net assets							
Net assets without donor restrictions							
Controlling interest	(8,285,494)	(933,700)	979,506	1,415,636	4,533,073	5,366,477	3,075,498
Non-controlling interest	-	-	-	-	-	41,490,886	41,490,886
Total net assets without donor restrictions	(8,285,494)	(933,700)	979,506	1,415,636	4,533,073	46,857,363	44,566,384
Net assets with donor restrictions	1,519,000	2,116,506	1,500,000	-	-	-	5,135,506
Total net assets	(6,766,494)	1,182,806	2,479,506	1,415,636	4,533,073	46,857,363	49,701,890
Total liabilities and net assets	$ 5,025,286	$ 12,154,911	$ 6,240,625	$ 3,324,295	$ 5,277,328	$ 295,669,580	$ 327,692,025

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
CHP RESIDENT SERVICES AND ADMINISTRATION
FOR THE YEAR ENDED DECEMBER 31, 2023

	General	Solutions SF	5th Street Apartments	Civic Center	Total CHP Program Services
Change in net assets without donor restrictions					
Revenue					
Government grants	$ 4,868,203	$ -	$ 1,632,864	$ -	$ 6,501,067
Contributions - without donor restrictions	2,426,810	-	-	-	2,426,810
Income from loan assumption	10,270,970	-	-	-	10,270,970
Contract service income	-	274,661	-	-	274,661
Rent and subsidy income - net	8,417	-	41,577	-	49,994
Developer fees	1,381,848	-	-	-	1,381,848
Related party fees	2,558,939	178,725	-	-	2,737,664
Loss from investments in other companies	(796,122)	-	-	-	(796,122)
Interest and other income	52,741	95,157	267	-	148,165
Employee retention credit	3,777,308	-	-	-	3,777,308
Total revenue	24,549,114	548,543	1,674,708	-	26,772,365
Expenses					
Program services	5,345,951	700,818	2,014,647	168,296	8,229,712
Management and general	4,394,628	-	-	-	4,394,628
Fundraising	418,816	-	-	-	418,816
Total expenses before depreciation and amortization	10,159,395	700,818	2,014,647	168,296	13,043,156
Change in net assets before depreciation and amortization	14,389,719	(152,275)	(339,939)	(168,296)	13,729,209
Depreciation and amortization	29,165	-	-	-	29,165
Change in net assets	14,360,554	(152,275)	(339,939)	(168,296)	13,700,044
Net assets, beginning of period	20,568,665	(913,461)	383,628	1,941,177	21,980,009
Net assets, end of period	$ 34,929,219	$ (1,065,736)	$ 43,689	$ 1,772,881	$ 35,680,053

see report of independent auditors

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
CHP RESIDENT SERVICES AND ADMINISTRATION
FOR THE YEAR ENDED DECEMBER 31, 2022

	General	Solutions SF	5th Street Apartments	Civic Center	Total CHP Program Services
Change in net assets without donor restrictions					
Revenue					
Government grants	$ 5,962,207	$ -	$ 1,977,664	$ 3,907,755	$ 11,847,626
Contributions - without donor restrictions	1,401,318	-	125,000	-	1,526,318
Contributions - with donor restrictions	500,000	-	-	-	500,000
Contract service income	-	1,453,423	-	-	1,453,423
Rent and subsidy income - net	-	-	26,749	248,382	275,131
Developer fees	2,221,800	-	-	-	2,221,800
Related party fees	2,532,523	956,890	-	-	3,489,413
Loss from investments in other companies	980,607	-	-	-	980,607
Interest and other income	4,640	-	182	2,190	7,012
Total revenue	13,603,095	2,410,313	2,129,595	4,158,327	22,301,330
Expenses					
Program services	5,719,206	2,479,288	1,875,059	3,008,489	13,082,042
Management and general	4,911,510	-	-	-	4,911,510
Fundraising	656,600	-	-	-	656,600
Total expenses before depreciation and amortization	11,287,316	2,479,288	1,875,059	3,008,489	18,650,152
Change in net assets before depreciation and amortization	2,315,779	(68,975)	254,536	1,149,838	3,651,178
Depreciation and amortization	51,971	-	-	-	51,971
Change in net assets	2,263,808	(68,975)	254,536	1,149,838	3,599,207
Net assets, beginning of period	18,304,857	(844,486)	129,092	791,339	18,380,802
Net assets, end of period	$ 20,568,665	$ (913,461)	$ 383,628	$ 1,941,177	$ 21,980,009

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
CHP PROPERTY OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

	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	$ 899,873	$ 983,577	$ 1,485,560	$ 2,041,333	$ 1,838,422	$ 10,029,373	$ 17,278,138
Operating subsidy grants	142,430	168,911	130,639	-	-	6,836,515	7,278,495
Loss from investments in other companies	-	-	-	-	-	(287,079)	(287,079)
Interest and other income	9,298	253	10,968	29,017	88	335,948	385,572
Total revenue	1,051,601	1,152,741	1,627,167	2,070,350	1,838,510	16,914,757	24,655,126
Expenses							
Program services	1,732,215	1,916,732	1,518,662	2,383,808	971,520	24,779,548	33,302,485
Change in net assets before deferred interest, depreciation and amortization, and loss on disposal of assets	(680,614)	(763,991)	108,505	(313,458)	866,990	(7,864,791)	(8,647,359)
Deferred interest	355,646	-	90,000	-	-	2,195,793	2,641,439
Depreciation and amortization	425,602	146,051	132,819	244,386	108,360	10,856,509	11,913,727
Loss on disposal of assets	(52)	-	-	-	-	-	(52)
Impairment loss	3,080,147	-	-	-	-	-	3,080,147
Total deferred interest, depreciation and amortization, and loss on disposal of assets	3,861,343	146,051	222,819	244,386	108,360	13,052,302	17,635,261
Change in net assets	(4,541,957)	(910,042)	(114,314)	(557,844)	758,630	(20,917,093)	(26,282,620)
Net assets, beginning of period	(6,766,494)	-	2,479,506	1,415,636	4,533,073	48,040,169	49,701,890
Capital contributions - non-controlling interest	-	-	-	-	-	60,227,698	60,227,698
Capital distributions - non-controlling interest	-	-	-	-	-	(140,412)	(140,412)
Capital contributions - controlling interest	-	-	-	-	-	15,281,346	15,281,346
Capital distributions - controlling interest	-	-	-	-	-	-	-
Net assets, end of period	$ (11,308,451)	$ (910,042)	$ 2,365,192	$ 857,792	$ 5,291,703	$ 102,491,708	$ 98,787,902

see report of independent auditors

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
CONSOLIDATED SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
CHP PROPERTY OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

	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	$ 951,507	$ 1,125,214	$ 1,571,357	$ 1,980,455	$ 1,706,771	$ 9,416,435	$ 16,751,739
Operating subsidy grants	35,410	59,016	59,016	-	-	5,136,395	5,289,837
Loss from investments in other companies	-	-	-	-	-	(423,642)	(423,642)
Interest and other income	1,484	4,080	2,286	119	93	111,313	119,375
Total revenue	988,401	1,188,310	1,632,659	1,980,574	1,706,864	14,240,501	21,737,309
Expenses							
Program services	1,423,897	1,306,769	1,467,081	1,736,722	934,671	15,618,272	22,487,412
Change in net assets before deferred interest, depreciation and amortization, and loss on disposal of assets	(435,496)	(118,459)	165,578	243,852	772,193	(1,377,771)	(750,103)
Deferred interest	355,646	52,500	90,000	-	-	2,199,593	2,697,739
Depreciation and amortization	422,800	155,194	132,074	260,175	115,387	7,643,795	8,729,425
Loss on disposal of assets	15,394	(51,209)	27,990	86,490	85,348	157,693	321,706
Total deferred interest, depreciation and amortization, and loss on disposal of assets	793,840	156,485	250,064	346,665	200,735	10,001,081	11,748,870
Change in net assets	(1,229,336)	(274,944)	(84,486)	(102,813)	571,458	(11,378,852)	(12,498,973)
Net assets, beginning of period	(5,537,158)	1,457,750	2,563,992	1,518,449	3,961,615	58,344,799	62,309,447
Capital contributions - non-controlling interest	-	-	-	-	-	-	-
Capital distributions - non-controlling interest	-	-	-	-	-	(108,584)	(108,584)
Capital distributions - controlling interest	-	-	-	-	-	-	-
Net assets, end of period	$ (6,766,494)	$ 1,182,806	$ 2,479,506	$ 1,415,636	$ 4,533,073	$ 46,857,363	$ 49,701,890

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Grantor / Pass-Through Grantor / Program Title:	AL No.	Federal Expenditures
U.S. Department of Housing and Urban Development (HUD):		
CDBG - Entitlement 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, Occupation Skills Training		61,810
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
Total CDBG - entitlement grants cluster		2,628,316
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
Housing Voucher Cluster:		
Section 8 Housing Choice Vouchers:	14.871	
Pass-through awards:		
San Francisco Housing Authority:		
Island Bay		1,269,583
CHP Villages		1,548,457
Total housing voucher cluster		2,818,040
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	1,932,998
Section 8 Moderate Rehabilitation Single Room Occupancy for San Cristina Hotel	14.249	898,585
Total Section 8 project-based cluster		2,831,583

see accompanying notes to schedule of expenditures of federal awards

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Grantor / Pass-Through Grantor / Program Title:	AL No.	Federal Expenditures
Continuum of Care Program:	14.267	
Direct award:		
Iroquois Hotel		66,646
Pass-through awards:		
City and County of San Francisco, Department of Human Services:		
Island Bay Homes – Project Based Rental Assistance		390,363
City and County of San Francisco, Dept. of Human Services:		
Integrated Services Network (ISN)		121,104
Total Continuum of Care Program		578,113
Total U.S. Department of Housing and Urban Development		**10,356,052**
Department of Health and Human Services:		
Medicaid Cluster:		
Medical Assistance Program (Medicaid):	93.778	
Pass-through awards:		
City and County of San Francisco, Human Services Agency:		
Supportive Tenant Services Grant/Total Medicaid Cluster		75,666
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		101,483
TOTAL EXPENDITURES OF FEDERAL AWARDS		$ 10,533,201

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, 2023

1. Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the expenditures on an accrual basis of Community Housing Partnership (a California non-profit public benefit corporation) and Affiliates under programs of the federal government for the year ended December 31, 2023. 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, contract and similar agreements.

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*; wherein certain types of expenditures are not allowed. Assistance Listing numbers ("AL No.") are provided when available.

The Organization elected not to use the 10% de minimis indirect cost rate.

3. Outstanding federal grants

The Organization had the following repayable grant balance outstanding as of December 31, 2023. 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	AL No.	Outstanding
Community Development Block Grant – San Cristina	14.218	$ 2,116,506

4. Outstanding federal loans

The following represents the amount of outstanding loans identified by AL No. All loans are provided by HUD and are included in the Schedule.

AL No.	Program title	Loans received in 2023	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

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INDEPENDENT AUDITOR'S 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 (a California non-profit public benefit corporation) and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2023, 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 February 11, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Community Housing Partnership and Affiliates' 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Housing Partnership and Affiliates' 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 consolidated 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-1 that we consider to be a material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Housing Partnership and Affiliates' consolidated financial statements are free from material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2023-2.

Community Housing Partnership and Affiliates' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Community Housing Partnership and Affiliates' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Community Housing Partnership and Affiliates' response was not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Novogradac & Company LLP

Walnut Creek, CA
February 11, 2025

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INDEPENDENT AUDITOR'S 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

Opinion on Each Major Federal Program

We have audited Community Housing Partnership (a California non-profit public benefit corporation) and Affiliates' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community Housing Partnership and Affiliates' major federal programs for the year ended December 31, 2023. Community Housing Partnership and Affiliates' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Community Housing Partnership and Affiliates complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of their major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Community Housing Partnership and Affiliates and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Community Housing Partnership and Affiliates' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Community Housing Partnership and Affiliates' federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Community Housing Partnership and Affiliates' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Community Housing Partnership and Affiliates' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Community Housing Partnership and Affiliates' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Community Housing Partnership and Affiliates' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Community Housing Partnership and Affiliates' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, CA
February 11, 2025

COMMUNITY HOUSING PARTNERSHIP AND AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:		Unmodified		
Internal control over financial reporting:				
Material weakness(es) identified?	x	Yes		No
Significant deficiency(ies) identified not considered to be material weaknesses?		Yes	x	None reported
Noncompliance material to financial statements noted?	x	Yes		No

Federal Awards

Internal Control over major programs:				
Material weakness(es) identified?		Yes	x	No
Significant deficiency(ies) identified not considered to be material weaknesses?		Yes	x	None reported
Type of auditor's report issued on compliance for major programs:		Unmodified		
Audit findings required to be reported in accordance with 2 CFR section 200.516(a)?		Yes	x	No

Identification of major programs:

AL Number(s)	Name of Federal Program or Cluster
14.254	CDBG – Community Development Block Grants/Special Purpose Grants/Insular Areas (Recovery Act Funded)
14.871	Housing Voucher Cluster: Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between Type A and Type B programs:		$750,000		
Auditee qualified as low-risk auditee?		Yes	x	No

Section II - Financial Statement Findings

Finding 2023-1

Criteria
CHP must ensure that proper internal controls are in place to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles ("GAAP").

Statement of Condition
For the year ended December 31, 2023, prior to eliminating intercompany transactions, assets, liabilities, and net assets were understated by $13,704,907, $107,164, and $13,597,943, respectively. Multiple adjusting journal entries were proposed, wherein CHP was in agreement with those adjustments.

Questioned Costs
None

Effect or Potential Effect
There is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected by the entity's internal control.

Cause
Controls are not in place to ensure that the entity initiates, authorizes, records, processes, and reports financial data reliably in accordance with GAAP.

Recommendation
CHP should establish proper internal controls to initiate, authorize, record, process, and report financial data reliably in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Action
CHP concurs with the recommendation. During the course of 2024, we have been working on updating and improving our financial policies and procedures related to every aspect of financial operations, including initiation and authorization of payments, transfers, and journal entries in the financial system. CHP's updated financial policies were approved by the CHP Board Finance Committee in September 2024. CHP is working on a variety of updated procedure documents implementing these policies that we expect to complete by April 30, 2025.

Section II - Financial Statement Findings

Finding 2023-2

Criteria
CHP is required to submit its Single Audit reporting package to the Federal Audit Clearinghouse upon the earlier of 30 days after report issuance or 9 months after year end.

Statement of Condition
CHP has not submitted its Single Audit reporting package to the Federal Audit Clearinghouse timely for the years ended December 31, 2023 and 2022.

Questioned Costs
None

Effect or Potential Effect
There is a reasonable possibility that the late submission could affect the federal programs due to the Federal awarding agencies not being timely notified of submission and potential findings.

Cause
CHP did not submit its Single Audit reporting package to the Federal Audit Clearinghouse timely for the years ended December 31, 2023 and 2022.

Recommendation
CHP should ensure its Single Audit reporting package is submitted to the Federal Audit Clearinghouse in accordance with Uniform Guidance requirements.

Views of Responsible Officials and Planned Corrective Action
CHP concurs with the recommendation. We have established an internal audit calendar to ensure we have sufficient time to complete schedules needed for the Single Audit reporting package to be submitted to the Federal Audit Clearinghouse earlier of 30 days after report issuance or 9 months after year end.

Section III - Federal Award Findings and Questioned Costs

There were no findings noted.