Dear Friends,

Community Housing Network’s passion for its mission has been a source of strength during this time of economic uncertainty. By focusing equally on our residents’ quality of life and our bottom line, CHN put “Mission into Motion” and ended 2011 in a strong position programmatically and financially.

CHN’s housing portfolio now includes more than 1,600 apartments in 147 Franklin County locations, where more than 2,800 men, women and children live permanently, affordably and safely housed.

“Mission into Motion” is best exemplified by our most significant achievement of the year. After four years of preparation, CHN launched the first phase of our Preservation Plan – a massive capital project to rehabilitate and protect 414 units of affordable housing. We designed the project to last for decades, with modern amenities and quality finishes that recognize the dignity and value of the residents living there today.

In a similar fashion, the attention to detail at Inglewood Court Apartments, a development in progress, reflects our belief that a positive environment fosters positive results for residents.

However well-defined, a mission is meaningless without intelligent execution. We are proud of the 100 employees devoted to continual improvement of our organizational effectiveness and resident outcomes. Thank you, our funders and partners, for enabling Community Housing Network to put mission into motion.

Sincerely,

Susan Weaver
Chief Executive Officer

Dean Weinert
Chairman, Board of Trustees

Our Mission

Founded in 1987, Community Housing Network develops, owns and manages permanent supportive rental housing for people with disabilities and other special needs such as homelessness. CHN owns or manages more than 1,600 supportive housing units throughout Franklin County. A critical part of CHN’s mission is connecting tenants to community services that support their mental health, recovery from addiction, and return to employment.
Community Housing Network celebrated completion of the first phase of a six-year Preservation Plan that will renovate hundreds of units of supportive housing for residents with special needs.

Renovation and preservation of affordable housing on this immense scale is extraordinary in Franklin County. Through the end of 2015, CHN will invest $55 million in 414 apartments in 81 buildings scattered throughout six Columbus-area neighborhoods.

We have owned many of our apartments for more than 15 years. They require major rehabilitation to protect the community’s initial investment and preserve them as affordable. Upgrades include new kitchens, bathrooms, and mechanicals, including central A/C, new floor coverings, windows, roofs and landscaping.

These improvements will extend the buildings’ usefulness; but they also beautify urban streets and improve neighborhood safety.

Rehab of this intensity creates lots of activity, so we pay special attention to our residents’ needs. That is why our plan calls for rehabbing a unit in just 30 to 45 days on average, a feat requiring meticulous planning. A typical checklist includes 3,600 items.

To enable us to conduct multiple project phases at a time, the Ohio Preservation Compact loaned bridge financing. The Columbus Metropolitan Housing Authority granted new rent subsidy contracts and extended existing contracts for the project for 15 years.

Funding came from the City of Columbus, Franklin County, the Ohio Department of Mental Health, the Alcohol, Drug and Mental Health Board of Franklin County, the Federal Home Loan Bank of Cincinnati, and from numerous private enterprises investing through Ohio Capital Corporation for Housing.

By September 2012, 146 units, or 35 percent of all the apartments, will be completely rehabbed. By maintaining our investment, CHN ensures quality supportive housing for future generations working toward independence.

85% of residents surveyed between March and August “agree” or “strongly agree” that “My life is better since I have been in CHN housing.”
Partnership Restores Housing Stability

A day in the park ended for James Carter, Columbus school bus driver, with a gun to his head. When an armed boy jumped out of the gang members’ car, James thought he had drawn his last breath. Then a look of recognition came over his assailant’s face. The boy was a middle school student that James drove to class. Befuddled, the boy lowered the barrel and shot James through the hip, saving his life.

Following months of recovery at his sister’s home in Maryland, James moved back to Columbus. But without a home and with a drinking habit acquired after painful surgery, he turned to the emergency shelter at Friends of the Homeless. Within two months, James was living on his own again and addressing his addiction.

James is one of 184 men and women assisted through a collaboration between Volunteers of America of Greater Ohio (VOAGO) and CHN to move people directly from shelters into stable housing. The program was extremely successful: 80 percent of the individuals that we housed have maintained their housing.

“Having a stable place to live means you don’t have all these worries and concerns in mind. You can focus on what you need to do,” James said.

CHN helped clients access housing, and VOAGO provided them with job readiness and home management skills. Unfortunately, the rapid re-housing program ended when federal stimulus dollars funding the program ran out.

James is thankful to all the organizations. “They help people to return to caring for themselves. They will give you the tools to do what you need to do, but you have to make the ultimate step to get it done.”

CHN Partners Help Ease Homeless Crisis

More than 100 homeless men, women and children will find permanent places to live, thanks to new subsidies becoming available to CHN housing. CHN has used a federally funded rental subsidy known as Shelter Plus Care in many of its units, including many being renovated as part of its Preservation Plan (see page 3). This past year, project-based rental subsidies from two of our partners have become available for our units.

First, the Columbus Metropolitan Housing Authority awarded CHN new local project-based rental subsidies for all the units in CHN’s Preservation Plan that were being subsidized with Shelter Plus Care. Second, the Ohio Capital Corporation for Housing (OCCH) made HUD project-based Section 8 rental subsidies available to CHN units. Congress passed a special amendment that allowed OCCH to move rental subsidies from distressed neighborhoods to CHN’s and other organizations’ portfolios. The buildings from which the rental subsidies were moved are being rehabilitated as market rate housing to stabilize those neighborhoods.

Because CHN received both types of project-based subsidies for units previously subsidized with Shelter Plus Care, we have been able to use the freed-up Shelter Plus Care subsidies to assist additional people renting from private landlords in the community. The new and reallocated rent subsidies from CMHA and OCCH allowed more homeless people to be served, disbursed rent subsidies around the county, and provided redevelopment opportunities in inner-city neighborhoods. The overall strategy is a win-win for Columbus.

A four-year comparison of 128 CHN residents found individual health care costs decreased annually by 46% within the first two years of residency.
Finding work in today’s job market can be challenging even for professionals with advanced degrees. Imagine having the burdens of mental illness or chronic health conditions. Yet despite their disabilities, many CHN residents are eager to work. To help them gain skills and seek jobs, we launched a pilot program, called Project GAIN (Growing Abilities for Independence NOW) that tests a research-based approach to vocational success.

With CHN assuring housing stability, we turned to the Center of Vocational Alternatives (COVA) for expertise in career development for people with disabilities and Concord Counseling Services for individualized support and treatment to implement the program.

For residents with homelessness in their past, who are managing mental illness and substance abuse, finding meaningful work is an uphill battle. Hurdles in the way of their hiring include discrimination, gaps in work histories, past criminal convictions and low self-esteem. As a consequence, only 14 percent of CHN residents were working in 2011.

For that reason, Project GAIN has no criteria to become involved, and participants are eased into the program with classroom instruction offered right where they live. By focusing on how to set goals, manage personal crises and operate computers, they learn the fundamentals for a successful job search.

Once they complete this phase, they go off site to COVA, on North High Street, where the job seekers are helped with résumé building, mock interviewing, advanced computer class, time management and dressing for work.

Project GAIN’s outcomes to date are encouraging: 87 percent of program participants who completed the first phase entered off-site services at COVA – surpassing our first-year goal.

We are grateful to the Columbus Foundation and the Cleveland-based Reinberger Foundation for funding Project GAIN and recognizing the value in helping persons with special needs to fulfill their potential and be productive.
Community Housing Network gave public officials and private investors the first glimpse of our latest supportive housing development, Inglewood Court Apartments, during a spring reception.

As a Rebuilding Lives project supported by the Rebuilding Lives Funder Collaborative, Inglewood’s one-bedroom apartments are reserved for residents overcoming homelessness, mental illness or substance addictions. Of the 60 total units, 45 are for formerly homeless individuals, and 15 are for disabled persons referred by the Alcohol, Drug and Mental Health Board of Franklin County.

We are partnering with Maryhaven to provide a full range of support services such as counseling, basic life skills, budgeting, job preparation, accessing benefits and family reconciliation as well as links to off-site medical, dental, legal, employment and entitlement services.

Located on wooded acres on the west side of Columbus, Inglewood Court will provide a secluded, peaceful living environment. The site has easy access to public transportation, convenient shopping and job opportunities. Amenities include a community room with a full kitchen, computer center, fitness center, entertainment room, patio and group meeting room.

Using the Ohio Housing Finance Agency Low-Income Housing Tax award, Ohio Capital Corporation was instrumental in securing $7 million of the total $8.7 million project cost from private investors. Other funding was provided by the City of Columbus, Franklin County Board of Commissioners, Ohio Housing Finance Agency, and the U.S. Department of Housing and Urban Development.

Inglewood Court will welcome its first residents in early spring 2013.

CHN’s success with residents reduced the tax burden for the local economy by almost $17,500 per resident per year.
Statements of Financial Position

<table>
<thead>
<tr>
<th></th>
<th>12/31/11</th>
<th>12/31/10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
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<tr>
<td>Cash</td>
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<td>$407,446</td>
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<tr>
<td>Cash – designated</td>
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<td>$2,293,640</td>
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<td>Accounts receivable:</td>
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<td>Trade, net</td>
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<td>Tax credit projects</td>
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<td>Grants and subsidies, net</td>
<td>248,861</td>
<td>265,758</td>
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<td>Prepaid expenses</td>
<td>93,065</td>
<td>93,521</td>
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<td>Property and equipment, net</td>
<td>20,980,531</td>
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<tr>
<td>Other assets</td>
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<td>12,284,320</td>
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<tr>
<td><strong>Total</strong></td>
<td>$40,190,556</td>
<td>$40,016,783</td>
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<tr>
<td><strong>Liabilities</strong></td>
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<td></td>
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<tr>
<td><strong>Current liabilities</strong></td>
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<tr>
<td>Accrued expenses and liabilities</td>
<td>$1,134,293</td>
<td>$917,446</td>
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<tr>
<td>Deferred rental income</td>
<td>197,788</td>
<td>147,941</td>
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<td>Notes payable</td>
<td>172,914</td>
<td>94,713</td>
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<td><strong>Total</strong></td>
<td>$1,504,995</td>
<td>$2,007,118</td>
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<td><strong>Long-term liabilities, less current maturities</strong></td>
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<tr>
<td>Tenant’s security deposits</td>
<td>231,863</td>
<td>255,656</td>
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<td>Lines of credit</td>
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<td>Notes payable</td>
<td>8,370,201</td>
<td>9,526,744</td>
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<td><strong>Total</strong></td>
<td>8,977,429</td>
<td>10,332,577</td>
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<tr>
<td><strong>Net Assets</strong></td>
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<tr>
<td>Unrestricted net assets</td>
<td>12,158,225</td>
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<td>Temporarily restricted net assets</td>
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<td>17,201,663</td>
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<tr>
<td><strong>Total</strong></td>
<td>$40,190,556</td>
<td>$40,016,783</td>
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</table>

Change in accounting principal: CHN changed the treatment of conditional notes payable from a liability to temporarily restricted net assets to allow for a more consistent treatment of conditional notes payable between CHN and the consolidated entities. CHN’s conditional notes payable are non-interest bearing and forgiven over the life of the loans subject to specific provision in the loan agreements.

Statements of Activities & Changes in Net Assets

<table>
<thead>
<tr>
<th></th>
<th>12/31/11</th>
<th>12/31/10</th>
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</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
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<tr>
<td>Rental income</td>
<td>$1,701,789</td>
<td>$1,648,781</td>
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<tr>
<td>Grants from government and other agencies</td>
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<tr>
<td>Rent subsidies</td>
<td>3,623,337</td>
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<tr>
<td>Supportive services</td>
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<td>6,540,637</td>
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<tr>
<td>Investment in project entities</td>
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<tr>
<td>Forgiveness of debt</td>
<td>-</td>
<td>1,103,116</td>
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<tr>
<td>Development and management fees</td>
<td>1,371,934</td>
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<tr>
<td>Other income</td>
<td>1,006,481</td>
<td>425,567</td>
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<td><strong>Total</strong></td>
<td>$13,964,202</td>
<td>$15,114,526</td>
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<tr>
<td><strong>Expenses</strong></td>
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<tr>
<td>Program services:</td>
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<tr>
<td>Service enriched housing</td>
<td>6,746,243</td>
<td>6,536,988</td>
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<tr>
<td>Other housing models</td>
<td>3,596,324</td>
<td>3,412,474</td>
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<tr>
<td>Property management</td>
<td>178,182</td>
<td>187,021</td>
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<tr>
<td>Real estate development</td>
<td>322,567</td>
<td>107,453</td>
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<tr>
<td><strong>Total</strong></td>
<td>10,843,316</td>
<td>10,243,936</td>
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<tr>
<td>Management and general</td>
<td>765,316</td>
<td>725,135</td>
</tr>
<tr>
<td>Impairment loss – investment in project entity</td>
<td>324,526</td>
<td>562,500</td>
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<tr>
<td><strong>Total</strong></td>
<td>11,933,158</td>
<td>11,531,571</td>
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<tr>
<td><strong>Change in net assets</strong></td>
<td>2,031,044</td>
<td>3,582,955</td>
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<tr>
<td><strong>Unrestricted net assets</strong></td>
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<tr>
<td>Beginning of year</td>
<td>$27,677,088</td>
<td>$14,661,521</td>
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<tr>
<td>Change in accounting principal</td>
<td>-</td>
<td>9,432,612</td>
</tr>
<tr>
<td>End of year</td>
<td>$29,708,132</td>
<td>$27,677,088</td>
</tr>
</tbody>
</table>

Copies of the audited financial statements are available upon request.

Unit Density

Community Housing Network owns and operates more than 1,600 units of supportive housing in the City of Columbus and 6 suburban communities throughout Franklin County.

Meeting Special Needs

- 2,859 tenants
- 100% disabled/special needs
- 64% from the streets or shelters
- 46% long-term homeless persons
- 659 children under 18
- 1,119 adult males
- 1,081 adult females
- 58% Black
- 40% White
- < 2% Hispanic, Asian, or other
- Average income: $6,145
- Average income at move-in: $4,103

Unit Density Map:

- 0 - 4 units
- 5 - 8 units
- 9 - 12 units
- 13 - 16 units
- 17 - 80 units
- Next Generation houses

Copies of the audited financial statements are available upon request.
**Community Housing Network**

- **Trustees**
  - Dean W. Weinert: Chairman
  - Robert Oakley: Vice Chair
  - Charles H. McCready: Secretary/Treasurer
  - Charles H. McCready: Executive Assistant
  - Adam Heeter: Oxford Consulting Group, Inc.

- **Senior Management**
  - Clark L. Lloyd, Nationwide Insurance
  - James C. Shaw, The Wagenbrenner Company
  - Mari Sunami, Retired
  - Judge G. Gary Tyack: Tenth District Court of Appeals
  - Jeffrey M. Wittmann, Brooke Development Company
  - Susan Weaver, Chief Executive Officer
  - Anthony Penn, Chief Operating Officer
  - Donald Hollenback, Chief Financial Officer
  - Samantha Shuler, Executive Director of Real Estate Development
  - Kathy Hatfield, Director of Grants & Data Management
  - Cynthia Mercer, Director of Human Resources
  - Scott Creed, Director of Housing Services
  - David Rose, Director of Property Management
  - Christine Mitchell, Executive Assistant/Officer Manager
  - Kevin Rogers, Maintenance Supervisor

**Partners & Collaborations**

- **Programs with Community Advisory Committees**
  - East Fifth Avenue Apartments
  - North 22nd Street Apartments
  - Brillgadale Apartments
  - Inglewood Court Apartments
  - Dogwood Glen Apartments
  - Parsons Avenue Apartments

**Organizations**

- **Represented on Community Advisory Groups & Other Community Advisors**
  - James A. Harmon Elementary School
  - King Lincoln Bronzeville Association
  - Krumm Recreation Center
  - The Long Street Business Association
  - Mt. Vernon Avenue District Improvement Association, Inc.
  - Greater Hilltop Area Commission

**Funders**

- **Community Housing Network**
  - The Columbus Foundation
  - Community Shelter Board
  - Columbus Metropolitan Housing Authority
  - Donations and contributions

- **Federal Home Loan Bank of Cincinnati**
  - Franklin County Board of Commissioners

- **Ohio Housing Finance Agency**
  - Nationwide Insurance Foundation

- **Ohio Department of Mental Health**
  - Ohio Capital Corporation for Housing

- **Ohio Preservation Compact**
  - The Reinerger Foundation

- **U.S. Department of Housing and Urban Development**
  - The P.E.E.R. Center
  - Project Linden
  - Rebecca's Place

- **Southside Neighborhoods Against Crime**
  - St. Mary's Springs
  - Starr Columbus, Hannah Neil Center

- **Southwest Area Commission**
  - University Area Commission

- **Ohio Department of Mental Health**
  - The Ohio Benefit Bank

- **Ohio Literacy Network**
  - The Ohio State University

- **Ohio Department of Veterans Affairs**
  - The Open Shelter, Inc.

**Other**

- **Community Housing Network**
  - Nationwide Companies
  - Nationwide Insurance Foundation
  - Nationwide Insurance
  - Clark L. Lloyd, Nationwide Insurance
  - Mari Sunami, Retired
  - Judge G. Gary Tyack, Tenth District Court of Appeals
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