



Celebrating
25 years
investing in
America's
communities



Proof of Concept



“

I moved to Turner Pointe because I wanted to stay local to be near my mother. The move, from a public housing property nearby, has been great. My apartment has a lot more space, great closets and a dishwasher. My daughter and I feel very comfortable here.

Since moving to Turner Pointe, I feel much calmer, less anxious, more peaceful, and more creative – I was able to get my book published and, using the workout room, I have lost 43 pounds! Both me and my daughter gained more confidence in ourselves and our futures.”

Amy B., army veteran, author
and resident at Turner Pointe Homes



A Letter to Our Partners

As we complete our 25th year, it is a time both to look back to our inception, when we had only a nascent idea of what could be, and to celebrate what we have accomplished. CDT has always been guided by our mission of investing in America's communities. It is integral to our incorporation documents, our corporate ethos, and guides our decisions every day.

Starting with an initial investment from LISC in 1998, CDT was created to explore how the techniques of Wall Street could be used to create and preserve affordable housing for Main Street. We had the idea to form the first real estate investment trust (REIT) dedicated exclusively to investing in and lending to community development properties. As a REIT, we would be able to raise capital to fund our mission-based lending and investment programs. The big question was, would anyone invest? After developing and presenting a comprehensive business plan to institutional investors, we successfully closed our first offering in 1999, with eighteen investors for a capital raise of \$32 million. Fast forward to our 25th year, we successfully raised more than \$370 million through multiple capital raises and now have more than \$3.6 billion in assets under management.

More important than raising capital is how we put it to use. CDT-financed properties help address the pervasive affordable housing shortage in neighborhoods throughout the country. CDT's flexible operating model fills existing gaps in the market, ensures long-term property stability and extends affordability for our residents. Currently,

our investments support more than 140,000 individuals in 45 states and regions.

Six years ago, CDT re-launched its charter school lending program. By focusing our lending to high performance schools with a proven track record of creating strong opportunities for student accomplishment, we have invested more than \$62 million in long-term loans serving more than 5,000 students.

Coinciding with our 25th anniversary year, together with joint venture partners, we closed the largest acquisition in CDT's history: The Essential Housing Partnership. This \$1.2 billion acquisition, one of the largest in the history of affordable housing, includes more than 90 properties, with more than 10,000 units, spanning eight states. Most of the properties were built or rehabilitated using Low Income Housing Tax Credits and are primarily in their extended-use periods. This diverse portfolio ranges from high-cost primary metropolitan cities to ex-urban/rural communities, many of which have limited quality affordable housing options. With our joint venture partners, we are improving these communities with planned capital upgrades and ensuring their long-term affordability for the residents.

We are proud to share our 25th Anniversary Impact Report highlighting the impact our accomplishments and successful programs continue to have on the people they serve.



Joseph F. Reilly
President & CEO



Andrew Ditton
CDT Chairman



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Our Impact

Since its inception in 1998, CDT has:

Created or preserved **59,000+ units** of affordable housing, providing apartment homes for **175,000+ residents** in **43 states**, Puerto Rico and the US Virgin Islands.

We have made loans supporting high performing Charter Schools that educate **5,000 students**.

The total value of assets under management is **\$3.6 billion**.

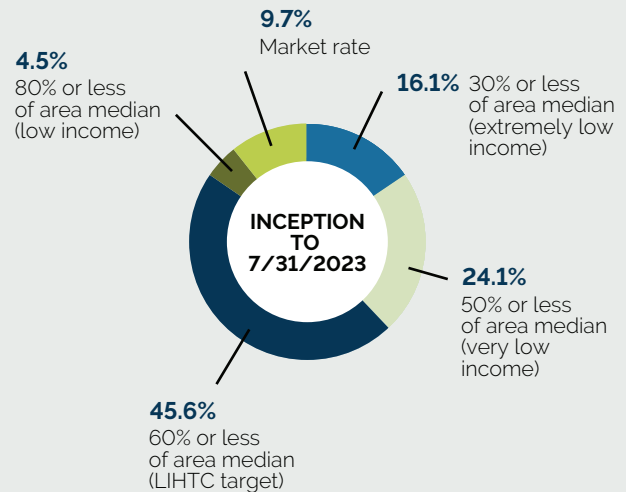
We've raised **\$372 million** in common and preferred stock, with our common stock now valued at **\$335 million** and preferred shares outstanding of **\$236 million**.

We've raised capital from more than **40 corporate investors** and **4 Community Development Financial Institutions**.

No investor has ever lost a cent.

Dividends have always been paid on schedule, as promised.

Whom do we serve?



Nearly 86% of CDT's portfolio provides homes for people at or below 60% ami

Keeping Our Promise

Since 2013, CDT has engaged a PhD social scientist to survey the property managers of assets in our portfolio annually, as well as conduct a resident survey of one select property in which we have invested equity. The results of those surveys are analyzed and, over time, trends come to light:

By providing and preserving housing that is affordable and well-maintained, the developments create significant benefits for low-income households. The housing cost savings meaningfully increase the households' disposable incomes providing them with additional resources to spend on other basic necessities. Not surprisingly, renters with lower housing cost burdens are able to spend more on food and health care, with corresponding

benefits for their health and wellness. The affordability of the properties contributes to consistently low rates of tenant turnover. Residential stability has positive impacts for our residents' emotional well-being, and their children's academic performance.

At the same time, our properties contribute to the stabilization and potential revitalization of their surrounding communities, neighborhoods that tend to be disproportionately poor and under-invested. While significant challenges remain in many of these areas, there is a growing sense of optimism from property managers and residents.

Supporting Residents:

Who we serve:

Characteristic	CDT Properties	National Average
Resident Poverty Rate	20.7%	12.8%
Resident Unemployment Rate	6.0%	6.3%
Renter Household Income	\$34,940	\$44,913
% Minority (based on census tract)	67.1%	33.2%

While these represent the whole of CDT's portfolio, CDT lends and invests in many neighborhoods. We have assets where the census tract median income is < \$15,000 and where the median income is > \$275,000.

Supporting Residents



Our Residents Save More Median Monthly Rent Savings for Residents in CDT-Financed Properties

According to a study by Freddie Mac, affordable-housing rents run 38% below market rates on average. In the years after LIHTC expiration, in the absence of a preservation investor, the average rent rises to about the same level as market-rate properties of comparable quality and location.

- The rent savings relative to market at CDT properties varies according to unit size, market and rent subsidy received. Residents in CDT units save from -79% to -11% in rent compared to market rate units.



Our Residents Stay Longer Residential Tenancy CDT properties v. National Average

- Annual turnover in CDT properties is 60% less than the national average
- Vacancy is nearly 22% less than the national average
- Proportion of households living in the property for 5+ years is 24% higher than the national average





Olga L.,
Resident of 99 Fort Washington

“ I've lived in this building for 23 years. Before my husband got sick and lost his job we lived in Co-op city and that is where we raised our children. We moved here to be close to the hospital for my husband's treatment. I got involved with the building right away, first with the Senior Center, then on the resident board and finally on the NYCHA Board as a tenant representative. I even organized a building watch group where we would sit in the lobby, talk amongst ourselves and keep an eye on who was coming and going.

When I heard about the new ownership, I never imagined the change would be so great. It is not easy to live through a renovation, especially for people in their 80s and 90s. It was confusing for a lot of people. But I'd do it again. It worked out very, very well. I could never imagine that all this would happen to my apartment. It is a kind of a miracle.

Just look at my place. All the residents feel a tremendous amount of pride in our apartments now. And the people from the PRC (Pact Renaissance Collaborative) were amazing. Any time I would call, they would pick up the phone. Its not *kind of a miracle; it's a real miracle.* ”

Charter Schools Lending

Current Portfolio, By The Numbers:

	CDT Total
Square Footage	315,754
Schools	6
Funding	\$62,995,405
Seats	3,101
FRPL Enrollment	90% >

Philips Academy Financing Partners

Local Initiatives Support Corporation

Raza Development Fund

Building Hope

New Jersey Community Capital

PNC Tax Credit Solutions

School Highlight:

Philip's Academy Charter School of Paterson

Beginning in 2003, an enterprising group of educators and advocates engineered an increase in the number of public-school options available to Paterson, New Jersey families. Between 2003 and 2016, the city's K - 12 education landscape expanded to include five public charter schools. One of the schools that contributed to the reshaping of the community's public education ecosystem was Philip's Academy Charter School of Paterson. The school received its inaugural charter in 2015 and opened for instruction in 2016. Philip's Academy was formerly affiliated with Philip's Academy of Newark. The two schools currently operate independently.

The core mission of Philip's Academy is to support the academic, social, and emotional development of its scholars. In short, the school seeks to support the development of the whole child. This goal manifests itself as an instructional and operational practice that is rooted in a series of long-term collaborative



commitments that permeate the school community at every level. The school models teamwork at the executive level and replicates that practice as an instructional approach for its students. At the leadership level, the school's Chief Executive Officer, Chief Academic Officer and Chief Financial Officer work collaboratively in support of a collectively designed set of organizational goals. At the student level, scholars are encouraged to organize and engage in collective advocacy for internal changes that they deem important. This practice builds student confidence and agency. Philip's also benefits from an enviable level of traditional parent engagement and from the longstanding participation in the school's workforce by student family members. As Dr. Dwayne Davis, the school's CEO says, "Philip's Academy is of the community, from the community and developed by the community."

In 2024, Philip's Academy will relocate from the multiple leased spaces that currently serve its 585 students to a



newly built facility, the layout of which was planned in close consultation with representatives from the school community. The design of the newly built campus will nurture collaboration and support the school's rigorous academic program.

Over the past few years, Philip's Academy Charter School of Paterson has racked up an impressive collection of well-earned wins including appointing a new Chief Executive Officer, achieving robust enrollment growth, securing a full-term renewal of its charter based on strong academic proficiency and operational excellence, and achieving 90% student and staff retention. CDT is proud to be a part of a collaborative financing structure that will facilitate the relocation of this exemplary school into its permanent home.

“ The Right Environment Encourages Potential. ”

Dr. Dwayne Davis,
Philip's Academy Charter School of Paterson
CEO

Essential Housing Portfolio



90 properties



10,000+ units



8 states

This acquisition, the largest transaction in our history, is a significant step forward for CDT's nationally focused mission; the acquisition of this portfolio nearly doubled CDT's equity portfolio to 21,000+ units. This geographically diverse portfolio provides affordable housing at scale to families and seniors in locations ranging from high-cost primary metros to exurban/rural communities with limited quality affordable housing options.

Under our joint venture ownership, the portfolio will benefit from a combination of initial capital upgrades, environmental mitigation/efficiency/resiliency efforts, and a long-term capital repair program. Our

JV expects to invest approximately \$9,000 average per unit in immediate and long-term capital improvements across the portfolio in aggregate. Our partnership is committed to maintaining the properties as stable, high-quality affordable housing assets in the communities they serve, and intends to preserve their affordability upon future recapitalizations.

Affordability restrictions are scheduled to expire in the near term on a significant portion of the portfolio; without this critical investment from mission-oriented owner-operators, this affordable housing portfolio was at risk of being lost to market.



Tampa, FL



San Marcos, TX



Chicago, IL

Multifamily Debt Lending

Affordable Housing Debt Metrics:

Current portfolio and commitments:

15,311 units

Inception to Date:

31,951 units,

\$1.01 billion in loans and commitments

CDT provides fixed rate forward commitments up to 36 months and mortgage terms up to 30 years

Parkside Four Phase II Financing Partners

Holsten Real Estate Development Corporation

Cabrini Green LAC Community Development Corporation

CIBC

Chicago Housing Authority

The City of Chicago

Property Highlights:

Parkside Four Phase II – Chicago, Illinois

Part of the redevelopment of the old Cabrini Green public housing complex, Parkside is one of the final communities in this completely transformed Chicago neighborhood. Through the efforts of housing leaders this once-blighted community is now a vibrant neighborhood. Anchored by a mixed-income residential model, including replacement housing, new rental units and homeownership, Parkside is part of a well-conceived mixed-use masterplan. This successful masterplan produced a *true new urban community*, combining well-designed housing with area retail, commercial development, green space, and public services. CDT provided a \$5.3 million long term permanent mortgage for the property, which closed in January 2023.





Lifting Neighborhoods and Communities

It is notable – though not surprising – that property values generally have increased in the areas surrounding the CDT-financed properties. A growing body of research has documented the neutral to positive effects of LIHTC and other

affordable housing developments on nearby property values. 61.4% of property managers saw moderate or significant increase in property values surrounding CDT financed properties.



Property Manager's Comments from 2023 Surveys

- Marina Bay Is “considered one of Lantana’s (FL) jewels. Many investors have been able to observe how valuable it has been to city residents, providing quality housing at an affordable cost.”
- Stone Quarry development in Ithaca, NY “removed an incompatible use from the neighborhood and strengthened the residential character of the area, which is encouraging future investment.”
- Pebble Creek (Southfield, MI) “provides housing to those who otherwise wouldn’t be able to live in a safe area.”
- Apple Ridge (Farmington, NM) is “rare – one of the few low-income adult communities where residents can live independently and affordably.”
- Alameda Palms (El Paso) “offers much needed affordable housing in the area, contributing to the tax base and job creation.”
- Seasons Park in Richfield, MN is “home to hundreds of families who generate economic activity, support the school tax base, and provide employees to surrounding businesses. It’s a vital player in the surrounding community.”
- Town Creek Village (Lenoir City, TN) “provides a safe, affordable community. That’s not common in our area.”

Thank you to our partners, investors, board and staff. We are honored to work with you and to celebrate 25 years of positive impact for our residents, students, teachers, schools, and their communities.



25 years
investing in America's communities

October 2023