



California Community  
Reinvestment Corporation

# Annual Report 2017

Opting Out Is Not an Option

## 2017 Highlights

CCRC Moved into New Digs in April!

Record Year for Annual Originations • 2,834 New Homes/\$187 Million

Passage of the Statewide Housing Bills • Numerous Local Municipality Housing Legislation

28 Additional Scholarship Awards • 236 Since Program Inception & \$280,000 in Awards

\$115 Million in New Capital Raised

# Opting Out Is Not an Option!

Last year I shared with you all a very personal and humbling story regarding my interaction with a woman named Gisele, who — due to a series of unfortunate events — found herself and a friend living out of a car for nearly a year. You may recall that it wasn't until a friend shared Gisele's story with me a second time that I "woke up" and put things in motion to see how the affordable housing community could assist her and her friend in securing an apartment.

As the homeless population grows and the temperature drops, I am so grateful that at least Gisele and her friend are not sleeping in her car anymore.

But the red tape to solutions is so overwhelming that

more Giseles still end up sleeping in their cars due to lack of mental health assistance, health care or even basic affordable housing. In Gisele's case, many people listened and helped cut through that red tape, showing what it takes to help all those less fortunate: to care and to act.

I feel like the world in general is overwhelming right now, with natural disasters, political turmoil, and the inability of people to have meaningful discussions around issues where there is a difference of opinion or viewpoint. Just like I did not listen the first time to the plight of Gisele, there is so much noise that it's hard for us to listen to each other and look for common ground. I fear the longer this chaos goes on, the more people will just opt out. They disengage. Some give up. When I go home after a long day, feeling beat up, I crawl in my bed and watch mindless Hallmark movies.

I can't stand the bickering on Fox, CNN, MSNBC ... I'm fried!

During the elections in Virginia last November, a remarkable change happened — people who would have never previously considered running for office decided it was time to take a stand. The result? By the end of the election, 11 women held seats previously occupied by men, bringing the total number of women in the House of Delegates from 17 to 28. The state House also gained its first transgender, lesbian, female Asian-American and Latina members. These elections show us that we all have the ability to opt in, to make a difference.

It is no secret that growing housing costs have affected all parts of California. In fact, for the first time in a long time, all of the top three contenders for the gubernatorial election have the need for more affordable housing as a main tenet of their platforms. According to a recent *LA Times* article, the state's median home value of more than \$500,000 is 2.5 times the national average. Almost 2 million state residents



spend more than half of their income on rent. One in five Californians is living in poverty — the nation's highest rate. California finally declared a housing crisis.

With this heightened awareness prevalent in the minds of our elected representatives, this past September, California lawmakers presented a sweeping package of bills aimed to address the crippling housing costs, a comprehensive approach that represents the state's largest attempt to address the problem in recent years. Three measures, Senate Bills 2, 3 and 35, comprise the key parts of the housing deal. SB 2 is expected to raise about \$250 million a year to finance the construction of affordable housing. SB 3 places a bond measure on the November 2018 statewide ballot with \$3 billion set aside to also finance low-income housing developments and an additional \$1 billion for veterans' home loans. SB 35 requires cities and counties to limit environmental, planning and other reviews on land already zoned for a developer's proposed amount of housing. When all was said and done, in September Governor Jerry Brown signed 15 bills into law that are designed to help the housing affordability crisis. Local jurisdictions enacted many of their own local funding programs as well.

While opponents cite that the bills won't make a significant dent in our state's housing issues, change has to start somewhere. Opting out is no longer an option. These bills, while not a cut-and-dry fix to housing affordability, will collectively work to address building housing

for low-income residents, make it easier for developers to build while pushing them to build and preserve more low-income housing, and force cities to prioritize housing plans and penalize those that do not.

From those who participated in community organizing to state-level advocacy to allies who wrote letters, brought signs and marched together to have their voices heard, it worked on every level. While a few of these bills had been presented before, the difference this year was the mass community mobilization that forced representatives to listen and take action.

And while the signing of these bills is a monumental step, the work is just beginning. We now look ahead to the action that will result. For example, SB 3 places a \$4 billion affordable housing measure on the November 2018 ballot. If approved, it would lead to roughly \$20 billion in affordable-housing construction when tax credits and matching funds are included. Once again, the "run for something" affordable housing industry in California is called to action to gain the support of voters for this moral and economic imperative. Geez, we just saved private activity bonds, the source for 60 percent of affordable housing production and preservation, from the cutting room floor in the recent tax reform efforts.

At the end of each day, we are all left with asking ourselves if we have done enough that day to make a difference. Whether it be in the way you spend a vote, educate yourself on a bill or policy, play a role

in an advocacy organization, or lobby for legislation, each person owes it to themselves and the community to become educated and begin each day with an opt-in mentality when it comes to making a difference. I am proud to be part of an industry that can answer yes on all fronts. We opt in every day.

**Mary Kaiser,**  
President, CCRC



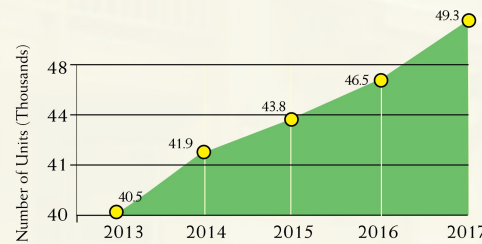
“We all have the ability to opt in, to make a difference, to listen and react, to *run for something or stand for something...*”

Mary Kaiser, President, CCR

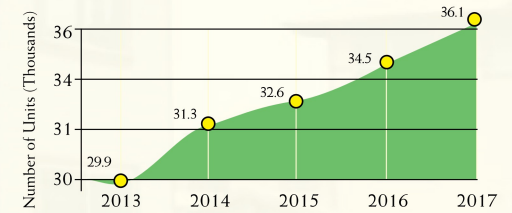
## Funders

AMALGAMATED BANK	FIRST BANK
AMERICAN BUSINESS BANK	FIRST CITIZENS BANK
BAC COMMUNITY BANK	FIRST GENERAL BANK
BANC OF CALIFORNIA	FIRST NORTHERN BANK OF DIXON
BANK OF AMERICA	FIRST REPUBLIC BANK
BANK OF STOCKTON	HANMI BANK
BANK OF THE ORIENT	HSBC BANK USA
BANK OF THE SIERRA	INDUSTRIAL & COMMERCIAL BANK OF CHINA (USA) NA
BANK OF THE WEST	JPMORGAN CHASE & CO.
BARINGS REAL ESTATE ADVISERS	MANUFACTURERS BANK
BBCN BANK	MISSION VALLEY BANK
BENEFICIAL STATE BANK	MONTECITO BANK & TRUST
BOSTON PRIVATE BANK	MUFG UNION BANK
BROADWAY FEDERAL BANK	PACIFIC WESTERN BANK
CALIFORNIA BANK & TRUST	RABOBANK, N.A.
CATHAY BANK	RIVER CITY BANK
CIT BANK	ROYAL BUSINESS BANK
CITIZENS BUSINESS BANK	SILICON VALLEY BANK
CITY NATIONAL BANK	STATE BANK OF INDIA
COMERICA BANK	SUNWEST BANK
COMMUNITY BANK	TRI COUNTIES BANK
COMPASS BANK	U.S. BANK
EAST WEST BANK	UMPQUA BANK
EXCHANGE BANK	UNITED BUSINESS BANK
FAR EAST NATIONAL BANK	WELLS FARGO BANK
FARMERS & MERCHANTS BANK	

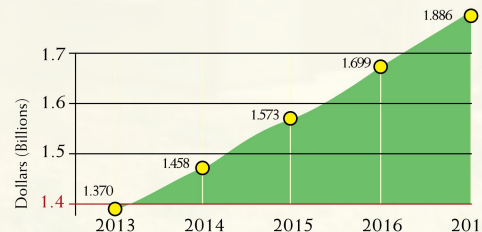
Housing Units 2013-2017 - Approved



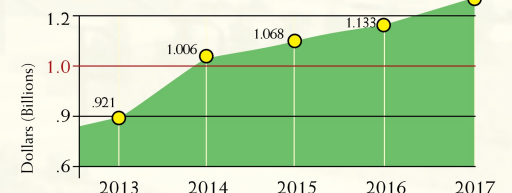
Housing Units 2013-2017 - Newly Funded



Loan Dollars, 2013-2017 - Approved



Loan Dollars, 2013-2017 - Newly Funded



**CALIFORNIA COMMUNITY  
REINVESTMENT CORPORATION  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
YEARS ENDED SEPTEMBER 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>Changes in unrestricted net assets:</b>		
Revenues and gains:		
Interest income, loans	\$ 14,940,186	\$ 13,430,636
Loan, commitment, rate lock and prepayment fees	812,608	407,607
Loan sale premium, net	-	25,907
Developer, broker fees and other income	598,911	643,220
Loan servicing income, net	<u>722,785</u>	<u>653,808</u>
Total revenues and gains	17,074,490	15,161,178
Net assets released from restrictions:		
Satisfaction of program restrictions	<u>33,600</u>	<u>43,544</u>
Total revenues, gains and other support	<u>17,108,090</u>	<u>15,204,722</u>
Expenses:		
Interest, member banks	12,249,858	10,958,033
Salaries and employee benefits	3,277,528	2,855,040
Occupancy	145,868	194,242
Professional services	235,112	285,784
Provision for loan losses	( 1,668,289)	575,253
Marketing and business development	10,396	20,272
Utilities and maintenance	89,347	85,726
Professional conferences and meetings	24,833	25,990
Depreciation	52,472	46,751
Insurance	73,994	105,426
Miscellaneous	<u>149,577</u>	<u>174,900</u>
Total expenses	<u>14,640,696</u>	<u>15,327,417</u>
Increase (Decrease) in unrestricted net assets	<u>2,467,394</u>	<u>( 122,695)</u>
Changes in temporarily restricted net assets:		
Contributions	45,200	34,000
Net assets released from restrictions	<u>( 33,600)</u>	<u>( 43,544)</u>
Increase (Decrease) in temporarily restricted net assets	<u>11,600</u>	<u>( 9,544)</u>
Increase (Decrease) in net assets	2,478,994	( 132,239)
Net assets, beginning of year	<u>22,787,353</u>	<u>22,919,592</u>
Net assets, end of year	<u>\$ 25,266,347</u>	<u>\$ 22,787,353</u>

## Featured Properties



### Heritage Square

**Developers:** BRIDGE Housing

On March 16, 2017, BRIDGE Housing celebrated the grand opening of Heritage Square Senior Apartments — an affordable apartment community for seniors — in the city of Pasadena.

Heritage Square provides 70 high-quality and welcoming affordable housing units to Pasadena's aging population. Serving seniors ages 55 plus, the complex has two community rooms, open space for active and passive use, and outdoor gathering spaces.

**Financing Team:** CCRC, Wells Fargo Bank and the city of Pasadena



### Olivera Senior Apartments

**Developer:** Integrity Housing

On March 21, 2017, Integrity Housing celebrated the grand opening of its Olivera Senior Apartments in Pomona, California.

This 84-unit community for low-income, active seniors offers one- and two-bedroom units with a beautiful courtyard featuring a bocce ball court, community garden, canine park, lushly landscaped patio and grilling areas. Indoor amenities include a fitness room, arts and craft room, and a large community room.

**Financing Team:** CCRC, U.S. Bank and City Real Estate Advisors



### Cielo Carmel, Phase I and Phase II

**Developer:** Affirmed Housing

On Oct. 11, 2016, CCRC attended the grand opening celebration for Cielo Carmel, Phase I and Phase II, an affordable apartment community — a contiguous development — by Affirmed Housing in San Diego.

Cielo Carmel provides 197 one-, two- and three-bedroom homes for families earning 50-60 percent of the area median income, as well as a community center, swimming pool, playground and community walking paths. Residents also have easy access to California State Route 56, shopping and schools.

**Financing Team:** CCRC, along with Bank of America Merrill Lynch and Boston Capital



### Alta Mira Senior & Family Apartments

**Developer:** Eden Housing

Alta Mira offers 150 affordable rental apartments — 86 family apartments and 64 senior apartments. The complex is made up of two five-story buildings that share a common courtyard. The buildings are certified with a GreenPoint rating of 125+ and are designated as Energy Star buildings, which are 28 percent more efficient than California energy standards.

**Financing Team:** CCRC, Wells Fargo Bank, the city of Hayward, the city of Hayward Housing Authority, the county of Alameda, the Federal Home Loan Bank of San Francisco, the California Housing Finance Agency and HCD

# CCRC Mission

CCRC will increase the availability of affordable housing for low-income families, seniors and residents with special needs throughout California by facilitating private capital flow from our investors for debt and equity to developers of affordable housing.

## 2016-2017 CCRC Staff

<b>Meg Babakhanian</b>	<i>Analyst</i>	<b>Maria Majczinger</b>	<i>SVP, Loan Administration Manager</i>
<b>Maria Bassett</b>	<i>Loan Administration Specialist</i>	<b>Sylvia Meldonian</b>	<i>Loan Conversion Specialist</i>
<b>Andy Chan</b>	<i>Loan Portfolio Manager</i>	<b>Jamie Nelson</b>	<i>CFO</i>
<b>Renee Cooks</b>	<i>VP, Loan Administrator</i>	<b>Mark Niles</b>	<i>SVP, Relationship Manager</i>
<b>Jeff Cresto</b>	<i>Loan Funding Manager</i>	<b>Laura Orellana</b>	<i>VP, Relationship Manager</i>
<b>Enrique Felix</b>	<i>Servicing Manager</i>	<b>Gary Pinson</b>	<i>Asset Management</i>
<b>Marla Garcia</b>	<i>Investor Relations/Office Manager</i>	<b>Mark Rasmussen</b>	<i>EVP, Loan Origination Manager &amp; Marketing Manager</i>
<b>Jay Johnson</b>	<i>Loan Review Officer</i>	<b>David Saltzman</b>	<i>Chief Risk Officer</i>
<b>Mary Kaiser</b>	<i>President</i>	<b>Roberto Sanchez</b>	<i>Loan Administration Specialist</i>
<b>Vivian Lee</b>	<i>Loan Servicing Officer</i>	<b>Sarah Walker</b>	<i>Loan Service Supervisor</i>
<b>Christine Lew</b>	<i>Loan Administration Specialist</i>		



## 2016-2017 Board of Directors

<b>Bob Besser</b>	<i>City National Bank</i>
<b>Alice Carr</b>	<i>JPMorgan Chase</i>
<b>Christine Carr</b>	<i>Silicon Valley Bank</i>
<b>John Chan</b>	<i>Compass Bank</i>
<b>Robert De Acevedo</b>	<i>Citizens Business Bank</i>
<b>Mark Glasky</b>	<i>Bank of the West</i>
<b>Lisa Gutierrez</b>	<i>US Bank</i>
<b>Steve Haley</b>	<i>Farmers &amp; Merchants Bank of Central California</i>
<b>Robin Hughes</b>	<i>Abode Communities</i>
<b>Mary Kaiser</b>	<i>CCRC</i>
<b>Jeanne Peterson</b>	<i>Peterson &amp; Associates</i>
<b>Carolina Reid</b>	<i>UC Berkeley</i>
<b>Terce Sandifer</b>	<i>Union Bank</i>
<b>Ann Sewill</b>	<i>California Community Foundation</i>
<b>Ken Sofge</b>	<i>Wells Fargo</i>
<b>Beth Southorn</b>	<i>LIFESteps</i>
<b>Tom Vandiver</b>	<i>Dentons</i>

## 2016-2017 Loan Committee

<b>Perica Bell</b>	<i>Union Bank</i>
<b>Diana Cardenas</b>	<i>US Bank</i>
<b>John Denton</b>	<i>Bank of the West</i>
<b>Norma Dominquez</b>	<i>Wells Fargo</i>
<b>Mike Jarrells</b>	<i>Montecito Bank &amp; Trust</i>
<b>Claudia Lima</b>	<i>CIT Bank</i>
<b>Adey Tesfaye</b>	<i>HSBC Bank</i>
<b>Henry Tiedemann</b>	<i>JPMorgan Chase</i>