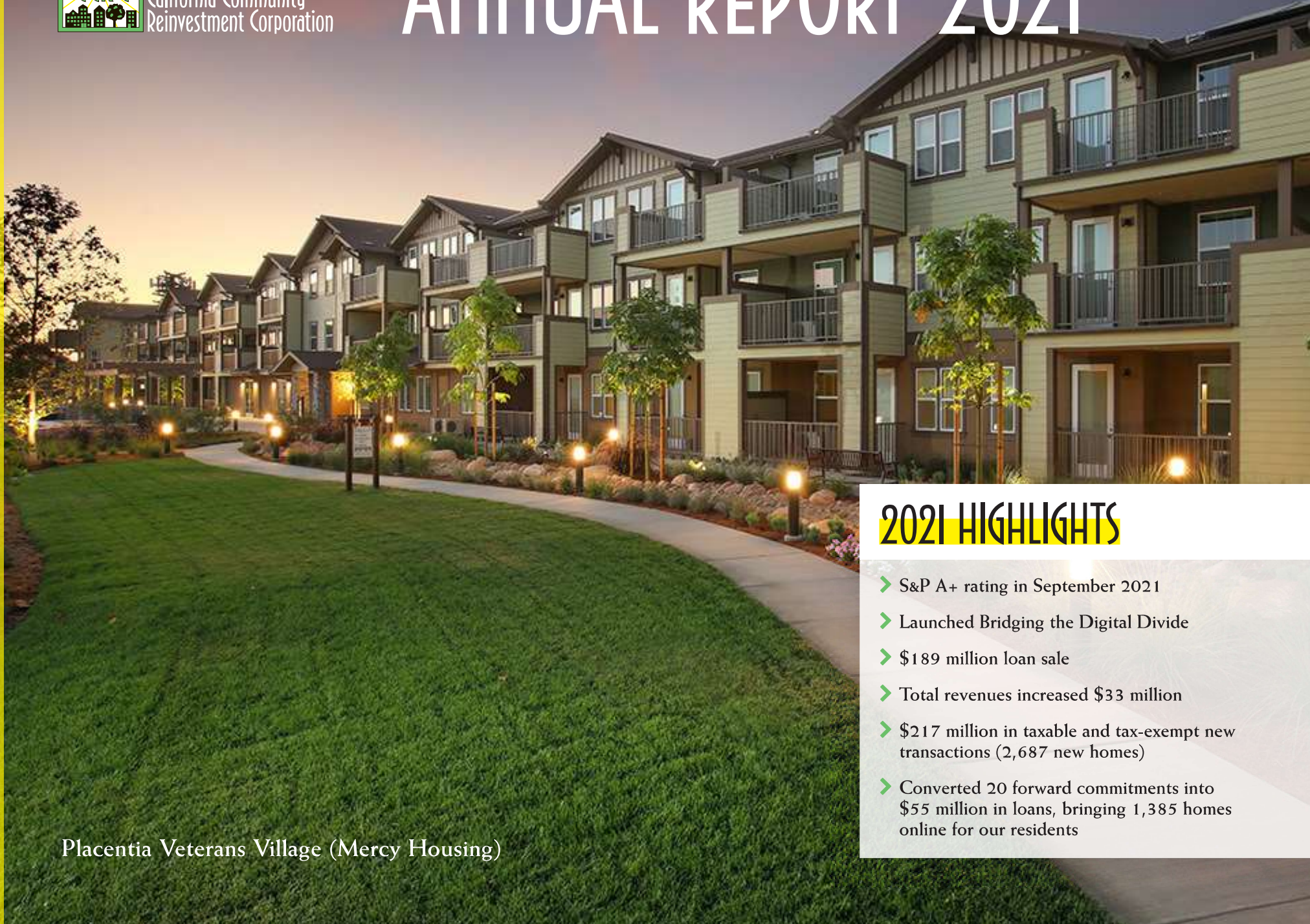




California Community
Reinvestment Corporation

ANNUAL REPORT 2021



Placentia Veterans Village (Mercy Housing)

2021 HIGHLIGHTS

- S&P A+ rating in September 2021
- Launched Bridging the Digital Divide
- \$189 million loan sale
- Total revenues increased \$33 million
- \$217 million in taxable and tax-exempt new transactions (2,687 new homes)
- Converted 20 forward commitments into \$55 million in loans, bringing 1,385 homes online for our residents

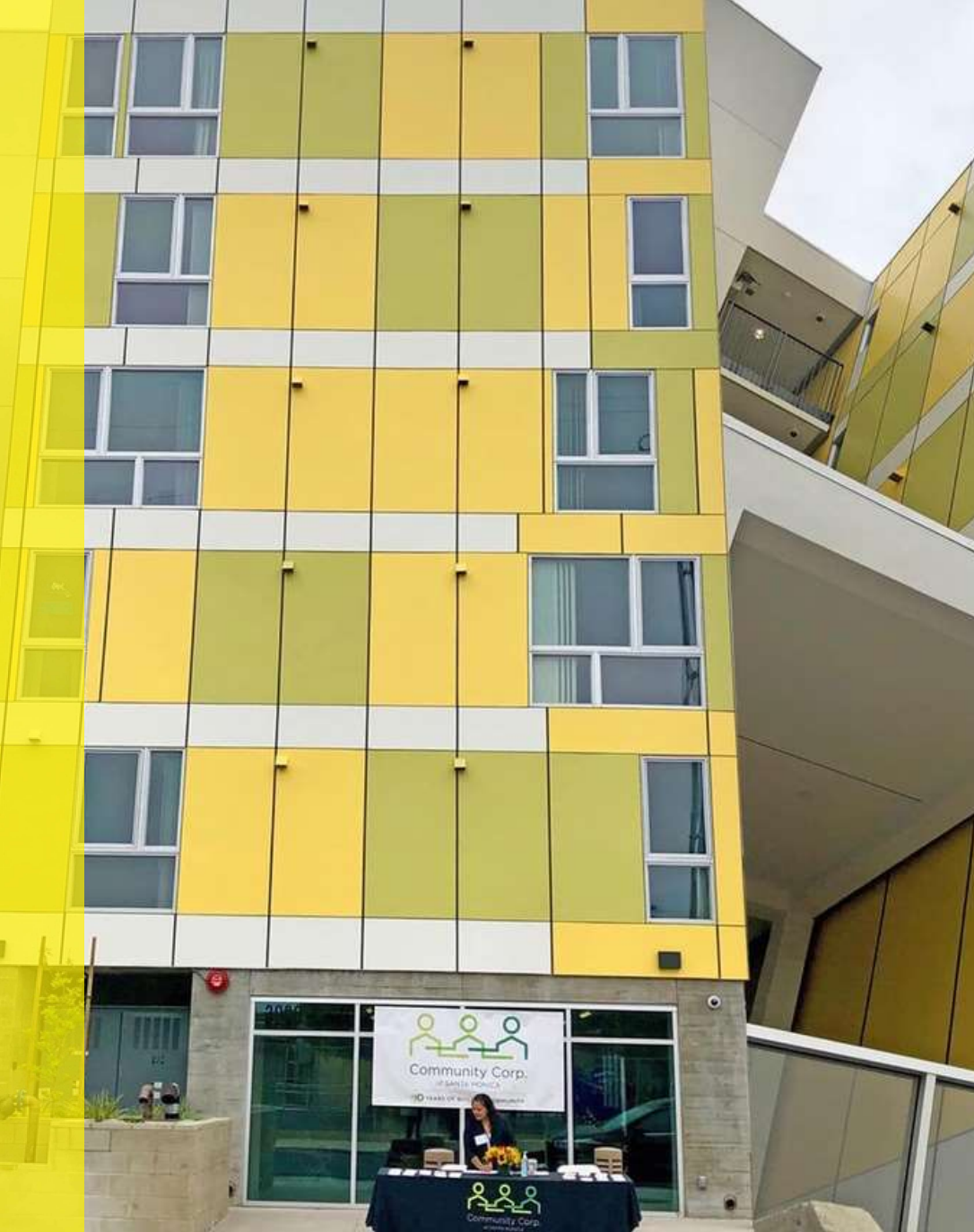


CCRC's Owen Patterson, providing a few remarks at the Eden Housing, Inc. ribbon-cutting ceremony for Loro Landing, an apartment community comprised of 62 affordable units for families, veterans and individuals experiencing homelessness.

DON'T COME OUT EMPTY-HANDED

Once again, as we celebrate another year of milestones and accomplishments, we do so in the midst of so much suffering here and throughout the world. Our partners in affordable housing development continue to work tirelessly to house the increasing number of people in need of safe affordable housing. This includes getting damaged folks off the streets and into housing where they can receive the services needed to heal and engage in life again. The CCRC team is so proud to be a part of this community that has kept so many safe, healthy and housed during this prolonged pandemic and resulting economic fallout.

I was struck by recent comments made by Rabbi Steve Leder, senior rabbi at Wilshire Boulevard Temple, as he was discussing his book, "More Beautiful Than Before: How Suffering Transforms Us", when he said, "If you have to walk through hell — we all do sometimes — don't come out empty handed." While he was talking about life's tragedies that he deals with as a spiritual leader, he also put it in the context of what the world has been through in the past few years with the pandemic. Oftentimes, we feel like we should just suck it up, because what we have been through is nothing like . . .



At the ribbon-cutting of Vista Ballona, an all electric 50-unit affordable housing development that includes 12 units for people with developmental disabilities. Congratulations to Community Corporation of Santa Monica!

fill in the blank. But suffering is not a competitive sport, and we are all reeling from the past couple of years. And it isn't over yet. We all need a hug, and a high five and to get back to work!

So we celebrate the work of our industry and CCRC's contribution to that this past year. We began our FYE 2021 in November 2020 with a \$189 million loan securitization with Freddie Mac, our third transaction with the GSE. The timing of this sale allowed for the recycle of capital that has served us well the past year by supporting an additional \$217 million in origination of new loan commitments representing 2,700 new homes for Californians in need. Even with COVID-19 impacting construction, inspections, lease ups and conversions, the team converted and funded 20 forward commitments to welcome residents to 1,400 new places to call home.

The positive impact of the loan sale and prior strategic focus on diversification of income sources resulted in a very strong year financially for CCRC, with an increase in net assets of \$42 million, primarily a result of the positive impact of the loan sale. This improvement to our historically leveraged balance driven by our original business model allowed us to pursue a third-party credit rating to enhance our current bank relationships as well as attract additional capital for our lending programs. S&P Global assigned its A+ issuer credit rating (ICR) to CCRC in September 2021.



CCRC's Laura Orellana attending the groundbreaking of The Iris — a housing development that will provide 61 supportive and affordable units in West Los Angeles. Congratulations to Affirmed Housing Group!

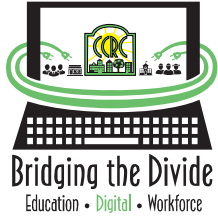
The loan portfolio continues to perform well, again a testament to the strength of our clients and their focus on the well-being of their residents through strong resident and social service provision. We have had no forbearance requests since early in 2020 at the beginning of the lockdown.

Acknowledging the pivot our property owners and managers made from traditional to pandemic related services during this time, CCRC launched its **Bridging the Digital Divide Program** in April 2021. The initial grants were awarded to Mercy Housing, Abode Communities and LifeSTEPS for programs designed to create and improve connectivity during this period of isolation that could only be bridged with enhanced technology and targeted programs such as supporting remote learning, providing telehealth access, addressing food scarcity, enhancing socialization and offering employment related services.

CCRC again expresses its deepest appreciation for the support of our member banks and funders, incredible staff, board and committees, and the hardest working developer clients in the industry.

Sincerely,
Mary Kaiser
President, CCRC

BRIDGING THE DIGITAL DIVIDE



Bridging the Digital Divide is a branch of CCRC's Bridging the Divide Initiative, which seeks to provide opportunities that create equitable access to the communities CCRC serves.

In 2021, this initiative provided three initial \$40,000 grants.

MERCY HOUSING CALIFORNIA



Established in 1981, Mercy Housing has 40 years of experience as a national developer of

affordable housing and resident service provider, owning and/or managing 160 affordable housing complexes throughout California, providing 11,171 homes and serving nearly 20,000 residents.

Prior to the onset of COVID-19, Mercy Housing's Community Connect — a program implemented to foster community building through structured gatherings in a supportive environment to collaborate on community needs and solutions — had piloted at six of its properties with plan to expand. Adapting to the pandemic environment, Community Connect was transitioned to a virtual format to assist residents at its properties with tech and digital access, while still fostering the social connection to neighbors.

The grant CCRC provided to Mercy Housing helped this program increase the number of residents engaged in the life of the community and provide an environment that values shared problem solving.

ABODE COMMUNITIES



For more than 20 years, it has offered its signature resident social services program, Beyond Homes, which provides

complimentary critical safety net services to help residents remain stable in their housing while connecting with community resources. During the onset of COVID-19, the team had to quickly transition to remote operations, along with many of the residents they serve. To that end, Abode Communities launched a virtually accessible version of their program: gobeyondhomes.org, which provides children with virtual homework help and workshops that support adults and seniors with appointment setting for services and medical care.

With the \$40,000 grant from CCRC's Bridging the Digital Divide program, Abode Housing was able to expand its virtual offerings to increase retention rates and provide additional educational support for children and wellness programs for members in these communities.

LIFESTEPS



LifeSTEPS provides effective educational and supportive services to maximize the strengths

of individuals and build resilient communities to help empower individuals with the skills, resources and support to maintain stable housing and break the cycle of poverty.

Through CCRC's Bridging the Digital Divide program, LifeSTEPS secured funding to provide services to older adults, including those with special needs who are socially isolated as a result of the COVID-19 pandemic. This included technology devices (Grandpads) with one-year subscriptions to increase social engagement and connectedness to residents in four of the communities the nonprofit serves.

OUR FUNDERS

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BANK OF HOPE
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BANK OF THE WEST
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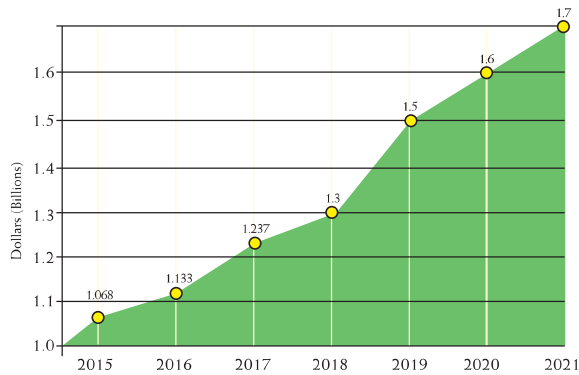
PACIFIC WESTERN BANK
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STATE BANK OF INDIA
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TRI-COUNTIES BANK
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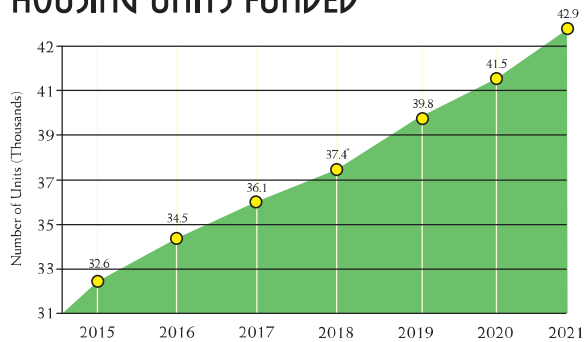
CCRC was grateful to have the Alphet Rockers perform at our annual meeting on Oct. 22, 2021.

Their mission to promote safe and healthy living environments where our families can thrive and grow aligns with ours, and our entire team was so impressed by their performance.

LOAN DOLLARS, 2015-2021



HOUSING UNITS FUNDED

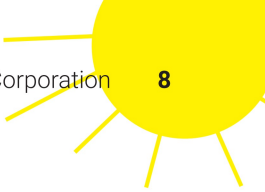


Charts cumulative 1989-2021

*There has been an adjustment in the 2020 totals

CALIFORNIA COMMUNITY REINVESTMENT CORPORATION CONSOLIDATED STATEMENTS OF ACTIVITIES YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Changes in net assets without donor restrictions:		
Revenues, gains and other support:		
Interest income, loans	\$ 5,254,398	\$ 11,385,430
Investment income, net	749,440	1,385,642
Loan, commitment, rate lock and prepayment fees	2,345,983	2,251,223
Loan sale premium, net	40,778,992	-
Credit enhancement fees and other income	947,113	522,973
Loan servicing income, net	2,048,675	1,619,275
Total revenues and gains	<u>52,124,601</u>	<u>17,164,543</u>
Net assets released from restrictions:		
Satisfaction of program restrictions	<u>572,954</u>	<u>2,148,252</u>
Total revenues, gains and other support	<u>52,697,555</u>	<u>19,312,795</u>
Expenses:		
Program services:		
Affordable housing financing and servicing	9,369,709	13,087,350
Scholarship	66,000	41,374
Other	<u>120,000</u>	<u>-</u>
Total program services	9,555,709	13,128,724
Supporting services		
General and administrative	<u>693,209</u>	<u>661,074</u>
Total expenses	<u>10,248,918</u>	<u>13,789,798</u>
Increase in net assets without donor restrictions	<u>42,448,637</u>	<u>5,522,997</u>
Changes in net assets with donor restrictions:		
Contributions	171,304	46,500
Net assets released from restrictions	<u>(572,954)</u>	<u>(2,148,252)</u>
Decrease in net assets with donor restrictions	<u>(401,650)</u>	<u>(2,101,752)</u>
Increase in net assets	42,046,987	3,421,245
Net assets, beginning of year	<u>31,934,181</u>	<u>28,512,936</u>
Net assets, end of year	<u>\$ 73,981,168</u>	<u>\$ 31,934,181</u>



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