



California Community Reinvestment Corporation

Annual Report 2018

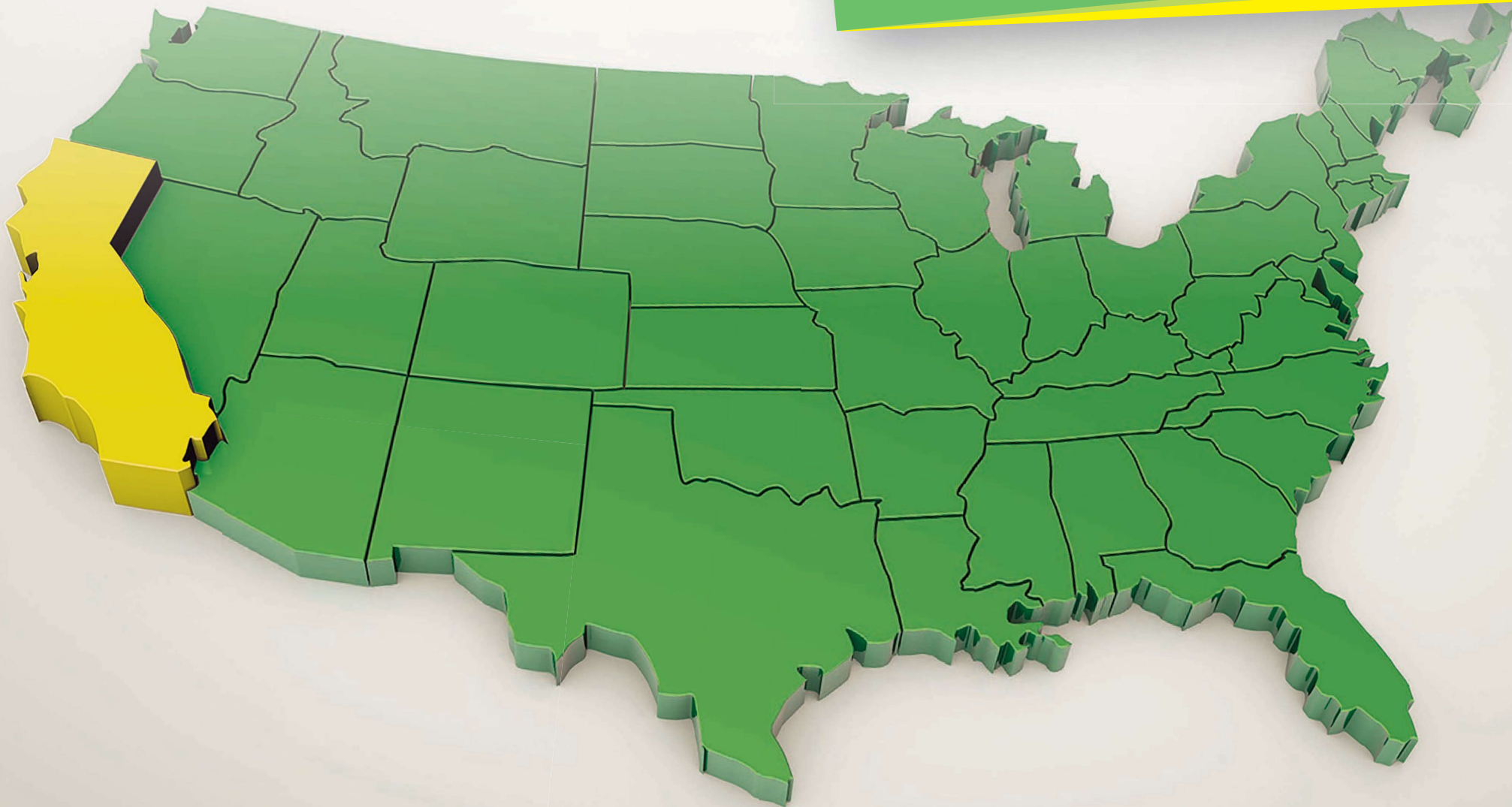
Originated \$135 million | 2,200 new homes 

Funded \$112 million | 2,400 new homes 

\$50,000 new scholarships awarded 

\$4.5 million increase in net assets 

Passage of Props 1 and 2 





Lean in. Together.

It's January 2019 and I'm 60 days late in penning my CCRC Annual Report narrative that wraps around our results. It's not because we had a bad year and I'm procrastinating.

We had a great year! We originated \$135 million in new loan opportunities that will provide 2,178 homes to families, seniors, people with disabilities and formerly homeless individuals. It's not because the state hasn't stepped up to address the shortage of housing, given the omnibus bills in 2017 and now Prop 1 and Prop 2 in November 2018. It has! I write this in day 35 of a government shutdown that just has me sort of "stuck" in my head. While the past two years had challenges, there were events that motivated and informed our work.

I shared my story in 2016 of Gisele and the importance of not opting out, and the lesson I learned when assuming that someone else would fix an obvious injustice and no action was needed on my part. It renewed my inspiration when I saw a community come together to help. Together the community chose not to opt out. Then in 2017, I was inspired by the national demonstration of not opting out when we saw so many new faces on ballots across the country and subsequent new voices in office after those elections. People who, for the first time, ran for office because they felt like they needed to have their voices heard.

I was inspired last November, when I had the privilege of attending the Mammoth Lakes Community Housing Summit, organized by a group of community members that took action to make an impact locally. Known as Mammoth Voices — A Forum for Civil Discourse, they organized the community to increase awareness and understanding of housing issues, as well as to find solutions to its current housing crisis. The weekend-long series of workshops included a walk of a 27-acre parcel of land they purchased to set aside specifically for affordable housing.

Our affordable housing community is now moving the state and local funding programs into new construction of affordable housing for veterans, working families, people with disabilities, Californians experiencing homelessness and so many others. It is so inspiring to see how hard our community works to cobble together these resources and bring properties out of the ground.





And now, this government shutdown, while I am sure it will pass, is undermining the very fragile community our affordable housing clients serve, even impacting their own organizations as they pull from reserves to make up for delayed subsidies and payments. Moreover, a light has been shone on "ordinary Americans," those federal workers and peripherally impacted businesses, exposing that financial balancing act that many Americans live, counting on each and every paycheck to make ends meet.

I know with all my 67 years on the planet that this too shall pass. The community found Gisele and countless others ways to get off the streets and into safe, decent housing. The state stepped up to address its housing crises, in ways beyond our expectations, because the community came together to speak with one voice against this injustice. CCRC funded \$112 million in new loans last year, bringing 2,400 homes onto the market for those we serve. But now many projects in construction and even those up and running are

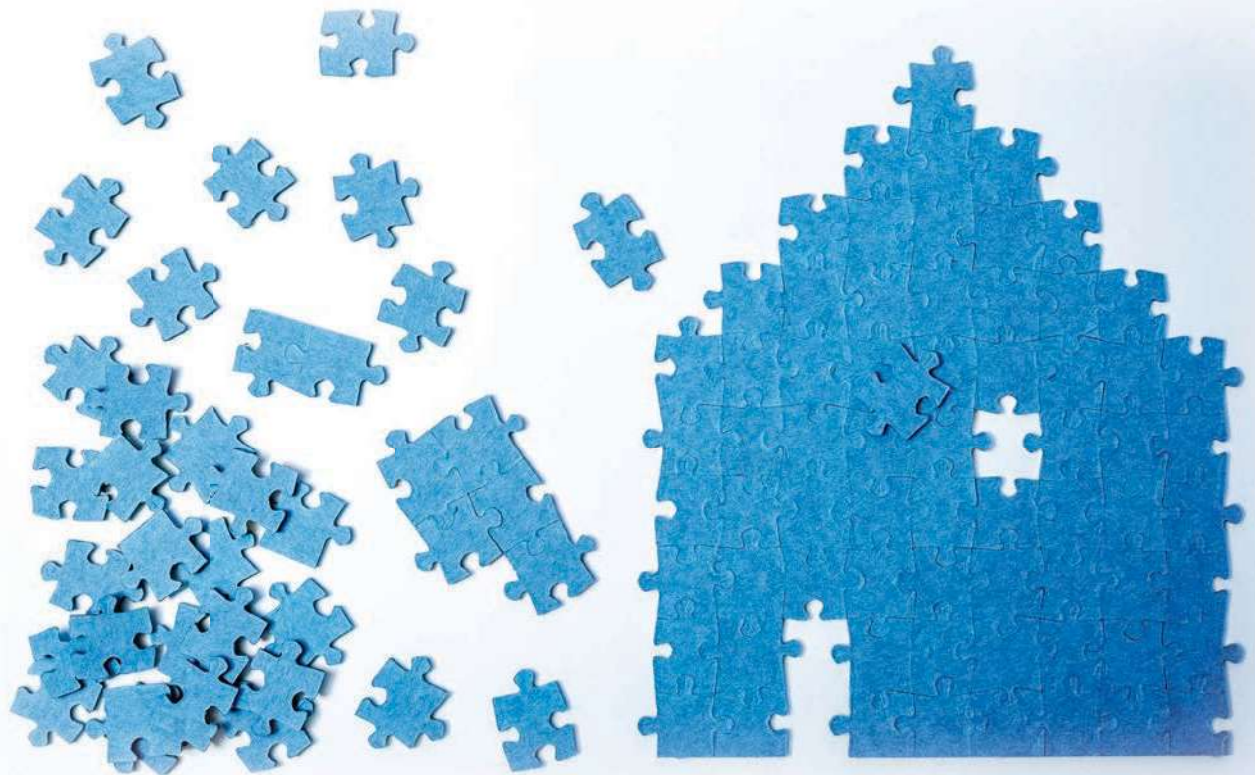
in financial peril, given lack of certainty and response on new programs and delayed financial subsidies to properties in operation and residents.

After all I have seen and recapped here, when folks come together to solve a problem, I know one thing to be true. Holding a government hostage for any one issue, wall or no wall, is not the way people come together to solve serious problems. People are being hurt, and let's hope not literally before this is all over, which I hope is by the time this goes to press. Not sure if this is the reason I feel so stuck, or if it's an excuse and I need to turn off CNN. I need to snap out of it and look ahead again with inspiration and confidence in our ability to meet the challenges that face this country.

What I do know is that California, like Mammoth Voices, is coming together around issues facing our community, and we are making a difference. It's not perfect, but we've come a long way in providing additional resources to make this a more inclusive landscape for our workforce, families, growing senior population and folks with special needs.

In 2019, I'm leaning in. I'm opting in to keep fighting for what's right as opting out gets nothing done. We need everyone's voice. Thank you for all you do.

Mary Kaiser, President, CCRC



Featured Properties



Columbia Park Apartments

Developer: Mercy Housing California

Columbia Park is comprised of 50 rehabilitated family apartments in San Francisco, California. The development includes community rooms with a computer learning center, laundry rooms, a multi-purpose room for resident meetings and after school activities, property management, and resident services.

Some of the activities at Columbia Park include a summer lunch program for kids, arts and crafts, and drama classes.

Financing Team: CCRC, Silicon Valley Bank, NEF with Chase as Top-Tier Investor, City of San Francisco



Pearl Gardens & Sycamore Gardens Apartments

Developers: Housing Authority of the City of Santa Barbara

Pearl Gardens and Sycamore Gardens — a rehabilitation of a total of 35 family apartments in Santa Barbara — are renovation projects completed under HUD's Rental Assistance Demonstration program.

The 15-unit Pearl Gardens and the 20-unit Sycamore Gardens received new energy efficiency appliances, new windows, roofing, siding, flooring, cabinets, tankless water heaters and photovoltaic solar panels to reduce electric grid burden.

Pearl Gardens property features include on-site parking, private patios, open space and a play area for children. Sycamore Gardens units are comprised of three-bedroom townhouses with amenities such as on-site parking, open space and laundry facilities.

Financing Team: CCRC, MUFG Union Bank, HUD



Norwood Learning Village

Developer: Thomas Safran and Associates

Located in Los Angeles, the Norwood Learning Village is comprised of 29 one-, two- and three-bedroom new construction family apartment units. The property, which includes 40 additional parking spaces for Los Angeles Unified School District (LAUSD), also gives preference to LAUSD employees.

Features include a spacious community room equipped with a fitness center, library, TV lounge and a full kitchen. The building also incorporates sustainable principles such as energy and water conservation, use of recycled materials, and a cool roof. Additional features include a landscaped courtyard, secured entry, subterranean parking garage and laundry facilities.

Financing Team: CCRC, Wells Fargo Bank, State of California HCD, City of LA HCID, LAUSD Ground Lease



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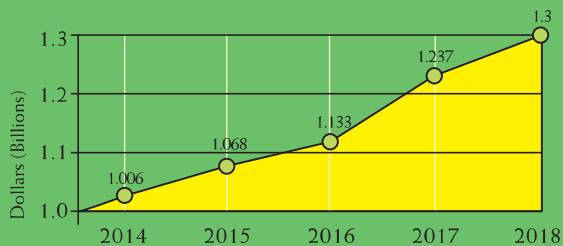
Accountability Is Key



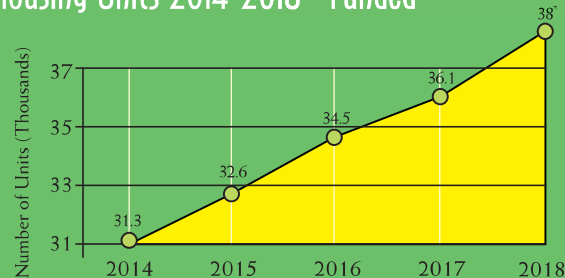
CALIFORNIA COMMUNITY REINVESTMENT CORPORATION CONSOLIDATED STATEMENTS OF ACTIVITIES YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Changes in unrestricted net assets:		
Revenues and gains:		
Interest income, loans	\$ 8,832,555	\$ 14,940,186
Investment income, net	91,946	-
Loan, commitment, rate lock and prepayment fees	1,993,399	812,608
Loan sale premium, net	3,627,284	-
Credit enhancement fees and other income	549,203	598,911
Loan servicing income, net	<u>1,329,422</u>	<u>722,785</u>
Total revenues and gains	16,423,809	17,074,490
Net assets released from restrictions:		
Satisfaction of program restrictions	<u>50,000</u>	<u>33,600</u>
Total revenues, gains and other support	<u>16,473,809</u>	<u>17,108,090</u>
Expenses:		
Interest, member banks	7,334,818	12,249,858
Salaries and employee benefits	3,606,299	3,277,528
Occupancy	225,241	145,868
Professional services	295,501	235,112
Provision for loan losses	(14,785)	(1,668,289)
Marketing and business development	23,616	10,396
Utilities and maintenance	91,882	89,347
Professional conferences and meetings	54,590	24,833
Depreciation	64,897	52,472
Insurance	98,512	73,994
Miscellaneous	<u>172,716</u>	<u>149,577</u>
Total expenses	<u>11,953,287</u>	<u>14,640,696</u>
Increase in unrestricted net assets	<u>4,520,522</u>	<u>2,467,394</u>
Changes in temporarily restricted net assets:		
Contributions	55,600	45,200
Net assets released from restrictions	(50,000)	(33,600)
Increase in temporarily restricted net assets	<u>5,600</u>	<u>11,600</u>
Increase in net assets	4,526,122	2,478,994
Net assets, beginning of year	<u>25,266,347</u>	<u>22,787,353</u>
Net assets, end of year	<u>\$ 29,792,469</u>	<u>\$ 25,266,347</u>

Loan Dollars, 2014-2018 - Funded



Housing Units 2014-2018 - Funded



Charts cumulative 1989-2018

*There has been an adjustment in the 2018 totals

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.



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California Community
Reinvestment Corporation

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