



# EVERY HOME COUNTS

We are pleased to report that 2016 was another record year for Century, with **more than \$143 million in loans assisting in the creation of 2,572 homes affordable to residents earning 61% of Area Median Income (AMI), on average.** Our past success translates to more opportunity for our developer clients to keep building. The San Francisco Mission District development, sponsored by Mission Economic Development Agency along with Tenderloin Neighborhood Development Corporation and noted in this report, highlights Century's flexibility and commitment in supporting city-sponsored affordable projects - especially those close to transit.

In Southern California, the featured Van Nuys development by Topanga Managing Partners exemplifies the important role that Naturally Occurring Affordable Housing (NOAH) can serve in meeting critical housing needs in the

face of declining government support for affordable housing. For nearly ten years, NOAH, which is not government subsidized, has been a fast growing segment of Century's lending portfolio and has accounted for more than 1,000 affordable homes throughout California. Century's construction loan for the Van Nuys project is financing 22 beautifully designed homes for families with incomes just above 100% of AMI developed without government funding.

Century is confident that our latest innovation, a permanent loan product, will be an important financing tool for developers who can benefit from a **17-year term with no prepayment penalty or lock-out period.** Contact us about your next project and test our ability to provide tailor-made solutions. We look forward to adding your success story, like that of Jamboree Housing's Arbor Terrace resident Giovonna enjoying her new home in Colton, to our next report.

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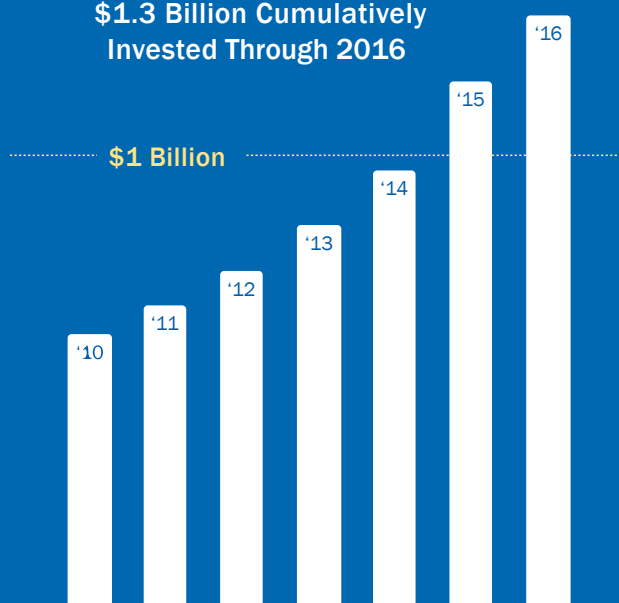
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# 2016 RESULTS



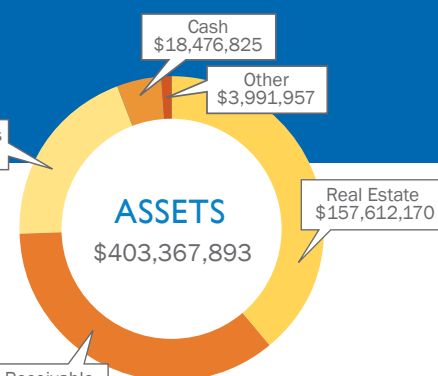
**\$1.3 Billion Cumulatively  
Invested Through 2016**



**61%**

**Average Affordability  
(of Area Median Income)**

**2,510**  
FTE Construction Jobs  
Created in 2016

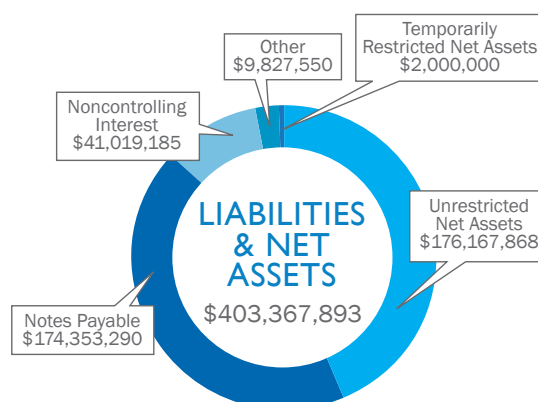


## FINANCIAL POSITION

	2015	2016
Total assets	\$392,202,995	\$403,367,893
Net Loans receivable	162,759,035	143,140,393
Cash & marketable securities	97,716,111	98,623,373
Net Real estate	127,671,647	157,612,170
Draws on lending credit lines	147,687,029	118,412,058
<b>NET ASSETS</b>		
Unrestricted net assets	154,100,438	176,167,868
Temporarily restricted net assets	5,500,000	2,000,000
Total net assets	159,600,438	178,167,868

## ACTIVITIES

New loans originated	192,258,428	143,085,950
Gross loan income	16,386,863	14,702,287
Financial investment income	(1,168,330)	5,988,262
Grants and contributions	234,631	1,182,149




# NOAH COUNTS

As part of its charitable mission, Century may engage in lending and related services to for-profit and nonprofit entities so long as the proposed development lessens the burdens of government. To meet this need, Century has often financed construction where the city's need for affordable homes aligns with local economic conditions and represents an opportunity to acquire and build affordable housing without governmental assistance.

This approach has resulted in more than 1,000 homes supported by Century's construction loan product and is sometimes referred to as Naturally Occurring Affordable Housing (NOAH). Borrowers are encouraged by quick closing times, the ability to fund draw requests within days, and one-on-one contact with a loan administrator.

Topanga Partners is a single purpose entity that was formed by Curtis Quillin and Steve Friedmann to develop the 22 unit Kester Apartments in Van Nuys. Steve Friedman has built five other buildings in the Van Nuys area and Curtis Quillin's construction firm, Quillin Construction Corp. with over 30 years in the industry, is also acting as the General Contractor for the project. The apartment building is being developed using Century construction financing totaling \$5,253,750. Twenty units will satisfy the City of Los Angeles' need for homes in the below-120%-of-AMI range, and two units will be set aside for families earning below 50% of AMI in order to qualify for the Housing Departments' density bonus.

A man with a beard, wearing a light blue button-down shirt and khaki pants, stands with his hands in his pockets in front of a modern residential building. The building has white walls and a prominent orange-colored section. In the background, there are palm trees and a clear blue sky.

"Century reminds me of working with a small community bank, where the relationships are managed with hands-on, personal attention."

—Curtis Quillin, Developer/General Contractor, Topanga Managing Partners



Rendering of 22 apartment homes coming to Van Nuys courtesy of Topanga Managing Partners.



# PRESERVED HOMES ARE NEW HOMES



Arbor Terrace in Colton, recently rehabilitated by Jamboree Housing, provides 129 affordable homes to families with low income.

Jamboree Housing has called on Century several times in building their more than 7,500 unit portfolio of affordable housing throughout California. In 2013, Arbor Terrace in Colton offered an opportunity to preserve 129 family apartments in danger of losing affordability in an area with incomes ranging between 60%-70% of AMI. Century was able to provide a high LTV acquisition loan of \$12,350,000 through the Golden State Acquisition Fund to stabilize and preserve the asset, giving Jamboree Housing an opportunity to replace an expiring HAP contract with bonds, 4% tax credits, and a long-term Section 8 contract that will keep the property affordable for decades to come.

To assess the long-term impact of our acquisition financing, we took a trip out to Colton to check in with an Arbor Terrace resident three years after the rehabilitation to see how her new home has impacted her life—Giovanna's story is below.

## GIOVONNA'S HOME COUNTS

Giovanna struggles with health issues that normally affect people twice her age. The 40-year-old mother of two survived ovarian cancer, colon cancer, and continues to cope with hypersensitivity and fibromyalgia. Her home in Arbor Terrace is the most important part of her recovery.

"I'm grateful, I don't take it for granted," she says. Her older son is finishing his second year at UC Davis on a full-ride football scholarship. Despite her concerns about keeping up with his schoolwork, he often visits to check up on her health and to keep tabs on his little brother in an attempt to steer him from the influences that gave the neighborhood the previous nickname "The Zoo."

Giovanna prides herself on being an independent person. She worked to pay her way to a Master's Degree, owned a home, and was looking forward to a successful career in Psychology. Then came cancer, and a series of events that led to welfare, disability, and near homelessness.

Giovanna has been cancer free for almost six months and is taking a pragmatic approach to her recovery. She is applying the same advice she gave to her son when an injury threatened his football scholarship: "Don't push yourself, pace yourself."



# HOMES NEAR TRANSIT COUNT

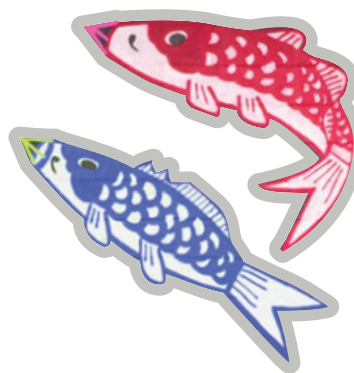
Every home counts, but development that supports a city transportation plan can have an added impact on entire neighborhoods by alleviating traffic and reducing greenhouse gas emissions. Century worked closely with developers Mission Economic Development Agency (MEDA) and the Tenderloin Neighborhood Development Corporation (TNDC) to assure that their transit-oriented development (TOD) secured city funding by closing in less than 30 days.

Century provided a \$7,600,000 land acquisition loan to MEDA and TNDC for the development of 95 units of deeply affordable housing in San Francisco's Mission District. The parcel will hold one seven-story mixed-use building with a childcare center and 13,000 square feet of artist studio space. Century's efficient lending process allowed us to provide a loan commitment to our borrower within 20 days of receipt of a signed application. This quick turnaround allowed the developer to compete effectively for the property and meet the timing deadlines of the city's funding process.

The average affordability of the proposed development is 43% of Area Median Income, and it is located within 0.25 miles of the 16<sup>th</sup> Street Mission BART station.

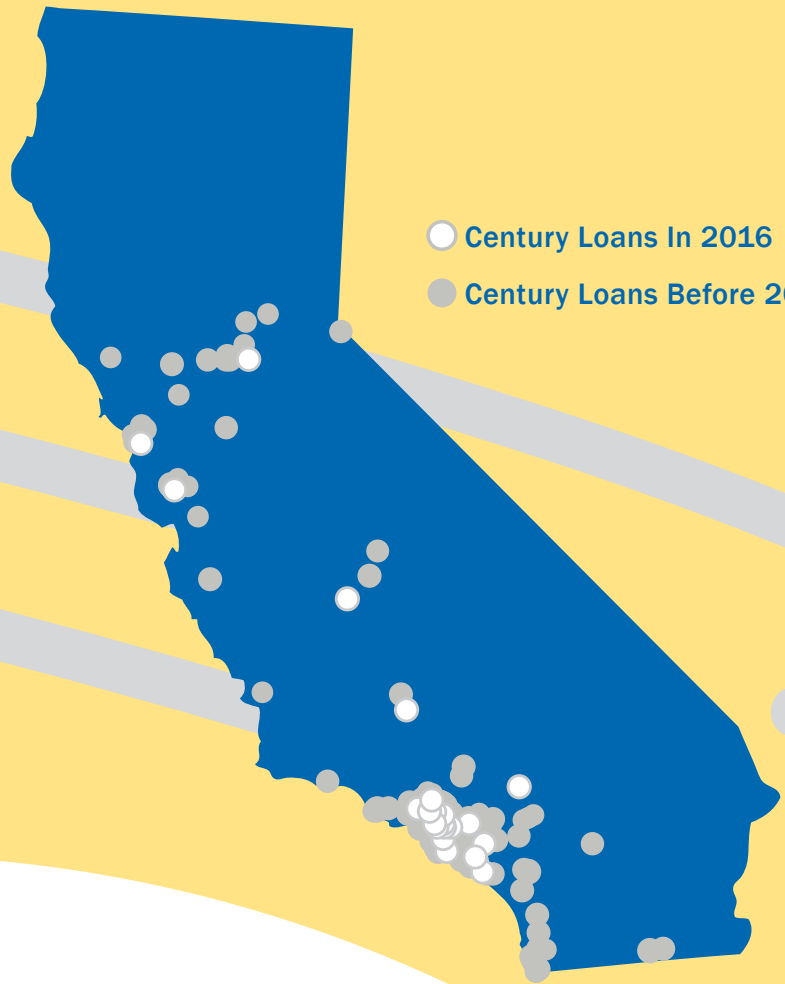
**"Working with the Century team has been smooth and easy. Century has gone the extra mile to support our project, and more broadly, MEDA's efforts to provide lasting, stable homes for our community. And Nick Friend (Century's Vice President of Lending in Northern California) has been a pleasure to work with, for both his acumen and his warmth."**

—Karoleen Feng, Director of Community Real Estate, MEDA



San Francisco's Mission District is looking more vibrant after a group of local artists painted temporary murals (pictured above and below) at the future site of the Folsom Street development, creating a friendlier community focused atmosphere while the developers seek entitlements.





● Century Loans In 2016

● Century Loans Before 2016



For more information about Century loan products visit [www.centuryhousing.org](http://www.centuryhousing.org)

To request a printed version of this report please email: [marketing@centuryhousing.org](mailto:marketing@centuryhousing.org)

## VISION

Century believes that a just society provides safe, quality, and affordable housing for all.

## MISSION

Century invests in homes and communities so that low-income individuals and families may have a dignified living environment, achieve economic independence, and enjoy healthful and vital places to live and work.



# CENTURY

Affordable Housing Is Our Mission

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# THANK YOU

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