



CENTURY HOUSING CORPORATION

1000 Corporate Pointe
Culver City, CA 90230
(310) 642-2000
www.century.org

Offering of Century Sustainable Impact Notes	
Total Aggregate Offering	\$50,000,000 in aggregate principal amount of outstanding of Century Sustainable Impact Notes
Term/Maturity	Various terms of between six months and 20 years, as set forth in the relevant pricing supplement
Interest Rates	Interest rates for the Century Sustainable Impact Notes are set forth in the relevant pricing supplement.
Minimum Investment Requirement	\$1,000
Status	Unsecured debt obligations

Lead Agent

Incapital LLC

Prospectus dated January 1, 2021

This prospectus, as it may be amended or supplemented from time to time, may be used until the expiration of the periods of time authorized by registration or exemption in the various states or territories where Century Housing Corporation offers the Century Sustainable Impact Notes, which typically is 12 months from the date of effectiveness of the registration or exemption in the applicable state or territory.

PRELIMINARY STATEMENTS

This prospectus includes information related to the offer by Century Housing Corporation (“Century”) for prospective investors to purchase the Century Sustainable Impact Notes (the “Notes”). Prospective investors are advised to read this prospectus, any amendment to this prospectus and any relevant pricing supplement carefully prior to making any decisions to invest in the Notes. The Notes are issued by Century, a 501(c)(3) tax-exempt organization and California nonprofit public benefit corporation certified as a Community Development Financial Institution (“CDFI”) by the U.S. Department of the Treasury (the “Treasury”). Century’s principal executive office is located at 1000 Corporate Point, Culver City, CA 90230. Century’s telephone number is (310) 642-2000. Specific terms of the Notes will be described in a separate pricing supplement. The Notes will be global book-entry notes, which means that they may be purchased electronically through a prospective investor’s brokerage account and settled through the Depository Trust Company (“DTC”).

Century will offer the Notes through registered broker-dealers. The Notes may be offered through Incapital LLC (“Incapital”) as Lead Agent for resale to other registered broker-dealers. Incapital, or any other agent appointed by Century, is not required to purchase or sell any specific amount of the Notes but will sell the Notes on a reasonable best-efforts basis. Through this program with Incapital, Century expects to receive net proceeds from sales after sales compensation to Incapital based on the maturity of the Notes sold, ranging from \$997 per \$1,000 of six-month Notes to \$970 per \$1,000 of 20-year Notes. Century estimates that the total expenses of the offering excluding sales compensation will be approximately \$400,000, or less than 1% of the total aggregate offering. Century estimates that it will receive net proceeds ranging from approximately \$49,450,000 to \$48,100,000 if the total amount of the Notes being offered are sold.

Investors are cautioned not to rely on any information not expressly set forth in this prospectus. No person has been authorized to give any information or to make any representation in connection with this offering other than those contained in this prospectus, and if given or made, such information or representations must not be relied upon as having been made by Century or Incapital. Other than this prospectus itself, information contained in or that can be accessed through the Century website is not a part of this prospectus.

An investment in the Notes involves various material risks and investors may lose all or part of their investment. Prior to any investment, and in consultation with their financial, tax and legal advisors, investors should carefully consider, among other matters, the risk factors disclosed in the **“Risk Factors” section of this prospectus beginning on page 17**. There can be no assurance that the list of risk factors pertaining to an investment in the Notes or Century is comprehensive. Additional risks not presently known to Century or that are currently deemed immaterial could also materially and adversely affect Century’s financial condition, results of operations, and/or activities and prospects and its ability to make payments under the Notes.

THIS PROSPECTUS SETS FORTH CONCISE INFORMATION ABOUT THE NOTES THAT INVESTORS SHOULD KNOW BEFORE INVESTING, AND SHOULD BE RETAINED FOR FUTURE REFERENCE. INVESTORS SHOULD READ THIS PROSPECTUS, ANY AMENDMENT TO THIS PROSPECTUS AND ANY RELEVANT PRICING SUPPLEMENT CAREFULLY BEFORE INVESTING.

THE NOTES ARE BEING OFFERED UNDER AN EXEMPTION FROM FEDERAL REGISTRATION PURSUANT TO SECTION 3(a)(4) OF THE SECURITIES ACT OF 1933, AS AMENDED (“SECURITIES ACT”), AND SECTION 3(c)(10) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (“INVESTMENT COMPANY ACT”). THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THESE SECURITIES ARE EXEMPT FROM REGISTRATION. CENTURY’S OFFICERS AND EMPLOYEES

ARE NOT REGISTERED AS INVESTMENT ADVISORS UNDER THE INVESTMENT ADVISORS ACT OF 1940, AS AMENDED, OR AS BROKER-DEALERS UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (“EXCHANGE ACT”).

THE NOTES MAY EITHER BE REGISTERED OR EXEMPT FROM REGISTRATION IN THE VARIOUS STATES OR TERRITORIES IN WHICH THEY ARE OFFERED OR SOLD. THIS PROSPECTUS HAS BEEN FILED WITH THE SECURITIES ADMINISTRATORS IN SUCH STATES OR TERRITORIES THAT REQUIRE IT FOR REGISTRATION OR EXEMPTION.

THE NOTES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL, STATE OR TERRITORIAL SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT DETERMINED THE ACCURACY, ADEQUACY, TRUTHFULNESS, OR COMPLETENESS OF THIS PROSPECTUS AND HAVE NOT PASSED UPON THE MERIT OR VALUE OF THE NOTES, OR APPROVED, DISAPPROVED OR ENDORSED THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE FOREGOING AUTHORITIES ALSO HAVE NOT PASSED UPON WHETHER THE NOTES CAN BE SOLD TO ANY OR ALL PURCHASERS IN COMPLIANCE WITH EXISTING OR FUTURE SUITABILITY OR CONDUCT STANDARDS APPLICABLE TO BROKER-DEALERS, INCLUDING THE ‘REGULATION BEST INTEREST’ STANDARD.

THIS PROSPECTUS IS INTENDED TO PROVIDE PROSPECTIVE INVESTORS WITH THE INFORMATION NECESSARY FOR AN INFORMED INVESTMENT DECISION. HOWEVER, NOTHING CONTAINED IN THIS PROSPECTUS IS INTENDED AS LEGAL, ACCOUNTING, TAX OR INVESTMENT ADVICE, AND IT SHOULD NOT BE TAKEN OR RELIED UPON AS SUCH. A PROSPECTIVE INVESTOR SHOULD CONSULT THE INVESTOR’S OWN LEGAL COUNSEL AND/OR FINANCIAL ADVISOR WITH RESPECT TO THE INVESTOR’S INVESTMENT IN THE NOTES. AN INVESTOR MUST RELY ON THE INVESTOR’S OWN EXAMINATIONS OF CENTURY, THE NOTES AND THE TERMS OF THIS OFFERING, INCLUDING THE DISCLOSURE, MERITS AND RISKS INVOLVED. AN INVESTOR SHOULD BE WILLING AND HAVE THE FINANCIAL CAPACITY TO PURCHASE A HIGH-RISK INVESTMENT THAT CANNOT EASILY BE LIQUIDATED.

THE NOTES MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE EXCHANGE ACT AND APPLICABLE STATE SECURITIES LAWS, OR PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY ARE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT, INCLUDING THE RISK OF LOSS OF THE ENTIRE AMOUNT INVESTED.

REPAYMENT OF THE NOTES IS DEPENDENT UPON CENTURY’S FINANCIAL CONDITION. FROM A FINANCIAL POINT OF VIEW, THE NOTES SHOULD NOT BE A PRIMARY INVESTMENT IN RELATION TO THE OVERALL SIZE OF AN INVESTOR’S PORTFOLIO. AN INVESTOR IN THE NOTES SHOULD BE ABLE TO LOSE THE INVESTOR’S ENTIRE INVESTMENT WITHOUT SUFFERING FINANCIAL HARDSHIP. INVESTORS ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF NOTES THAT WOULD BE APPROPRIATE FOR THEM IN RELATION TO THEIR OVERALL INVESTMENT PORTFOLIO AND PERSONAL FINANCIAL NEEDS.

THE NOTES ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT AND WILL NOT BE INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (“FDIC”), THE SECURITIES INVESTMENT PROTECTION CORPORATION

(“SIPC”), ANY STATE BANK INSURANCE FUND OR ANY OTHER GOVERNMENTAL AGENCY. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IN THE NOTES IS SOLELY DEPENDENT UPON CENTURY’S FINANCIAL CONDITION AND RESULTS OF OPERATIONS AS ISSUER OF THE NOTES. ANY PROSPECTIVE INVESTOR SHOULD CAREFULLY REVIEW CENTURY’S FINANCIAL STATEMENTS, WHICH ARE APPENDED TO THIS PROSPECTUS AND ARE AVAILABLE ON CENTURY’S WEBSITE WWW.CENTURY.ORG.

CENTURY HAS NOT SET A DATE FOR THE TERMINATION OF THIS OFFERING, THOUGH THE AVAILABILITY OF THE NOTES IN EACH STATE OR TERRITORY IS DEPENDENT UPON THE EFFECTIVENESS OF ITS SECURITIES REGISTRATION OR EXEMPTION IN THAT STATE OR TERRITORY FROM TIME TO TIME.

CENTURY RESERVES THE RIGHT IN ITS SOLE DISCRETION TO SUSPEND THE SALE OF THE NOTES AT ANY TIME OR TO REJECT ANY SPECIFIC INVESTMENT REQUEST. CENTURY MAY ALSO, IN ITS SOLE DISCRETION, ELECT TO ACCEPT A SPECIFIC INVESTMENT REQUEST AS A PORTION, BUT NOT ALL, OF THE AMOUNT PROPOSED FOR INVESTMENT. INCAPITAL HAS ADVISED CENTURY THAT AT ITS SOLE DISCRETION, IT MAY PURCHASE AND SELL NOTES IN THE SECONDARY MARKET, BUT THAT IT IS NOT OBLIGATED TO BUY OR SELL NOTES OR MAKE A SECONDARY MARKET IN THE NOTES AND MAY SUSPEND OR PERMANENTLY CEASE THAT ACTIVITY AT ANY TIME.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY FROM ANY PERSON IN ANY STATE OR ANY OTHER POLITICAL JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION MAY NOT LAWFULLY BE MADE. FEDERAL AND STATE SECURITIES LAWS MAY AFFECT CENTURY’S ABILITY TO CONTINUE TO SELL THE NOTES IN CERTAIN STATES OR TERRITORIES. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFERING BY A BROKER-DEALER IN ANY STATE OR TERRITORY IN WHICH SUCH BROKER-DEALER IS NOT QUALIFIED TO ACT AS A BROKER-DEALER.

STATEMENT REGARDING “PARENT-ONLY” FINANCIAL INFORMATION

Certain financial information provided in this prospectus with respect to Century is provided on a parent-only basis. “Parent-only” financial information is presented on a nonconsolidated basis. It includes only the assets, liabilities, revenues, expenses and other financial information of Century, as the parent corporation, and does not consolidate the financial information of its consolidated affiliates. As of December 31, 2019, Century’s consolidated affiliates consisted of Century Villages at Cabrillo, Inc. and affiliates, Century Affordable Development, Inc. and affiliates, Century Community Children’s Centers, Inc., Century Pointe, Inc., Century California Fund, LLC, Century Metropolitan Fund, LLC, and Century Long Term Value Fund, LLC. All consolidated affiliates are wholly owned or controlled by Century. The parent-only financial information should be read in conjunction with the audited annual consolidated financial statements included at Appendix I and the unaudited interim consolidated financial statements included at Appendix II to this prospectus. For more information on Century’s consolidated affiliates, please see “Description of the Issuer – Legal Structure of Century and its Consolidated Affiliates” beginning on page 32 and Note 2 to Century’s audited financial statements as of and for the year ended December 31, 2019, attached to this prospectus at Appendix I.

STATE-SPECIFIC DISCLOSURES

NOTICE TO RESIDENTS OF ALABAMA.

THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 37(H) OF THE ALABAMA SECURITIES ACT AND SECTION 3(A)(4) OF THE SECURITIES ACT OF 1933.

NOTICE TO RESIDENTS OF FLORIDA.

THE SECURITIES BEING OFFERED HAVE NOT BEEN REGISTERED IN THE STATE OF FLORIDA. THE SECURITIES WILL BE SOLD PURSUANT TO THE ELEEMOSYNARY EXEMPTION IN FLORIDA STATUTES SECTION 517.051(9).

NOTICE TO RESIDENTS OF GEORGIA.

THESE SECURITIES ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES COMMISSIONER OF THE STATE OF GEORGIA PURSUANT TO RULE 590-4-2-.07. AS REQUIRED BY STATE LAW, ALL RESIDENTS OF GEORGIA HAVE THE OPTION OF RESCINDING THEIR INVESTMENT WITHIN 72 HOURS OF THE EXECUTION OF A WRITTEN AGREEMENT TO PURCHASE OR TO REINVEST A NOTE AT MATURITY.

NOTICE TO RESIDENTS OF INDIANA.

THE INDIANA SECURITIES DIVISION HAS NOT IN ANY WAY PASSED UPON THE MERITS OR QUALIFICATIONS OF OR RECOMMENDED OR GIVEN APPROVAL TO, THE SECURITIES HEREBY OFFERED, OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NOTICE TO RESIDENTS OF KENTUCKY.

THESE SECURITIES ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION KRS 292.400(9) OF THE KENTUCKY SECURITIES ACT.

NOTICE TO RESIDENTS OF LOUISIANA.

THESE SECURITIES HAVE BEEN REGISTERED WITH THE SECURITIES COMMISSIONER OF THE STATE OF LOUISIANA UNDER SECTION 51-705(B) OF THE LOUISIANA REVISED STATUTES. THE SECURITIES COMMISSIONER, BY ACCEPTING REGISTRATION, DOES NOT IN ANY WAY ENDORSE OR RECOMMEND THE PURCHASE OF THESE SECURITIES.

NOTICE TO RESIDENTS OF MICHIGAN.

THESE SECURITIES ARE OFFERED PURSUANT TO A REGISTRATION ORDER ISSUED BY THE STATE OF MICHIGAN. THE STATE OF MICHIGAN DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE TRUTH, MERITS, OR COMPLETENESS OF ANY PROSPECTUS OR ANY OTHER

INFORMATION FILED WITH THIS STATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NOTICE TO RESIDENTS OF MISSOURI.

THE MISSOURI SECURITIES DIVISION HAS NOT IN ANY WAY PASSED UPON THE MERITS OR QUALIFICATIONS OF THE SECURITIES HEREBY OFFERED, OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE MISSOURI SECURITIES ACT UNDER THE EXEMPTION PROVIDED BY SECTION 409.2-201(7)(B) OF THE REVISED STATUTES OF MISSOURI. NO APPROVAL HAS BEEN GIVEN TO THE ISSUER, THESE SECURITIES, OR THE OFFER OR SALE THEREOF IN CONNECTION TO ANY MISSOURI RESIDENTS.

NOTICE TO RESIDENTS OF PENNSYLVANIA.

A REGISTRATION STATEMENT WITH RESPECT TO THE SECURITIES OFFERED BY THIS PROSPECTUS HAS BEEN FILED IN THE OFFICES OF THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES IN HARRISBURG, PENNSYLVANIA. SUCH REGISTRATION STATEMENT INCLUDED CERTAIN EXHIBITS ONLY SUMMARIZED OR ALLUDED TO IN THE PROSPECTUS AND ARE AVAILABLE FOR INSPECTION AT THE HARRISBURG OFFICE OF THE DEPARTMENT DURING REGULAR BUSINESS HOURS. THE HARRISBURG OFFICE IS LOCATED IN MARKET SQUARE PLAZA, 17 N SECOND STREET, SUITE 1300, HARRISBURG, PENNSYLVANIA, 17101. REGULAR BUSINESS HOURS ARE MONDAY THROUGH FRIDAY, 8:30 AM TO 5:00 PM.

IF YOU HAVE ACCEPTED AN OFFER TO PURCHASE THESE SECURITIES MADE PURSUANT TO A PROSPECTUS WHICH CONTAINS A WRITTEN NOTICE EXPLAINING YOUR RIGHT TO WITHDRAW YOUR ACCEPTANCE PURSUANT TO SECTION 207(M) OF THE PENNSYLVANIA SECURITIES ACT OF 1972, YOU MAY ELECT, WITHIN TWO BUSINESS DAYS AFTER THE FIRST TIME YOU HAVE RECEIVED THIS NOTICE AND A PROSPECTUS (WHICH IS NOT MATERIALLY DIFFERENT FROM THE FINAL PROSPECTUS) TO WITHDRAW FROM YOUR PURCHASE AGREEMENT AND RECEIVE A FULL REFUND OF ALL MONIES PAID BY YOU. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED ONLY SEND A WRITTEN NOTICE (INCLUDING ELECTRONIC MAIL) TO THE ISSUER (OR UNDERWRITER IF ONE IS LISTED ON THE FRONT PAGE OF THE PROSPECTUS) INDICATING YOUR INTENTION TO WITHDRAW. IF YOU ARE SENDING A LETTER, IT IS PRUDENT TO SEND IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME IT WAS MAILED.

IT IS THE POSITION OF THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES THAT INDEMNIFICATION IN CONNECTION WITH VIOLATION OF SECURITIES LAWS IS AGAINST PUBLIC POLICY AND VOID.

NOTICE TO RESIDENTS OF SOUTH CAROLINA.

IF YOU WERE A RESIDENT OF THE STATE OF SOUTH CAROLINA WHEN YOU PURCHASED A NOTE IN THIS OFFERING PURSUANT TO THIS PROSPECTUS (A

“SOUTH CAROLINA PURCHASER”), YOU MAY DECLARE AN “EVENT OF DEFAULT” ON SUCH NOTE IF ONE OF THE FOLLOWING OCCURS:

- CENTURY DOES NOT PAY OVERDUE PRINCIPAL AND INTEREST ON YOUR NOTE WITHIN SIXTY DAYS AFTER CENTURY RECEIVES WRITTEN NOTICE FROM YOU THAT CENTURY FAILED TO MAKE THE PAYMENT WHEN DUE; OR
- A SOUTH CAROLINA PURCHASER WHO OWNS A NOTE OF THE SAME TYPE, TERM, AND ISSUANCE DATE AS YOUR NOTE (THE “SAME ISSUE”) HAS RIGHTFULLY DECLARED AN EVENT OF DEFAULT AS TO HIS OR HER NOTE.

TO DECLARE AN EVENT OF DEFAULT, YOU MUST SUBMIT A WRITTEN DECLARATION TO CENTURY, INCLUDING IDENTIFYING YOUR NOTE AND SUBMITTING PROOF THAT YOU ARE A SOUTH CAROLINA PURCHASER OF SUCH NOTE. UPON A RIGHTFUL DECLARATION OF AN EVENT OF DEFAULT ON YOUR NOTE:

- YOU HAVE THE RIGHT UPON WRITTEN REQUEST TO RECEIVE THE NAME AND ADDRESS OF THE RECORD HOLDER OF EACH NOTE OF THE SAME ISSUE AS YOUR NOTE; AND
- IF YOU INDIVIDUALLY OR TOGETHER WITH OTHER SOUTH CAROLINA PURCHASERS OWN 25% OR MORE OF THE TOTAL PRINCIPAL AMOUNT OF SUCH ISSUE OUTSTANDING, THEN YOU AND SUCH SOUTH CAROLINA PURCHASERS HAVE THE RIGHT TO DECLARE SUCH ENTIRE ISSUE IN SOUTH CAROLINA DUE AND PAYABLE.

THE FOREGOING IS A BINDING OBLIGATION OF CENTURY ENFORCEABLE BY EACH SOUTH CAROLINA PURCHASER.

NOTICE TO RESIDENTS OF TENNESSEE.

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION SET FORTH IN THE SECURITIES ACT OF 1933. THESE SECURITIES HAVE BEEN REGISTERED WITH THE TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE. SUCH REGISTRATION DOES NOT CONSTITUTE A RECOMMENDATION OR ENDORSEMENT OF ANY SECURITY, NOR HAS THE TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS OFFERING DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NOTICE TO RESIDENTS OF VIRGINIA

THESE SECURITIES ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 13.1-514.1.B OF THE VIRGINIA SECURITIES ACT.

FORWARD-LOOKING STATEMENTS

Statements contained in this prospectus that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Also, when Century uses any of the words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend” or similar words or expressions, it is making forward-looking statements. These forward-looking statements are not guaranteed and are based on Century’s present intentions and on Century’s present expectations and assumptions. These statements, intentions, expectations and assumptions involve risks and uncertainties, some of which are beyond Century’s control that could cause actual results or events to differ materially from those anticipated or projected. Purchasers of the Notes should not place undue reliance on these forward-looking statements, as events described or implied in such statements may not occur. Except as required by law, Century undertakes no obligation to update or revise any forward-looking statements as a result of new information, future events or otherwise.

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OFFERING SUMMARY

This section summarizes the legal and financial terms of the Notes that are described in more detail in the section entitled “Description of the Notes” beginning on page 81. Final terms of any particular Note, including the applicable interest rate, will be determined at the time of sale and will be contained in the relevant pricing supplement relating to those Notes. The terms in that pricing supplement may vary from and supersede the terms contained in this prospectus. Before making a decision to purchase a Note, investors are advised to carefully read the detailed disclosure information appearing elsewhere in this prospectus and the relevant pricing supplement.

Key Investment Terms

Issuer	Century Housing Corporation, a California nonprofit public benefit corporation and certified CDFI.
Securities Offered	Up to \$50,000,000 of Notes.
Authorized Denominations	Minimum investment of \$1,000.
Term of Investments	Notes may be purchased for terms of between six months and 20 years, as set forth in the relevant pricing supplement.
Interest Rates and Payment Options	Interest rates on the Notes will be fixed for the term of the Notes, as set forth in the relevant pricing supplement, based on market conditions and other relevant factors at the time of issuance. Interest on each Note will be payable semi-annually, or as otherwise set forth in the relevant pricing supplement.
Interest Accrual and Interest Periods	Notes begin to accrue interest on the issuance date and mature on the maturity date stated in each Note. Interest accrues on a 360-day year based on twelve 30-day months. Interest on each Note will be paid semi-annually, or as otherwise set forth in the relevant pricing supplement, and cannot be reinvested in the Notes. The interest accrual period does not include each interest payment date. The interest payment dates for Notes will be the 15th day of every sixth month, commencing in the sixth succeeding calendar month following the month in which the Note is issued, unless such day is not a business day, in which case, the interest payment shall be made on the next succeeding business day. The first payment of interest under a Note shall be an amount equal to interest accruing during the period commencing on the issuance date and ending on the day preceding the first interest payment date that follows the issuance date (the “First Interest Period”). Subsequent payments of interest under the Note shall be made on each interest payment date in an amount equal to the interest accruing during each period of six calendar months that follows the First Interest Period. The final payment of interest under a Note shall be made on the maturity date in an amount equal to interest accruing during the period

commencing on the prior interest payment date and ending on the date preceding the maturity date.

Offering Period

No termination date has been set for this offering. This prospectus is dated January 1, 2021 and, as it may be amended or supplemented from time to time, may be used until the expiration of the periods of time authorized by registration or exemption in the various states where Century offers the Notes, which typically is 12 months from the date of effectiveness of the registration or exemption in the applicable state or territory.

Note Purchases

The Notes are available for purchase in book-entry form only, which means they may be purchased electronically through the investor's brokerage account and settled through the DTC. Century will not issue Notes in certificated form. Notes may be purchased by retail investors through any selected dealer participating in the selling group for the Notes. Institutional investors may purchase Notes directly from Incapital or a selected dealer.

Use of Proceeds

The net proceeds of the offering will be used to support the financing of affordable housing through lending and investment activities and to refinance certain existing debt obligations of Century, each as they relate to the development of multi-family rental housing in furtherance of Century's goals to provide secure and affordable housing for low and moderate income individuals and households. Century anticipates that approximately 50% of the net offering proceeds will be used to refinance existing indebtedness.

Distribution of Notes

Century will offer the Notes through registered broker-dealers. The Notes may be offered by or through Incapital as Lead Agent. Incapital and the other agents appointed by Century are not required to purchase or sell any specific amount of Notes and shall offer the Notes on a reasonable best-efforts basis.

Ranking

The Notes constitute unsecured debt obligations of Century, and will not be secured by particular loans to specific borrowing entities or any other assets of Century. Century has secured obligations that rank senior to the Notes and has other unsecured debt obligations, including previously issued and outstanding notes, which will rank equally with the Notes. Additionally, the Notes will be structurally subordinated to all existing and future obligations of Century's consolidated affiliates, and the claims of creditors of those consolidated affiliates will have priority as to the assets and cash flows of those consolidated affiliates. For additional information, please see "Financing and Operational Activities – Schedule of Liabilities" on page 55.

Right of Redemption

If provided in the relevant pricing supplement, Century will have the right to redeem a Note, in whole or in part, at Century's option prior to the Note's stated maturity date. If the relevant pricing supplement does not provide for early redemption by Century, Century will not have the right to redeem a Note, in whole or in part, at Century's option prior to

the Note's stated maturity date. For more information, see "Description of the Notes – Right of Redemption" on page 83.

**Options at Maturity/
Reinvestments**

Principal will be repaid at maturity. Investors may be given the opportunity by Century at maturity to re-invest their repaid principal by purchasing new Notes at then-current interest rates and terms as may be offered by Century from time to time.

Survivor's Option

In the limited circumstances set forth below, the authorized representative of a beneficial owner of Notes may request repurchase of such Notes from Century prior to the maturity date. This repurchase option can only be made by the authorized representative of the beneficial owner of the Notes within one year following the death of the beneficial owner of the Notes, so long as the Notes were owned by the beneficial owner or his or her estate for at least six months prior to the repurchase request and certain documentation requirements are satisfied. This feature is referred to as a "Survivor's Option." The right to exercise the Survivor's Option is subject to (i) a limit on total exercises by all holders of Notes in any calendar year of the greater of (x) \$1,000,000 or (y) 1% of the aggregate principal balance of all Notes outstanding at the end of the most recently completed calendar year, and (ii) a limit on cumulative individual exercises by any holder of Notes in any calendar year of \$250,000. Additional details on the Survivor's Option are described in the section entitled "Description of Notes – Survivor's Option" on page 83.

Tax Consequences

Amounts paid by an investor to purchase the Notes are not deductible for federal tax purposes. Any interest paid on the Notes to an investor is taxable. Please refer to "Description of the Notes - Interest Payments and Tax Considerations" on page 85.

Risk Factors

Please refer to "Risk Factors" beginning on page 17.

SUMMARY FINANCIAL INFORMATION

The tables below set forth certain financial information regarding Century as of and for the six-month period ended June 30, 2020 and the year ended December 31, 2019 on a consolidated and parent-only basis. The consolidated and parent-only financial information as of and for the six-month period ended June 30, 2020 is derived from Century's unaudited interim consolidated financial statements as of and for that period. The consolidated and parent-only financial information as of and for the year ended December 31, 2019 is derived from Century's audited annual consolidated financial statements as of and for that period. The financial information on the following pages should be read in conjunction with the audited annual consolidated financial statements attached to this prospectus as Appendix I and the unaudited interim consolidated financial statements attached to this prospectus as Appendix II. Additional selected financial information may be found in "Selected Financial Information" beginning on page 35. For the consolidating financial statements of Century and its consolidated affiliates as of and for the year ended December 31, 2019, see the Supplementary Information to Century's audited annual consolidated financial statements, beginning on pg. 43 of the financial statements, attached to this prospectus as Appendix I.

Beginning with its fiscal year ended December 31, 2018, Century adopted the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* ("ASU 2016-14"). Pursuant to the adoption of ASU 2016-14, what was previously presented and reported as "unrestricted net assets" is now presented and reported as "net assets without donor restrictions" and what was previously presented and reported as "temporarily restricted net assets" is now presented and reported as "net assets with donor restrictions." The adoption of ASU 2016-14 otherwise had no effect on accounting policies applied by Century prior to its adoption. Accordingly, for the ease of readability and comparability of financial information presented throughout this prospectus, terminology used after Century's adoption of ASU 2016-14 of "net assets without donor restrictions" and "net assets with donor restrictions" is utilized rather than "unrestricted net assets" and "temporarily restricted net assets," respectively.

**CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
As of June 30, 2020**

ASSETS

Cash and cash equivalents	\$ 15,738,545
Restricted cash	32,130,415
Accounts receivable, net	487,725
Investments	110,381,401
Interest receivable	1,785,829
Notes receivable, net	322,949,400
Prepaid expenses and other assets	4,361,714
Real estate held for investment, net	280,877,424
Furniture, fixtures and equipment, net	2,222,688
Total assets	<u>\$ 770,935,142</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ 2,888,243
Accrued interest	3,090,840
Security deposits	1,323,579
Deferred income	1,478,525
Fair value of interest rate swap liability	5,900,197
Bonds payable, net of unamortized debt issuance costs	185,000,000
Notes payable and lines of credit, net of unamortized debt issuance costs	226,353,869
Other liabilities	3,046,116
Forgivable loans	333,334
Total liabilities	<u>\$ 429,414,703</u>

Net assets:

Without donor restriction	
Controlling interest	233,797,756
Non-controlling interest	87,546,061
Total net assets without donor restriction	<u>321,343,817</u>
With donor restriction - controlling interest	20,176,622
Total net assets	<u>341,520,439</u>

Total liabilities and net assets	<u>\$ 770,935,142</u>
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PARENT-ONLY
STATEMENT OF FINANCIAL POSITION
As of June 30, 2020

ASSETS

Cash and cash equivalents	\$ 6,883,095
Restricted cash	22,139,702
Accounts receivable, net	78,313
Investments	110,381,401
Interest receivable	5,085,819
Notes receivable, net	350,746,899
Prepaid expenses and other assets	5,030,468
Real estate held for investment, net	6,409,572
Furniture, fixtures and equipment, net	374,477
Total assets	<u>\$ 507,129,744</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ 475,765
Accrued interest	935,893
Fair value of interest rate swap liability	5,900,197
Bonds payable, net of unamortized debt issuance costs	185,000,000
Notes payable and lines of credit, net of unamortized debt issuance costs	84,055,137
Other liabilities	2,476,102
Total liabilities	<u>\$ 278,843,094</u>

Net assets:

Without donor restriction	
Controlling interest	<u>208,110,028</u>
Total net assets without donor restriction	
With donor restriction - controlling interest	<u>20,176,622</u>
Total net assets	<u>228,286,650</u>

Total liabilities and net assets	<u>\$ 507,129,744</u>
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**CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
As of December 31, 2019**

ASSETS

Cash and cash equivalents	\$ 16,677,357
Restricted cash	23,879,076
Accounts receivable, net	509,784
Investments	109,830,370
Interest receivable	1,892,085
Notes receivable, net	284,519,978
Deferred charges, net	431,379
Prepaid expenses and other assets	547,352
Real estate held for investment, net	276,490,098
Furniture, fixtures and equipment, net	4,133,776
Total assets	<u>718,911,255</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	12,655,664
Accrued interest	3,182,056
Security deposits	1,175,704
Deferred income	1,742,126
Fair value of interest rate swap liability	3,277,546
Bonds payable, net of unamortized debt issuance costs	99,400,035
Notes payable and lines of credit, net of unamortized debt issuance costs	279,332,012
Other liabilities	1,757,110
Forgivable loans	433,334
Total liabilities	<u>402,955,587</u>

Net assets:

Without donor restriction	
Controlling interest	224,011,153
Non-controlling interest	76,558,015
Total net assets without donor restriction	<u>300,569,168</u>
With donor restriction - controlling interest	15,386,500
Total net assets	<u>315,955,668</u>

Total liabilities and net assets	<u>\$ 718,911,255</u>
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PARENT-ONLY
STATEMENT OF FINANCIAL POSITION
As of December 31, 2019

ASSETS

Cash and cash equivalents	\$ 14,575,083
Restricted cash	13,053,228
Accounts receivable, net	468,187
Investments	112,775,094
Interest receivable	5,077,485
Notes receivable, net	322,382,587
Prepaid expenses and other assets	132,352
Real estate held for investment, net	6,500,747
Furniture, fixtures and equipment, net	224,171
Total assets	\$ 475,188,934

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ 1,515,143
Accrued interest	1,053,420
Security deposits	9,674
Deferred income	290,384
Fair value of interest rate swap liability	2,561,082
Bonds payable, net of unamortized debt issuance costs	99,400,035
Notes payable and lines of credit	147,729,675
Other liabilities	1,349,441
Total liabilities	253,908,854
Net assets:	
Without donor restriction	205,893,580
With donor restriction	15,386,500
Total net assets	221,280,080
Total liabilities and net assets	\$ 475,188,934

CONSOLIDATED
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the six months ended June 30, 2020

LENDING AND CORPORATE REVENUE

Investment interest and dividends	\$ 468,670
Income from notes receivable	12,006,300
Residual receipts and contingent asset income	8,077,721
Restricted grant revenue	4,790,122
Other income	24,639
Total lending and corporate revenue	<u>\$ 25,367,452</u>

HOUSING REVENUE AND SUPPORT

CVC, CADI and other real estate operations	
Rental property income	\$ 8,398,574
Other real estate income	871,386
Contributions and fundraising income	310,815
Total housing revenue and support	<u>9,580,776</u>
Total revenue	<u>\$ 34,948,228</u>

LENDING AND CORPORATE EXPENSES

Allocation for loan losses	573,949
Borrowing fees	34,100
Bond issuance fees	195,641
Interest expense	4,134,623
Salaries and employee benefits	2,663,526
Professional fees	188,796
Business development expenses	55,292
General and administrative expenses	444,878
Depreciation and amortization expense	45,492
Total lending and corporate expenses	<u>8,336,296</u>

HOUSING EXPENSES

CVC, CADI and other real estate operations	
Rental property expenses	2,967,930
Property depreciation and amortization	4,008,062
Interest expense	769,716
Other real estate expenses	54,426
Housing salaries and employee benefits	3,126,228
Total housing expenses	<u>10,926,362</u>
Total expenses	<u>19,262,658</u>

Change in net assets without donor restriction before other income and expenses	15,685,570
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OTHER INCOME AND (EXPENSES)

Realized and unrealized gains (losses) on financial investments	295,329
Unrealized loss on interest rate swap	(3,339,115)
Income tax expense	<u>(800)</u>
Net other income and (expenses)	<u>(3,044,586)</u>
Change in net assets without donor restriction from operations	12,640,984
Contributions from non-controlling interest	<u>12,923,787</u>
Change in net assets without donor restriction	12,923,787
Change in net assets with donor restriction	
Contributions	0
Release from net assets with donor restriction	<u>0</u>
Change in net assets with donor restriction	<u>0</u>
Change in net assets	25,564,771
Net assets at beginning of year	<u>315,955,668</u>
Net assets at end of year	<u>\$ 341,520,439</u>

PARENT-ONLY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the six months ended June 30, 2020

LENDING AND CORPORATE REVENUE

Investment interest and dividends	\$ 906,633
Income from notes receivable	12,794,630
Residual receipts and contingent asset income	326,006
Restricted grant revenue	4,790,122
Rental property income	55,500
Other income	24,639
Total lending and corporate revenue	<u>18,897,530</u>

LENDING AND CORPORATE EXPENSES

Allocation for loan losses	415,016
Borrowing fees	229,741
Interest expense	4,134,623
Salaries and employee benefits	2,663,526
Professional fees	188,796
Business development expenses	225,172
General and administrative expenses	446,378
Rental Property expenses	45,031
Depreciation and amortization expense	45,492
Total lending and corporate expenses	<u>\$ 8,393,775</u>

Change in net assets without donor restriction before other income and expenses	\$ 10,503,755
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OTHER INCOME AND (EXPENSES)

Realized and unrealized gains (losses) on financial investments	(158,069)
Unrealized loss on interest rate swap	(3,339,115)
Net other income and (expenses)	<u>(3,497,184)</u>

Change in net assets without donor restriction from operations	7,006,571
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Net assets at beginning of year	<u>221,280,080</u>
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Net assets at end of year	<u>\$ 228,286,650</u>
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CONSOLIDATED
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended December 31, 2019

LENDING AND CORPORATE REVENUE

Investment interest and dividends	\$ 2,448,209
Income from notes receivable	24,994,516
Residual receipts and contingent asset income	698,224
Other income	72,258
Net assets released from restrictions	2,000,000
Total lending and corporate revenue	<u>30,213,207</u>

HOUSING REVENUE AND SUPPORT

CVC, CADI and other real estate operations	
Rental property income	15,312,656
Real estate sold	-
Debt forgiveness income	327,237
Other real estate income	19,150
Contributions and fundraising income	607,483
Net assets released from restrictions	-
Total housing revenue and support	<u>16,266,526</u>
Total revenue	<u>\$ 46,479,733</u>

LENDING AND CORPORATE EXPENSES

Allocation for loan losses	871,858
Borrowing fees	305,252
Interest expense	10,030,007
Salaries and employee benefits	4,905,091
Professional fees	323,032
Business development expenses	399,309
General and administrative expenses	911,835
Depreciation and amortization expense	76,036
Total lending and corporate expenses	<u>\$ 17,822,420</u>

HOUSING EXPENSES

CVC, CADI and other real estate operations	
Rental property expenses	7,335,155
Property depreciation and amortization	7,623,233
Cost of real estate sold	-
Interest expense	2,408,048
Other real estate expenses	328,177
Housing salaries and employee benefits	5,708,979
Total housing expenses	<u>23,403,592</u>
Total expenses	<u>\$ 41,226,012</u>

Change in net assets without donor restriction before other income and expenses	\$ 5,253,721
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OTHER INCOME AND (EXPENSES)

Realized and unrealized gains (losses) on financial investments	9,604,527
Unrealized loss on interest rate swap	(2,861,603)
Income tax expense	(15,300)
Bad debt expense	(131,419)
Other expenses	-
Net other income and (expenses)	<u>6,596,205</u>
Change in net assets without donor restriction from operations	11,849,926
Contributions from non-controlling interest	17,122,573
Distributions to non-controlling interest	(12,423)
Syndication costs paid by non-controlling interest	<u>(65,074)</u>
Change in net assets without donor restriction	28,895,002
Change in net assets with donor restriction	
Contributions	8,200,000
Release from net assets with donor restriction	<u>(2,000,000)</u>
Change in net assets with donor	<u>6,200,000</u>
Change in net assets	35,095,002
Net assets at beginning of year	<u>280,860,666</u>
Net assets at end of year	<u>\$ 315,955,668</u>

PARENT-ONLY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended December 31, 2019

LENDING AND CORPORATE REVENUE

Investment interest and dividends	\$ 2,173,521
Income from notes receivable	26,578,884
Residual receipts and contingent asset income	698,224
Other income	80,987
Net assets released from restrictions	2,000,000
Total lending and corporate revenue	<u>31,531,616</u>

HOUSING REVENUE AND SUPPORT

Other real estate operations	
Rental property income	109,500
Real estate sold	-
Contributions and fundraising income	274,401
Total housing revenue and support	<u>383,901</u>
Total revenue	<u>31,915,517</u>

LENDING EXPENSES

Allocation for loan losses	871,858
Borrowing fees	305,252
Interest expense	10,030,007
Total lending expenses	<u>11,207,117</u>

HOUSING EXPENSES

Other real estate operations	
Rental property expenses	24,319
Property depreciation and amortization	86,956
Cost of real estate sold	-
Other real estate expenses	-
Total housing expenses	<u>111,275</u>

MANAGEMENT AND GENERAL EXPENSES

Salaries and employee benefits	5,829,131
Professional fees	323,032
Business development expenses	399,309
General and administrative expenses	908,908
Depreciation and amortization expense	76,036
Total management and general expenses	<u>7,536,416</u>

Total expenses	18,854,808
Change in net assets without donor restriction before other income and expenses	13,060,709
<u>OTHER INCOME AND (EXPENSES)</u>	
Realized and unrealized gains (losses) on financial investments	9,604,527
Unrealized loss on interest rate swap	(2,145,139)
Other expenses	-
Net other income and (expenses)	7,459,388
Change in net assets from continuing operations	20,520,097
Change in net assets with donor restriction	
Contributions	8,200,000
Release from net assets with donor restriction	(2,000,000)
Change in net assets with donor restrictions	6,200,000
Change in net assets	26,720,097
Net assets at beginning of year	194,559,983
Net assets at end of year	\$ 221,280,080

SUPPLEMENTAL FINANCIAL INFORMATION
As of June 30, 2020

	<u>Consolidated</u>	<u>Parent-Only</u>
Unsecured Loans Receivable	\$ 3,402,000	\$ 5,231,597
Unsecured Loans Receivable as a Percentage of Total Loans	1.0%	1.4%
Loans Delinquent 90 Days or More	4,303,542	4,180,642
Loans Delinquent 90 Days or More as a Percentage of Total Loans	1.3%	1.1%
Notes Payable ⁽¹⁾	-	-
Notes Redeemed ⁽¹⁾	-	-
Long-Term Debt	309,390,204	204,005,637
Net Assets without Donor Restrictions	321,343,817	212,900,150
Net Assets without Donor Restrictions as a Percentage of Net Assets	94.1%	93.3%
Net Assets	\$ 341,520,439	\$ 228,286,650
Total Loans Receivable	\$ 339,295,555	\$ 366,934,120

(1) This is a new offering of the Notes. Accordingly, there are no existing Notes payable, and there have been no prior Note redemptions.

SUPPLEMENTAL FINANCIAL INFORMATION
As of December 31, 2019

	<u>Consolidated</u>	<u>Parent-Only</u>
Unsecured Loans Receivable	\$ 3,498,320	\$ 6,053,658
Unsecured Loans Receivable as a Percentage of Total Loans	1.2%	1.8%
Loans Delinquent 90 Days or More	14,825,563	14,825,563
Loans Delinquent 90 Days or More as a Percentage of Total Loans	4.9%	4.4%
Notes Payable ⁽¹⁾	-	-
Notes Redeemed ⁽¹⁾	-	-
Long-Term Debt	259,967,035	172,980,175
Net Assets without Donor Restrictions	300,569,168	205,893,580
Net Assets without Donor Restrictions as a Percentage of Net Assets	95.1%	93.0%
Net Assets	\$ 315,955,668	\$ 221,280,080
Total Loans Receivable	\$ 299,513,325	\$ 337,375,934

(1) This is a new offering of the Notes. Accordingly, there are no existing Notes payable, and there have been no prior Note redemptions.

RISK FACTORS

An investment in the Notes involves various material risks, including the risk of losing an investor's entire investment. Prior to any investment, and in consultation with the investor's financial, tax and legal advisors, investors should carefully consider, among other matters, the following risk factors and the other information contained in this prospectus, including the relevant pricing supplement, before deciding whether to purchase Notes. There can be no assurance that the following list of risk factors associated with an investment in the Notes is comprehensive. Additional risks not presently known to Century or that are currently deemed immaterial could also materially and adversely affect Century's financial condition, results of operations, nonprofit activities, and prospects.

Risks associated with the Notes and the Offering

The Notes are not secured by any assets of Century and will be subordinated to any existing or future secured indebtedness of Century, and investors will be dependent solely upon the financial condition and results of operations of Century for repayment of principal and accrued interest on the Notes.

The Notes will be repaid from Century's net assets that are not constrained by donor-imposed restrictions, cash then available, including cash derived from Century's lending and investment activities, or through the incurrence of new debt, all of which may be insufficient to repay the Notes at maturity. Net assets with donor restrictions will not be legally available for repayment of investors if use of the assets for that purpose would be inconsistent with the restrictions imposed by donors. While it is anticipated that Century's financial obligation to pay interest on and the principal of the Notes will be funded by Century's cash flows, including cash flows generated from the loans Century makes with the proceeds from the sale of the Notes, there can be no assurance that will be the case. Investors in the Notes will be subordinate to Century's secured creditors and will generally not have any priority over any other of Century's unsecured creditors. In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding, Century's secured creditors will have priority over investors in Notes, and will be entitled to recover from the collateral securing such indebtedness prior to any payment being made to holders of Notes. Thus, Century's assets, including any collateral securing other obligations, may be insufficient to fully satisfy Century's obligations to repay the Notes. Therefore, the relative risk level is higher for the Notes than for Century's secured indebtedness. For additional information, please see "Financing and Operational Activities – Schedule of Liabilities" on page 55.

The Notes will be structurally subordinated to any existing or future liability of Century's consolidated affiliates.

Century's consolidated affiliates are separate and distinct legal entities that have no obligation, contingent or otherwise, to pay any amounts due on the Notes or to make funds available to Century to do so. As a result, the Notes will be structurally subordinated to all existing and future liabilities of Century's consolidated affiliates, including secured and unsecured consolidated debt, and the claims of creditors of those consolidated affiliates will have priority as to the assets and cash flows of those consolidated affiliates. In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding with respect to Century's consolidated affiliates, their creditors will be entitled to payment on their claims from assets of those consolidated affiliates. For additional information, please see "Financing and Operational Activities – Schedule of Liabilities" on page 55.

No sinking fund or other specific allocation of assets or cash flow has been made or will be made to secure repayment of the principal of the Notes or to secure payment of accrued interest.

The Notes may be riskier than other notes or debt instruments for which a sinking fund is established, and Century's ability to repay the principal and interest on the Notes will depend on Century's availability of net assets without donor restrictions and cash then available and ability to raise new debt.

The Notes are not FDIC or SIPC insured, are not bank instruments, and are subject to investment risks.

The Notes are not FDIC- or SIPC-insured or otherwise insured or guaranteed by any governmental agency; nor are the Notes certificates of deposit or deposit accounts with a bank, savings and loan association, credit union or other financial institution regulated by federal or state authorities. As a result, investors are at risk of possible total loss of principal invested.

Century is offering the Notes on a reasonable best-efforts sales basis, and there is no minimum sales requirement.

The offer of the Notes is conducted on a reasonable best-efforts basis. Therefore, there is no minimum sales requirement or minimum amount of proceeds that Century must receive from the sale of the Notes before Century will close with investors and have the right to utilize proceeds. Investors' funds will be immediately available for use by Century consistent with the uses set forth under "Use of Proceeds" on page 30, regardless of whether any threshold of sales is met. Low sales of the Notes may not result in cancellation of the offering or cause Century to refund any amounts to investors.

The interest rate applicable to a Note is set at the time of issuance, which may result in a decline in value in a rising interest rate environment.

Interest rates offered for the Notes will be fixed for the term of the Notes, as set forth in the relevant pricing supplement, based on market conditions and other relevant factors at the time of issuance. Should interest rates rise, Century is not legally obligated to pay a higher rate or to redeem the principal of a Note prior to its maturity. Risks of investment in the Notes may be greater than implied by a relatively low interest rate on the Notes.

Century may have the right to redeem a Note, in whole or in part, at Century's option prior to the Note's stated maturity date.

If provided in the relevant pricing supplement, Century will have the right to redeem a Note, in whole or in part, at Century's option prior to the Note's stated maturity date. There can be no assurance that the proceeds from the redemption of a Note can be reinvested in other securities having terms, interest rates, and investment risks similar to the Notes that Century redeems. For more information on Century's redemption right, see "Description of the Notes – Right of Redemption" on page 83.

The value of the Notes may be adversely affected by a decrease in the credit ratings assigned to the Notes or Century.

A credit rating reflects only the view of the rating agency giving such rating. Any explanation of the significance of such rating may only be obtained from the applicable rating agency. Generally, rating agencies base their ratings on information and materials furnished and on investigation, studies, and assumptions by the rating agencies. There is no assurance that a rating will apply for any given period of time or that a rating will not be revised or withdrawn. A revision or withdrawal of a rating may have an adverse effect on the price at resale of and ability to sell the Notes. Century and Incapital have not

undertaken any responsibility to bring to the attention of noteholders any proposed revision or withdrawal of any rating or to oppose any such proposed revision or withdrawal of any rating.

Century has made only limited covenants in the Notes, which do not include covenants or restrictions with regard to Century's financial condition and operations.

The Notes contain covenants to pay principal and interest when due but do not contain certain other covenants that are contained in certain of Century's other debt obligations. For example, the Notes do not contain any "affirmative" covenants relating to Century's financial condition, such as a threshold net income, debt-to-assets ratio or income-to-debt ratio or other financial covenants that may appear in debt instruments issued by other financial institutions, companies, or nonprofit entities. In addition, the Notes do not contain any "negative" covenants that restrict Century's nonprofit operations or capital structure, such as restrictions or prohibitions on the amount or type of loans that Century may extend, or the amount or type of debt (leverage) that Century may incur, or any other types of negative covenants that may appear in notes or indebtedness issued by other financial institutions, companies or nonprofit entities. As a result, a default may occur in Century's other debt instruments without triggering a default under the Notes. Conversely, since those other debt obligations may contain cross-default provisions, Century's failure to pay interest or principal under the Notes may also trigger defaults under those debt obligations. As such, there are limited contractual protections for investors contained in the Notes.

No Trust Indenture has been or will be established, and no trustee has been or will be appointed. The Notes are being issued pursuant to an exemption from the Trust Indenture Act, and the provisions of that Act designed to protect debt owners are not applicable to investors in the Notes.

Debt, such as the obligations represented by the Notes, is often issued pursuant to a trust indenture, such as the type required for certain debt offerings by the Trust Indenture Act of 1939. These indentures provide covenants and procedures to protect debt owners and appoint a trustee to act for the benefit of all debt holders, to exercise their remedies collectively and to protect their interests. However, the Notes issued pursuant to this prospectus are not currently governed by any indenture, and there is no trustee. No trustee monitors Century's affairs on investors' behalf, no agreement provides for joint action by investors in the event Century defaults on the Notes and investors do not have the other protections a trust indenture would provide. Accordingly, the Notes may be riskier than notes for which a trust indenture is established. In the event of a default under the Notes, each holder will have to seek available remedies on an individual basis, which is likely to be expensive and may not be economically practicable.

The Notes are being offered in reliance on exemptions from registration under the federal securities laws and under the securities laws of certain states in which Century is offering the Notes. If it is determined that the Notes are not exempt from federal, state and/or territorial securities laws, Century may be required to make rescission offers and may be subject to other penalties for which Century may not have the funds available.

The offering described in this prospectus is being made in reliance upon exemptions from registration under federal securities laws, including exemptions under Section 3(a)(4) of the Securities Act, and the exemptions from registration of the securities of nonprofit charitable organizations provided by the laws of certain states in which the Notes are offered. Reliance on these exemptions does not, however, constitute a representation or guarantee that such exemptions are indeed available. Century may seek to qualify, register, or otherwise obtain authorization for the offering in certain other states or territories where Century believes such qualification, registration or other authorization is required. If, for any reason, the offering is deemed not to qualify for exemption from registration under the nonprofit securities exemptions referred to above (and if no other exemption from registration is available), and the offering is not registered with the applicable federal, state or territorial authorities, the sale of the Notes will be deemed to have been made in

violation of the applicable laws requiring registration. As a remedy for such a violation, penalties and fines may be assessed against Century, and investors will typically have the right to rescind their purchase and to have their purchase price returned, together with interest at statutorily prescribed rates. If investors request the return of their investment, funds may not be available to Century for that purpose, and Century may be unable to repay all investors in any affected states or territories. Any refunds made would also reduce funds available for Century's operations. A significant number of requests for rescission could leave Century without funds sufficient to respond to rescission requests or to successfully proceed with Century's nonprofit activities.

The Survivor's Option may be limited in amount.

Century has a discretionary right to limit the aggregate principal amount of Notes subject to the Survivor's Option that may be exercised in any calendar year to an amount equal to the greater of \$1,000,000 or 1% of the outstanding principal amount of all Notes outstanding as of the end of the most recent calendar year. Century also has the discretionary right to limit to \$250,000 in any calendar year the aggregate principal amount of Notes subject to the Survivor's Option that may be exercised in such calendar year on behalf of any individual deceased beneficial owner of Notes. Accordingly, no assurance can be given that exercise of the Survivor's Option for the desired amount will be permitted in any single calendar year.

Holders of Notes can only act indirectly through DTC.

Note transactions are settled through DTC. As is standard to facilitate such electronic transactions, DTC represents such Notes with one or more global certificates registered in the nominee name of "Cede & Co.," the nominee of DTC, rather than in the name of the investor or investor's nominee. Century will not issue Notes in certificated form directly to investors.

Any changes in the federal and state securities laws relating to securities offered and sold by nonprofit charitable organizations could adversely affect Century's ability to sell the Notes or Century's ability to meet its obligations under the Notes.

Pursuant to current federal and state exemptions related to certain securities offerings, the Notes will not be registered with the SEC and may not be registered with certain state securities regulatory bodies. However, these laws are subject to change and frequently do change. Any such change may make it costlier and more difficult for Century to offer and sell the Notes and could result in a decrease in the amount of Notes ultimately sold, which could affect Century's operations and ability to meet obligations under the Notes.

SEC Regulation Best Interest imposes obligations related to investment suitability that may limit some potential investments in this offering.

The SEC's Regulation Best Interest establishes a "best interest" standard of conduct for broker-dealers and associated persons when they make a recommendation to a retail customer of any securities transaction or investment strategy involving securities. Depending on individual investor circumstances, this "best interest" standard may limit some potential investments in this offering. For more information, see "How to Invest/Plan of Distribution – Investment Suitability under SEC's Regulation Best Interest" on page 89.

No public market exists for the Notes, and therefore the transfer of the Notes is limited and restricted.

Century has no obligation, and does not intend, to register the Notes for resale by noteholders. The Notes will not be listed for sale on any securities exchange. Dealers may be liquidity providers, and there may be a secondary market in the Notes. However, there is no assurance that dealers will be liquidity providers. In

addition, limitations on the transfer of the Notes may be imposed under applicable federal and state securities laws. As a result, there is no trading market for the Notes at present. Investors should therefore consider the Notes as an investment to be held until maturity.

Holders of Notes should be aware of certain tax consequences.

The interest paid or accrued on the Notes will be taxable as ordinary income to the investor in the earlier of the year it is paid or the year it is accrued, depending on the investor's method of accounting. Century will issue or cause to be issued to each investor a Form 1099-INT or the comparable form by January 31st of each year detailing the interest earned on their investments in the prior year. A purchase of the Notes is not deemed a charitable contribution and, as such, investors will not receive a receipt for a charitable contribution and will not be entitled to a charitable deduction for the purchase of the Notes. Investors should consult with their tax advisor regarding any tax treatment of the Notes.

Risks associated with Century

Century's consolidated affiliates have significant assets and revenue streams that should not be considered available for repayment of the Notes. Investors should look only to the assets and revenue streams held at and generated by Century when making their investment decision.

Century has numerous consolidated affiliates that are separate and distinct legal entities that have no obligation to pay any amounts due on the Notes or to make funds available to Century to do so. While Century's operations are concentrated on lending to support affordable housing development, its consolidated affiliates are principally focused on the development and management of affordable housing, with significant real estate assets and revenue streams tied to developer fee income and rental property income. The revenue from Century's consolidated affiliates Century Villages at Cabrillo, Inc. ("CVC"), Century Affordable Development, Inc. ("CADI"), and their controlled affiliates, totaled \$9.6 million, or approximately 27%, of Century's consolidated revenue of \$34.9 million for the six-month period ended June 30, 2020 and \$16.3 million, or approximately 35%, of Century's consolidated revenue of \$46.5 million for the year ended December 31, 2019. CVC and CADI's controlled affiliates also held real estate held for investment, net of \$274.5 million and \$269.9 million as of June 30, 2020 and December 31, 2019, respectively, which was approximately 97.7% and 97.6% of Century's consolidated real estate held for investment, net of \$280.9 million and \$276.5 million as of the same periods. The assets and revenues of these consolidated affiliates, although significant, are not available to Century for repayment of the Notes. Investors should look only to the revenues and assets held at and generated by Century as the parent corporation when making their investment decision. On a parent-only basis, Century's total revenue, gains and contributions and total assets were \$18.9 million and \$507.1 million, respectively, as of and for the six-month period ended June 30, 2020 and \$49.7 million and \$475.2 million, respectively, as of and for the year ended December 31, 2019. For the parent-only financial statements of Century and consolidating financial statements of Century and its consolidated affiliates as of and for the year ended December 31, 2019, see the Supplementary Information to Century's audited financial statements, beginning on pg. 43 of the audited financial statements, attached to this prospectus as Appendix I.

The continuing outbreak of the novel coronavirus, COVID-19, could adversely impact Century's activities, financial condition, results of operations and/or cash flows.

The continuing outbreak of the novel coronavirus disease, COVID-19, is significantly disrupting the economy, financial markets, and societal norms in the United States and across the world. Due to the unprecedented nature of the pandemic and the uncertainty and fluidity of the spread of the virus and the responses from governments, financial markets, businesses and consumers, it is impossible to predict the ultimate adverse impact it could have on Century or its borrowers. The effects of COVID-19 could, among

other risks, result in a material increase in requests from Century's borrowers for loan deferrals, modifications to the terms of loans from Century, or other borrower accommodations; have a material adverse impact on the financial condition of Century's borrowers or their customers, potentially impacting their ability to make payments to Century as scheduled and driving an increase in delinquencies and loan losses; result in additional material provisions for loan losses; result in a decreased demand for Century's loans; cause noteholders to elect not to renew their Notes upon maturity; negatively impact Century's ability to access capital on attractive terms or at all; or lead to a decrease in Century's liquidity. These effects could have a material adverse impact on Century's business, financial condition, results of operations or cash flows, which could negatively affect Century's ability to meet its payment obligations under the Notes. For additional information, please see "Description of the Issuer – Impacts of COVID-19" beginning on page 33.

Century may not be able to repay its obligations under the Notes if there is a material adverse effect in Century's financial condition or results of operations.

Payment of the Notes depends on the ability of Century to generate revenues sufficient to cover debt service on the Notes and all other indebtedness of Century while meeting its operating expenses and other cash requirements. No representation can be made or any assurance given that revenues will be realized by Century in amounts sufficient to make the payments necessary to meet the obligations of Century and to make debt service payments on the Notes as they become due. Future revenues and expenses of Century are subject to, among other things, the capabilities of the management of Century, future economic conditions and a variety of non-economic and other conditions, many of which are unpredictable or not within Century's control. No representation can be made or assurance given that Century's net assets will not decrease in the future. The payment of principal and interest on the Notes, as well as other obligations of Century, may be adversely impacted by these factors.

Net assets with donor restrictions may not be legally available for repayment of investors.

Century may receive funds with donor-imposed restrictions that limit their use. On a parent-only basis, net assets with donor restrictions amounted to \$20.2 million, or approximately 8.8% of Century's total net assets of \$228.3 million as of June 30, 2020 and \$15.4 million, or approximately 6.9% of Century's total net assets of \$221.3 million as of December 31, 2019. These temporary donor-imposed restrictions include usage of funding for lending activities with specified affordability, geography, and time restrictions. Any net assets with donor-imposed restrictions may not legally be available for repayment of investors if use of the funds for that purpose would be inconsistent with the restrictions imposed by donors. As of June 30, 2020, all donor-imposed restrictions were temporary in nature.

Century's ability to repay the Notes is largely dependent on only a few revenue sources relating to Century's lending activities.

Historically, Century's principal sources of revenue include net interest earnings and loan fees, receipts from the repayment of off-balance sheet contingent assets, grants, and earnings on its portfolio of marketable securities. Changes in the nature and extent of these revenue sources into the future may impact Century's ability to fund its operating budget and repay the Notes.

Century's ability to repay the Notes is dependent on the health and economic success of one geographic region.

Century provides loans exclusively in California. Concentration in one geographic area may result in higher credit risk due to the disproportionate impact of unfavorable economic, political and business conditions, including adverse conditions resulting from the ongoing COVID-19 pandemic, on borrowers in that region,

and consequently on Century's loan portfolio. Those impacts could, in turn, negatively impact Century's ability to repay the Notes when due.

Century's ability to repay the Notes is dependent in part on interest revenue generated from its loan investments, which are primarily concentrated in the development of affordable housing.

As part of its mission, Century has made and will continue to make loans for the development of affordable housing. Development, ownership, and management of affordable multifamily housing projects, such as those to which Century provides financing, involves certain risks. For additional information on Century's loan portfolio, see "Lending Activities" starting on page 56. Additionally, the activities of Century's borrowers could subject them to risks related to construction. In addition to acquisition, bridge, and permanent loans, Century provides loans to borrowers to construct new facilities or renovate existing facilities. Construction projects are typically riskier than loans made to finance the acquisition or refinance of vacant properties or operating properties. If any of the unique risks associated with construction and renovation are realized, including shortages of materials, strikes, acts of nature, delays in obtaining necessary building permits or architectural certificates, environmental regulations or legal challenges, they could adversely affect a borrower's ability to repay its loan by increasing construction costs or delaying or preventing completion of the project, and its failure to repay its loan could adversely affect Century's ability to repay the Notes when due.

Century's ability to repay the Notes is dependent on the credit market and the economic success of its lending and other sources of funds.

Century is and will continue to be dependent upon the availability of credit from financing sources in order to conduct its business and to satisfy its working capital needs. Century may be unable to obtain additional financing on acceptable terms, or at all. If Century is unable to obtain additional financing or obtain sufficient access to capital through its current credit facilities on acceptable terms, or at all, Century may not have access to the funds it may need to pay its debts as they come due, or to continue to make new loans and investments, which would limit Century's ability to generate income. Similarly, if financing is not available on acceptable terms, or at all, to Century's borrowers and other counterparties, such parties may be unable to repay their loans and satisfy their other obligations to Century as they come due, which could adversely affect Century's ability to repay the Notes.

Century's lending criteria used in determining whether a loan should be made to a borrower may be more lenient than the criteria used by commercial lenders and enforcement of these criteria may not be as rigorous.

As a charitable organization, Century is willing and able to underwrite certain complex cash flows, often based on federal, state, and local programs, with which commercial lenders may have limited experience and which may not meet conventional lending standards. Century's underwriting is based on knowledge and experience in certain areas. In certain instances, Century may be willing to modify and extend the terms of its loans to an extent greater than a commercial lender may be willing to do. Thus, repayment of Century's loans may take longer than the original repayment schedules, and its portfolio of loans may include loan extensions and other terms and modifications that would not be typical for a commercial lender.

Century and its affiliates may be subject to conflicts of interest that result in more lenient loan terms to borrowers than otherwise available on the market.

While Century is required under the terms of its revolving bank line of credit to enter into all transactions with its affiliates on arm's length terms, Century may be subject to conflicts of interest arising out of its

relationship with and/or investments in its affiliates, including conflicts with respect to loans to and investments in such affiliates, shared administrative costs and other overhead and other commercial arrangements. Century may in the future guarantee certain debt of its affiliates. In addition, members of the Board of Directors of Century (the “Board”) may be associated with investors, borrowers, or investees of Century. The loans to and investments in such affiliates and other commercial arrangements with such related parties may be on terms more favorable to the affiliate or related party than would otherwise be available to it in the market. The ability of Century to repay the Notes may be adversely impacted by the performance of these affiliates and related party investments, loans and commercial arrangements.

Century may incur additional debt, which may hinder its ability to make payments under the Notes.

While the terms of Century’s revolving bank line of credit limit its ability to incur secured indebtedness, in the future if the terms of this revolving bank line change or are no longer applicable Century may issue secured debt, additional notes, or other unsecured indebtedness without the consent of holders of the Notes. The incurrence by Century of additional indebtedness may adversely affect its ability to make payments required on the Notes. Further, if Century incurs additional indebtedness, the market perception of Century’s ability to pay debt service on the Notes, regardless of Century’s actual ability to make such payments, may result in a decrease in marketability of the Notes. In addition, if Century incurs significant additional indebtedness, it may negatively impact Century’s ability to increase net assets.

Changes in federal and state priorities and regulations may adversely affect Century.

Some of Century’s operations are subject to regulation by federal, state, and local governmental authorities. Although Century believes that its activities are in compliance in all material respects with applicable federal, state, and local laws, rules and regulations, there can be no assurance that this is the case or that more restrictive laws, rules and regulations governing its activities will not be adopted in the future which could make compliance much more difficult or expensive, restrict its ability to originate loans, further limit or restrict the amount of interest and other charges earned under loans Century originates, or otherwise adversely affect Century’s operations or prospects, which could adversely affect its ability to operate and to make payments under the Notes. Changes in funding priorities by the federal and state governments could have an adverse effect on the sectors where Century provides financing. This could hinder Century’s ability to make loans or affect the ability of its borrowers to make loan payments. In addition, future changes in federal or state laws, rules, or regulations governing the sale of securities by charitable or other nonprofit organizations may make it more difficult for Century to offer the Notes. Such an occurrence could result in a decrease in the amount of the Notes sold by Century, which could potentially affect Century’s operations and its ability to meet its obligations to noteholders.

Failure to meet Century’s existing debt obligations on any debt agreement could result in a cross-default under other debt agreements, which could adversely affect Century’s nonprofit activities, operations, and financial condition.

Century’s existing debt is (and any future debt likely will be) structured through debt agreements, many of which contain (or will contain) provisions for financial covenants that Century must maintain in order to avoid an event of default. If Century were to fail to maintain a financial covenant in any of the debt agreements, it would trigger an event of default in not only that particular debt agreement, but also in all other debt agreements that contain a cross-default mechanism. If Century defaults on its debt agreements, it would negatively impact Century’s financial position and ability to pay interest and principal under the Notes when due.

Failure to meet Century's existing debt obligations on any debt agreement could decrease Century's access to current and future credit, which could adversely affect Century's operating and financial condition.

Century has certain debt agreements that contain financial covenants requiring Century to maintain minimum cash and investment balances and certain financial ratios. As of the date hereof, Century was in compliance with all of its financial covenants. A failure to be in compliance could have a material adverse effect on Century by limiting its access to credit and capital markets, driving up its costs of borrowing or triggering defaults and the exercise of remedies by creditors.

If Century becomes insolvent or otherwise defaults on a debt agreement, other creditors will be entitled to payment before holders of these Notes.

As a condition of certain debt agreements, Century has granted to the lenders a lien on, and a security interest in, all of Century's rights, title, and interest to the pledged assets that secure the debt agreements. If Century becomes insolvent, or otherwise defaults on a debt agreement, the lenders under these debt agreements will be entitled to payment before the holders of the Notes and other unsecured creditors to the extent of the value of Century's assets that are encumbered. The amount of Century's assets that may be encumbered is limited by the terms of Century's revolving bank line of credit. Century may also incur other debt obligations that may be senior to the Notes in terms of collateral or repayment, through the sale, securitization, syndication, or participation of Century's portfolio of loans and investments.

Downward fluctuations in the market value of investments could adversely affect Century's financial condition.

Earnings on marketable investments have historically provided Century an important source of cash flow and capital appreciation to support its programs and services, to finance capital investments and to build liquid reserves. Historically the value of both debt and equity securities has fluctuated and, in some instances, the fluctuations have been quite significant. Diversification of securities holdings may diminish the impact of these fluctuations. However, no assurances can be given that the market value of the investments of Century will grow, or even remain at current levels and there is no assurance that such market value will not decline. Further, no assurances can be given that there will not be a significant decrease in the value of Century's investments caused by market or other external factors.

Uncertainty relating to the LIBOR calculation process and potential phasing out of LIBOR may adversely affect Century's results of operations.

Century has certain variable-rate loans and securities in its portfolio that are indexed to LIBOR to calculate the loan interest rate. In July 2017, the United Kingdom's Financial Conduct Authority, which regulates LIBOR, announced that it will stop compelling banks to submit rates for the calculation of LIBOR after 2021. At this time, no consensus exists as to what rate or rates may become acceptable alternatives to LIBOR and it is impossible to predict the effect of any such alternatives on the value of LIBOR-based securities and variable rate loans, subordinated notes, or other securities or financial arrangements, given LIBOR's role in determining market interest rates globally. Uncertainty as to the nature of alternative reference rates and as to potential changes or other reforms to LIBOR may adversely affect LIBOR rates and the value of LIBOR-based loans and securities in our portfolio, may impact the availability and cost of hedging instruments and borrowings, and may result in disputes or litigation with borrowers or other counter-parties over the appropriateness or comparability to LIBOR of the alternative reference rate, any of which could have an adverse effect on Century's results of operations.

Fluctuations in variable interest rates in the marketplace could adversely impact Century's financial condition.

Century has outstanding variable rate obligations, and variable rate loan assets. Changes in short-term rates, particularly the 1-month LIBOR, will affect both. Century expects to use proceeds from the Notes to convert a portion of its variable rate obligations to fixed rates. Century manages the rate structure of its assets and obligations to reduce its exposure to fluctuations in interest rates. To the extent that the rate basis of its obligations and loan assets are mismatched, Century could experience either a compression, or an expansion, of the spread between its cost of funds, and its interest income. Specifically, should Century have a surplus of loan assets priced on variable rate terms, and short-term rates, particularly 1-month LIBOR, should fall, while the majority of Century's cost of funds remain fixed, a compression in spread could result. Conversely, a relative surplus of variable rate loan assets should experience an increase in spread should short term rates rise over the term of the Notes. Century mitigates the risk of a decrease in short term rates by concentrating the average tenor of the Notes on shorter maturities, and by including minimum "floor" rates in its loan asset terms.

Interest rate swaps may not fully offset the risks created by Century's commitment to fund fixed rate loans at a future date.

Century has entered into interest-rate swaps (the "Swaps") under master agreements, with certain counterparties and may enter into Swaps in the future with the same or other counterparties (each a "Counterparty"). Century's internal policy governing its Swap contracting prohibits the use of Swaps and options for speculative purposes. Century uses Swaps to provide offsets to risks created through its committing to fund fixed rate loans at specific rates at future dates. The size, tenor, and terms of the Swaps are adjusted to offset the risk of forward rate commitments as closely as possible. The Swaps are subject to periodic "mark-to-market" valuations and at any time may have a negative or a positive value to Century. Specifically, the Swap terms are constructed so that, should interest rates rise from their level at the time the forward rate commitment was made and the Swap entered into, the value of the Swap will increase for Century, and decrease for its counterparty. The resulting gain on the Swap will offset Century's cost of funding its committed loan, at the committed rate, in a higher interest rate environment. Conversely, should interest rates fall, the resulting loss to Century will be offset by the gain it will realize by funding its committed loan, at the committed rate, in a lower interest rate environment. While Century and each Counterparty may terminate its respective Swaps upon the occurrence of certain "termination events" or "events of default," the Swaps are structured to anticipate a termination and cash settlement at the time of committed loan funding to render them effective in offsetting gains or losses upon the funding of the loans. Risks include material changes in the credit quality of a Counterparty. This risk is mitigated by a minimum Counterparty investment grade credit rating of A- by S&P or A2 by Moody's. Additionally, both Century and each current respective Counterparty, reciprocally, are required to post collateral with the other should daily changes in marked to market values of the Swaps exceed \$250,000. Another risk would be created if, in a decreased rate environment, a Century borrower defaulted on its commitment to enter into a loan at the committed rate, and terms. In this case Century would not realize a gain on the funding of the loan to offset its required payment on the Swap. Century employs contractual and legal remedies to mitigate the risk of borrower defaults.

Any change to Century's nonprofit, tax-exempt or CDFI status or membership in the Federal Home Loan Bank of San Francisco could negatively impact its ability to meet its obligations under the Notes.

Century and its operations and assets are subject to regulation and certification by various federal, state and local government agencies, including its status as a Code Section 501(c)(3) tax-exempt organization, its designation as a CDFI by the United States Department of the Treasury's CDFI Fund and its membership in the Federal Home Loan Bank of San Francisco ("FHLBSF"). Such regulations and standards are subject

to change, and there can be no assurances that in the future, Century will meet any changed regulations and standards. No assurance can be given as to the effect on Century's future operations of existing laws, regulations and standards for certification or accreditation or of any future changes in such laws, regulations and standards, including as a result of recent changes in the leadership of the federal government. If Century fails to satisfy any of these regulations or standards, Century could lose its status as a CDFI, nonprofit or tax-exempt entity, which could subject Century to federal and/or state taxation, which would have a negative impact on its cash resources and financial viability and could ultimately negatively impact its ability to meet its obligations under the Notes. If Century loses its CDFI status, it will no longer be able to participate in the various programs that are only available to CDFIs. Century's inability to participate in such programs could pose a significant challenge to its ability to operate. The loss of its status as a nonprofit, tax-exempt entity or CDFI may result in a default under existing arrangements, which would negatively impact Century's financial condition and ability to pay interest and principal under the Notes when due. Century's loss of FHLBSF membership could result in a loss of access to favorable funding sources and reputational harm.

Century's costs associated with and the risk of failing to comply with the low income housing tax credit ("LIHTC") program may adversely affect cash available for distributions.

Century's consolidated affiliates own interests in, develop, and manage several affordable housing developments which receive or have received allocations of LIHTC. Certain of Century's consolidated affiliates obtain financing for their affordable housing projects by agreeing to allocate their LIHTC to outside investors in exchange for an equity investment in the project. In such transactions, consolidated affiliates of Century serve as a general partner or managing member of the entity that owns the project, and such general partner or managing member has guaranteed (either fully or in limited capacity) to the outside investor all aspects of the development and operation of the project, including but not limited to construction completion, funding of reserves, operating deficits, delivery of tax credits, adjustments to tax credit amount, recapture, and repurchase of the outside investor's interest. Century has guaranteed these obligations of its consolidated affiliates in affordable housing projects.

Affordable housing developments are subject to the LIHTC rules or other similar tax credit rules at the federal, state, or municipal level. The application of these tax credit rules is extremely complicated and noncompliance with these rules (or other operating difficulties or failures of a project) may have adverse consequences for Century. Noncompliance with applicable tax regulations may result in the loss of future or other tax credits and the fractional recapture of these tax credits already taken, which would have a negative impact on the ability of an affordable housing development to operate as projected. Noncompliance may also result in the complete loss of Century's consolidated affiliate's ownership interest in a particular project or, because Century has guaranteed certain obligations of its consolidated affiliates in connection with these projects, require Century to pay unexpected amounts in order to complete a development, fund reserves or operating expenses, or bear the expense of repurchase, tax credit adjusters, or recapture. All of these events could jeopardize the developer fee income and other fee and cash flow income Century's consolidated affiliates expect to receive and the investment made by outside tax credit investors. Century could be liable for any losses as a guarantor, which may adversely affect Century's ability to distribute any cash to noteholders. As of June 30, 2020, the balance of Century's guarantees of its consolidated affiliates' tax credit delivery obligations and repayment obligations were \$66.4 million and \$57.7 million, respectively. As of December 31, 2019, the balance of Century's guarantees of its consolidated affiliates' tax credit delivery obligations and repayment obligations were \$58.3 million and \$59.4 million, respectively. For additional information these Century's guarantees, see "Development Activities – Tax Credit Investors; Guarantees" on page 68.

Century's allowance for loan losses may not be sufficient to cover potential loan losses.

Century maintains an allowance for loan losses ("Allowance") for its loan portfolio, which is determined by, among other factors, loan portfolio risk analysis, current economic conditions, loss history, and generally accepted accounting principles. This Allowance is supplemented by the portfolio of marketable securities which Century maintains and whose minimum size is controlled by the terms of its revolving bank line of credit. While Century performs an analysis of the adequacy of the Allowance, as do its auditors, and while the available size of its portfolio of marketable securities exceeds the size of its Allowance by an order of magnitude, there can be no assurance that the Allowance is or will be sufficient to address all potential loan losses.

Holders of Notes are subject to risk associated with bankruptcy or insolvency of Century.

If Century, a consolidated affiliate, or another affiliated organization seeks relief under bankruptcy or related laws, a bankruptcy court could attempt to consolidate its assets into the bankruptcy estate, possibly resulting in delayed, reduced or extinguished payments to noteholders.

If Century's consolidated affiliates become subject to claims or litigation, Century could be liable.

Century is a separate legal entity apart from its consolidated affiliates and believes it may not be liable to claims made against its consolidated affiliates. It is possible, however, that in the event of claims against Century's consolidated affiliates, the claimants might contend that Century is also liable. Such claims, if upheld by the courts, could negatively affect Century's financial condition and ability to repay the Notes.

Century's financial condition could be adversely impacted by environmental liability.

Century's financial results may be adversely affected by environmental liability whether due to lender liability or as a result of liability of the owners of properties financed by Century loans. Environmental liability may adversely affect Century's loans by: (1) reducing the capacity of its borrowers to continue financially sound operations; and (2) reducing the value of the collateral. Although Century does not generally make loans to borrowers in heavy industry or other sectors that have experienced significant environmental claims, no assurances can be provided that Century may not face environmental liability in the future. Federal law provides, and the laws of other jurisdictions may provide, immunity to mortgage lenders and foreclosing mortgagees, such as Century, from certain consequences of environmental contamination. The possibility of environmental contamination may in certain cases cause Century to refrain from exercising its foreclosure rights with respect to defaulted loans and therefore may prevent Century from realizing the benefit of all remedies available to it. In addition, in certain circumstances, including bankruptcy proceedings of a borrower, the amount of funds required to be applied to remedy environmental contamination may reduce the funds available to pay amounts due to Century with respect to a loan.

Century depends on the efforts of its senior management and staff, and loss of key personnel could adversely affect its operating performance and ability to pay interest and principal under the Notes when due.

Like most entities, Century's successful operations are dependent on the efforts of its senior management and staff who are expected to continue to devote substantially all of their time and efforts to Century's nonprofit activities. Discontinuation of such devotion of time and efforts, coupled with any inability to attract and retain other skilled personnel, could negatively impact Century's nonprofit activities or its financial condition, which could impair its ability to repay the Notes. There can be no assurance that

Century will be successful in retaining its current personnel or in replacing any loss of key personnel with equally competent individuals.

Century and its vendors rely on technology and technology-related services.

The majority of Century's records are stored and processed electronically, including records of its notes receivable and notes payable. Century relies to a certain extent upon third-party vendors for providing hardware, software, and services for processing, storing, and delivering information. Century's electronic records include confidential customer information and proprietary information of its organization. Electronic processing, storage and delivery have inherent risks, such as the potential for hardware failure, virus or malware infection, input or programming errors, inability to access data when needed, permanent loss of data, unauthorized access to data or theft of data. While Century and its vendors take measures to protect against these risks, it is possible that these measures will not be completely effective and that there may be other risks that have not been identified because they are different or unknown or that may emerge in the future. If Century were to experience large-scale data inaccuracy, inability to access data for an extended time period, permanent loss of data, data breach, failure of its vendors to perform as contracted, or other significant issues regarding data, it could adversely affect all aspects of its operations. In addition, if investors elect to use Century's website and related online services, Century can offer no assurances and make no warranty as to their accuracy and availability, and such use is subject to the terms, conditions and limitations set forth in applicable usage agreements.

Century may change its policies and procedures.

This prospectus includes descriptions of certain policies and procedures of Century, such as Century's loan policies and investment policy. The descriptions of these policies and procedures are intended to help investors understand Century's current operations. Century's prior policies and procedures differed from the current policies and procedures described in this prospectus. Further, Century reserves the right to change its policies and procedures in the future at any time. If Century changes its policies and procedures, there may be an adverse impact on Century's ability to repay the Notes.

USE OF PROCEEDS

The net proceeds of the offering will be used to support the financing of affordable housing through lending and investment activities (“Support Purpose”), and to refinance certain existing debt obligations of Century (“Refinance Purpose”), each as they relate to the development of multi-family rental housing in furtherance of Century’s goals to provide secure and affordable housing for low and moderate income individuals and households. Specifically, in furtherance of its Refinance Purpose, Century intends to refinance existing debt with higher rates, with more restrictive terms or whose term is expiring. Century manages multiple credit sources and the choice of which debts to repay, in which order and when will be made from time to time to optimize Century’s operational flexibility and financial position. Similarly the relative apportionment of net proceeds to the Support Purpose and Refinance Purpose will be made from time to time to optimize Century’s financial position.

Expected Proceeds⁽¹⁾	Proceeds Used for Each Purpose (%)⁽²⁾		Proceeds Used for Each Purpose (\$)⁽²⁾	
	Support Purpose	Refinance Purpose	Support Purpose	Refinance Purpose
Minimum: \$48,100,000	50%	50%	\$24,050,000	\$24,050,000
Maximum: \$49,450,000	50%	50%	\$24,725,000	\$24,725,000

- (1) Figures are estimated based on the assumption that the total amount of the Notes being offered (\$50,000,000) are sold. Century expects to receive net proceeds from sales after sales compensation to Incapital based on the maturity of the Notes sold, ranging from \$997 per \$1,000 of six-month Notes to \$970 per \$1,000 of 20-year Notes. Century estimates that the total expenses of the offering excluding sales compensation will be approximately \$400,000.
- (2) Over the course of the offering, management will determine from time to time the priority of use of proceeds for a Support Purpose or a Refinance Purpose based upon the terms and amount of Notes sold, the terms and amount of existing indebtedness and the terms and needs of particular multi-family development projects available to Century at the time of each use.

DESCRIPTION OF THE ISSUER

Overview

Century is a California nonprofit public benefit corporation and is certified as a CDFI by the U.S. Department of the Treasury's CDFI Fund. Century is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and a public charity, as described under Section 509(a)(1) and Section 170(b)(1)(A)(vi) of the Code. Century's principal executive office is located at 1000 Corporate Pointe, Culver City, CA 90230. Century is the successor-in-interest to a housing program formerly administered by the State of California and was incorporated as a nonprofit public benefit corporation in 1995. Century has offices in Culver City and Oakland, California.

Century and its consolidated affiliates finance, build, and operate affordable housing throughout California. In pursuit of its mission to provide exceptional housing so that the people it serves may have a dignified home, a healthy and hopeful future and attain economic independence, Century finances affordable housing and workforce housing. Century specializes in early stage loans for the creation of multifamily rental properties, including acquisition and bridge loans to finance projects during the application periods for new funding, construction loans, and permanent loans on occupied properties.

Century is certified as a CDFI under the California Organized Investment Network ("COIN") and a member of the FHLBSF. Century also serves as a partner to state and local agencies, municipalities and other CDFIs in pioneering impactful financing programs such as the Golden State Acquisition Fund ("GSAF") and Los Angeles County Housing Innovation Fund ("LACHIF").

Century has made Affordable Housing Finance's list of the Top 25 Affordable Housing Lenders four times since 2014, a listing most recently headed by Citi Community Capital, Wells Fargo, and Bank of America Merrill Lynch. As of June 30, 2020, Century has received an issuer rating of AA- with a stable outlook from S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, as well as a AA rating from Fitch Ratings. Bonds issued by Century to finance its affordable housing lending operations benefit from a second party opinion from Sustainalytics designating them as Sustainability Bonds due to the environmental and social impacts of the housing created by Century's financing.

A centerpiece of Century's affiliated housing development division is the Century Villages at Cabrillo, a residential community located at the former Cabrillo Housing of the U.S. Naval Station in the City of Long Beach, California that provides affordable housing and supportive services to formerly homeless individuals, families, and veterans. The Century Villages at Cabrillo typically provides housing on any given night to more than 1,500 persons and annually houses 2,133 persons.

Mission

Century's mission is to finance, build, and operate exceptional affordable housing so that the people we serve may have a dignified home, a healthy and hopeful future and attain economic independence.

History

Century was formed in connection with the settlement of *Keith v. Volpe* (U.S. District Court 72-355 HP), a lawsuit filed by residents living in the Los Angeles metropolitan area affected by the proposed construction of the Century Freeway or I-105. Upon the settlement of *Keith v. Volpe* in 1979, the Century Freeway Housing Program ("CFHP"), a program administered by the State of California, was established under a consent decree supervised by the U.S. District Court for the Central District of California.

CFHP was tasked with creating nearly 4,000 units of affordable housing for those displaced by the freeway's construction along with minority and female employment opportunities. In 1993, the Century Freeway opened. In 1995, upon fulfillment of the settlement and CFHP's development goals, CFHP's assets were transferred to the newly formed nonprofit public benefit corporation Century Housing Corporation. The consent decree was formally dismissed in 2018, completely releasing Century from any former reporting requirements or judicial oversight.

Strategy

Century provides financing to for-profit and nonprofit developers of affordable and subsidized rental multifamily homes. Believing that safe and quality affordable housing is the foundation of community development and revitalization, Century focuses on early stage acquisition and bridge financing allowing specialized and experienced affordable housing developers to achieve site control which is required for the application of Low Income Housing Tax Credits and HUD financing, which in turn anchor the other tranches of financing that make the development of affordable housing possible. Century also offers all other stages of financing supporting the creation and preservation of affordable housing, from pre-development loans through to permanent loan financing.

Century's financial strategy is based on maintaining low leverage and high liquidity to provide it access to the capital markets in the volume and on terms that will support its mission of addressing the critical shortage of affordable housing in its geography.

Impact

Century has deployed more than \$2 billion in loans and, along with its predecessor CFHP, has developed and/or financed more than 44,000 units of affordable housing throughout the State of California. Century measures its impact in terms of homes created through its financing, the affordability of those homes and construction jobs created through the projects it finances. In 2019, Century deployed \$218 million in financing creating or preserving 4,278 homes affordable to households earning just 46.2% of Area Median Income ("AMI") while creating 4,539 new jobs. In the affordable housing developments owned and managed by its affiliates, Century provides quality affordable housing approximately 3,358 residents in 1,686 units across 17 owned multifamily affordable housing developments.

Legal Structure of Century and its Consolidated Affiliates

Century's operations are concentrated on lending to support affordable housing development. Century's consolidated affiliates CVC and CADI are engaged in the development, ownership, and management of affordable housing.

- CVC is a California nonprofit public benefit corporation incorporated in 1997 for the purpose of rehabilitating and developing the Villages at Cabrillo, a master planned, residential community that provides affordable housing and a comprehensive array of supportive services for homeless individuals, families, and veterans. Certain of CVC's affiliates are consolidated with Century for financial statement reporting purposes.
- CADI is a California nonprofit public benefit corporation incorporated in 1996 and is Century's development entity responsible for the acquisition and development of real property to create and preserve affordable housing solutions in Southern California. Certain of CADI's affiliates are consolidated with Century for financial statement reporting purposes.

Century has other affiliates that are consolidated for financial statement reporting purposes, but were inactive as of June 30, 2020.

Impact of COVID-19

Operational Response

On March 16, 2020, Century commenced a work from home protocol for all employees, providing office staff with equipment, access, and authorizations enabling them to function fully from offsite. While some employees experienced some down time during the first days due to unfamiliarity with equipment and authorization issues, these were mostly resolved by the end of the first week. The work from home protocol is in effect until further notice.

All of Century's operations have proceeded without significant interruption since Century commenced the work from home protocol. As of August 31, 2020, Century has closed 16 loans totaling \$72.8 million in aggregate principal balance since March 16, 2020.

As of August 31, 2020, Century has continued to timely make all required payments of principal and interest due to its lenders, noteholders, and other holders of Century indebtedness and expects that it will continue to do so in the future. See "Financing and Operational Activities – Consolidated Sources of Debt" beginning on page 51, which references information as of June 30, 2020, for more information regarding Century's indebtedness.

Loan Portfolio

As of August 31, 2020, although Century continues to monitor the performance of its loan portfolio, it has not experienced a material increase in loan delinquencies or loan losses. For further information regarding Century's loan delinquencies and loan losses, see "Delinquencies and Loan Losses" beginning on page 62, which references information as of June 30, 2020. There have been no additional loan delinquencies or loan losses since June 30, 2020.

As of August 31, 2020, Century has not granted any loan forbearances, loan term extensions, interest rate reductions or any other borrower accommodations related to COVID-19, although Century may do so in the future.

Status of Affordable Housing Development in California

Across the State of California, the construction of affordable housing has been recognized as an essential job since the onset of COVID-19 in California. Affordable housing construction has generally proceeded as normal throughout the state with additional required safety precautions. Work has continued as planned for all Century financed projects during California's stay-at-home order and thereafter.

Century has seen increased interest in its financing, including from quality borrowers whose other funding options have been disrupted. Century intends to limit loan originations to high quality borrowers.

As of August 31, 2020, since the onset of COVID-19 in California, Century has seen declines in equity pricing for tax credit investors in LIHTC-financed affordable housing projects of about 5-10%. The negative impact of the decline in equity pricing for tax credit investors in LIHTC-financed affordable housing projects has largely been offset by the benefit of lower interest rates. While it remains to be seen how long these factors will persist in LIHTC markets in California, Century's borrowers are generally continuing to receive equity investments in their affordable housing developments from tax credit investors.

For more information on tax credit investments, see “Development Activities – Tax Credit Investors; Guarantees” beginning on page 68.

COVID-19 Government Assistance Programs

As of August 31, 2020, Century has not applied for any COVID-19 related government assistance programs. As of the date of this prospectus, Century believes it has sufficient cash on hand to continue to fund its operations. Century will continue to monitor the impacts of COVID-19 on its cash position and the availability of COVID-19 related government assistance programs. As of June 30, 2020, on a consolidated basis, Century had cash and cash equivalents on hand of \$15.7 million. As of August 31, 2020, on a parent-only basis, Century had cash and cash equivalents on hand of \$10 million.

Portfolio of Marketable Securities

In an effort to mitigate risk, Century actively manages the asset allocation within its portfolio of marketable securities, which it maintains as a capital reserve, as it takes on additional debt and in consideration of other relevant factors. As of August 31, 2020, Century’s parent-only portfolio of marketable securities consisted of six asset classes and was allocated 24% in equity assets and 76% in fixed income assets.

SELECTED FINANCIAL INFORMATION

The following pages set forth certain selected financial data regarding Century on a consolidated and parent-only basis as of and for the six-month period ended June 30, 2020 and as of and for the years ended December 31, 2015 through 2019. The consolidated and parent-only financial information provided as of and for the six-month period ended June 30, 2020 is derived from Century's unaudited interim consolidated financial statements for such period. The consolidated and parent-only financial information as of and for fiscal years ended December 31, 2015 through 2019 is derived from Century's audited annual consolidated financial statements for such years. The financial information on the following pages should be read in conjunction with the audited annual consolidated financial statements attached to this prospectus as Appendix I and the unaudited interim consolidated financial statements attached to this prospectus as Appendix II. For the consolidating financial statements of Century and its consolidated affiliates as of and for the year ended December 31, 2019, see the Supplementary Information to Century's audited financial statements, beginning on pg. 43 of the financial statements, attached to this prospectus as Appendix I.

**CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
As of June 30, 2020**

ASSETS

Cash and cash equivalents	\$ 15,738,545
Restricted cash	32,130,415
Accounts receivable, net	487,725
Investments	110,381,401
Interest receivable	1,785,829
Notes receivable, net	322,949,400
Prepaid expenses and other assets	4,361,714
Real estate held for investment, net	280,877,424
Furniture, fixtures and equipment, net	2,222,688
Total assets	<u>\$ 770,935,142</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ 2,888,243
Accrued interest	3,090,840
Security deposits	1,323,579
Deferred income	1,478,525
Fair value of interest rate swap liability	5,900,197
Bonds payable, net of unamortized debt issuance costs	185,000,000
Notes payable and lines of credit, net of unamortized debt issuance costs	226,353,869
Other liabilities	3,046,116
Forgivable loans	333,334
Total liabilities	<u>\$ 429,414,703</u>

Net assets:

Without donor restriction	
Controlling interest	233,797,756
Non-controlling interest	87,546,061
Total net assets without donor restriction	<u>321,343,817</u>
With donor restriction - controlling interest	20,176,622
Total net assets	<u>341,520,439</u>

Total liabilities and net assets	<u>\$ 770,935,142</u>
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PARENT-ONLY
STATEMENT OF FINANCIAL POSITION
As of June 30, 2020

ASSETS

Cash and cash equivalents	\$ 6,883,095
Restricted cash	22,139,702
Accounts receivable, net	78,313
Investments	110,381,401
Interest receivable	5,085,819
Notes receivable, net	350,746,899
Prepaid expenses and other assets	5,030,468
Real estate held for investment, net	6,409,572
Furniture, fixtures and equipment, net	374,477
Total assets	<u>\$ 507,129,744</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ 475,765
Accrued interest	935,893
Fair value of interest rate swap liability	5,900,197
Bonds payable, net of unamortized debt issuance costs	185,000,000
Notes payable and lines of credit, net of unamortized debt issuance costs	84,055,137
Other liabilities	2,476,102
Total liabilities	<u>\$ 278,843,094</u>

Net assets:

Without donor restriction	
Controlling interest	<u>208,110,028</u>
Total net assets without donor restriction	
With donor restriction - controlling interest	<u>20,176,622</u>
Total net assets	<u>228,286,650</u>

Total liabilities and net assets	<u>\$ 507,129,744</u>
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**CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
As of the years ended December 31,**

	2019	2018	2017	2016	2015
ASSETS					
Cash and cash equivalents	\$ 16,677,357	\$ 16,447,673	\$ 17,056,076	\$ 10,962,247	\$ 12,678,487
Restricted cash	23,879,076	13,789,105	29,003,359	7,514,578	7,148,863
Accounts receivable, net	509,784	310,060	368,899	307,103	483,591
Investments	109,830,370	97,273,911	92,002,299	80,146,548	77,888,761
Interest receivable	1,892,085	1,502,275	1,158,415	686,207	706,819
Notes receivable, net	284,519,978	242,238,733	185,652,569	143,140,393	162,759,035
Deferred charges, net	431,379	436,326	458,722	296,484	328,102
Prepaid expenses and other assets	547,352	434,020	364,278	781,975	480,062
Real estate held for investment, net	276,490,098	242,401,969	201,077,766	157,612,170	127,671,647
Furniture, fixtures and equipment, net	4,133,776	4,587,910	3,722,541	1,920,188	1,693,627
Total assets	718,911,255	619,421,982	530,864,924	403,367,893	391,838,994
LIABILITIES AND NET ASSETS					
Accounts payable and accrued liabilities	12,655,664	11,088,949	7,154,410	7,037,272	3,010,366
Accrued interest	3,182,056	2,093,988	1,191,744	1,762,564	1,459,054
Security deposits	1,175,704	998,881	948,465	724,827	695,336
Deferred income	1,742,126	1,344,026	616,689	302,887	339,988
Fair value of interest rate swap liability	3,277,546	415,943	-	-	-
Bonds payable, net of unamortized debt	99,400,035	-	-	-	-
Notes payable and lines of credit, net of unamortized debt issuance costs	279,332,012	321,349,704	277,119,761	172,781,861	195,856,716
Other liabilities	1,757,110	509,254	-	-	-
Forgivable loans	433,334	760,571	1,166,000	1,571,429	1,976,858
Total liabilities	402,955,587	338,561,316	288,197,069	184,180,840	203,338,318
Net assets:					
Without donor restriction					
Controlling interest	224,011,153	204,187,660	197,651,254	176,167,868	154,100,438
Non-controlling interest	76,558,015	67,486,506	43,016,601	41,019,185	28,900,238
Total net assets without donor restriction	300,569,168	271,674,166	240,667,855	217,187,053	183,000,676
With donor restriction - controlling	15,386,500	9,186,500	2,000,000	2,000,000	5,500,000
Total net assets	315,955,668	280,860,666	242,667,855	219,187,053	188,500,676
Total liabilities and net assets	\$ 718,911,255	\$ 619,421,982	\$ 530,864,924	\$ 403,367,893	\$ 391,838,994

**PARENT-ONLY
STATEMENT OF FINANCIAL POSITION
As of the years ended December 31,**

	2019	2018	2017	2016	2015
<u>ASSETS</u>					
Cash and cash equivalents	\$ 14,575,083	\$ 11,902,284	\$ 10,940,774	\$ 5,615,620	\$ 8,305,481
Restricted cash	13,053,228	5,566,500	520,425	1,682,675	3,906,000
Accounts receivable, net	468,187	182,654	713,693	573,985	1,019,399
Investments	112,775,094	100,215,235	100,467,359	93,142,975	90,899,836
Interest receivable	5,077,485	4,161,701	3,848,252	2,901,161	2,319,237
Notes receivable, net	322,382,587	270,921,385	230,603,463	172,327,689	139,288,301
Prepaid expenses and other assets	132,352	72,150	93,916	2,159,264	407,971
Real estate held for investment, net	6,500,747	6,677,811	178,563	187,290	1,429,030
Furniture, fixtures and equipment, net	224,171	172,019	163,662	187,890	140,087
Total assets	\$ 475,188,934	\$ 399,871,739	\$ 347,530,107	\$ 278,778,549	\$ 247,715,342
<u>LIABILITIES AND NET ASSETS</u>					
Accounts payable and accrued liabilities	\$ 1,515,143	\$ 1,572,088	\$ 1,442,695	\$ 1,163,928	\$ 1,028,515
Accrued interest	1,053,420	673,486	495,950	274,008	169,998
Security deposits	9,674	674	674	674	885
Deferred income	290,384	192,434	-	-	-
Fair value of interest rate swap liability	2,561,082	415,943	-	-	-
Bonds payable, net of unamortized debt issuance costs	99,400,035	-	-	-	-
Notes payable and lines of credit	147,729,675	201,947,877	162,721,143	114,278,686	95,710,365
Other liabilities	1,349,441	509,254	-	-	-
Total liabilities	253,908,854	205,311,756	164,660,462	115,717,296	96,909,763
Net assets:					
Net assets without donor restriction	205,893,580	185,373,483	180,869,645	161,061,253	145,805,579
Net assets with donor restriction	15,386,500	9,186,500	2,000,000	2,000,000	5,000,000
Total net assets	221,280,080	194,559,983	182,869,645	163,061,253	150,805,579
Total liabilities and net assets	\$ 475,188,934	\$ 399,871,739	\$ 347,530,107	\$ 278,778,549	\$ 247,715,342

CONSOLIDATED
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the six months ended June 30, 2020

LENDING AND CORPORATE REVENUE

Investment interest and dividends	\$ 468,670
Income from notes receivable	12,006,300
Residual receipts and contingent asset income	8,077,721
Restricted grant revenue	4,790,122
Other income	24,639
Total lending and corporate revenue	<u>\$ 25,367,452</u>

HOUSING REVENUE AND SUPPORT

CVC, CADI and other real estate operations	
Rental property income	\$ 8,398,574
Other real estate income	871,386
Contributions and fundraising income	310,815
Total housing revenue and support	<u>9,580,776</u>
Total revenue	<u>\$ 34,948,228</u>

LENDING AND CORPORATE EXPENSES

Allocation for loan losses	573,949
Borrowing fees	34,100
Bond issuance fees	195,641
Interest expense	4,134,623
Salaries and employee benefits	2,663,526
Professional fees	188,796
Business development expenses	55,292
General and administrative expenses	444,878
Depreciation and amortization expense	45,492
Total lending and corporate expenses	<u>8,336,296</u>

HOUSING EXPENSES

CVC, CADI and other real estate operations	
Rental property expenses	2,967,930
Property depreciation and amortization	4,008,062
Interest expense	769,716
Other real estate expenses	54,426
Housing salaries and employee benefits	3,126,228
Total housing expenses	<u>10,926,362</u>
Total expenses	<u>19,262,658</u>

Change in net assets without donor restriction before other income and expenses	15,685,570
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OTHER INCOME AND (EXPENSES)

Realized and unrealized gains (losses) on financial investments	295,329
Unrealized loss on interest rate swap	(3,339,115)
Income tax expense	<u>(800)</u>
Net other income and (expenses)	<u>(3,044,586)</u>
Change in net assets without donor restriction from operations	12,640,984
Contributions from non-controlling interest	<u>12,923,787</u>
Change in net assets without donor restriction	12,923,787
Change in net assets with donor restriction	
Contributions	0
Release from net assets with donor restriction	<u>0</u>
Change in net assets with donor restriction	<u>0</u>
Change in net assets	25,564,771
Net assets at beginning of year	<u>315,955,668</u>
Net assets at end of year	<u>\$ 341,520,439</u>

PARENT-ONLY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the six months ended June 30, 2020

LENDING AND CORPORATE REVENUE

Investment interest and dividends	\$ 906,633
Income from notes receivable	12,794,630
Residual receipts and contingent asset income	326,006
Restricted grant revenue	4,790,122
Rental property income	55,500
Other income	24,639
Total lending and corporate revenue	<u>18,897,530</u>

LENDING AND CORPORATE EXPENSES

Allocation for loan losses	415,016
Borrowing fees	229,741
Interest expense	4,134,623
Salaries and employee benefits	2,663,526
Professional fees	188,796
Business development expenses	225,172
General and administrative expenses	446,378
Rental Property expenses	45,031
Depreciation and amortization expense	45,492
Total lending and corporate expenses	<u>\$ 8,393,775</u>

Change in net assets without donor restriction before other income and expenses	\$ 10,503,755
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OTHER INCOME AND (EXPENSES)

Realized and unrealized gains (losses) on financial investments	(158,069)
Unrealized loss on interest rate swap	(3,339,115)
Net other income and (expenses)	<u>(3,497,184)</u>

Change in net assets without donor restriction from operations	7,006,571
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Net assets at beginning of year	<u>221,280,080</u>
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Net assets at end of year	<u>\$ 228,286,650</u>
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CONSOLIDATED
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the years ended December 31,

	2019	2018	2017	2016	2015
<u>LENDING AND CORPORATE REVENUE</u>					
Investment interest and dividends	\$ 2,448,209	\$ 2,089,392	\$ 2,551,656	\$ 2,503,704	\$ 2,439,596
Income from notes receivable	24,994,516	19,292,395	12,817,741	12,160,307	12,652,259
Residual receipts and contingent asset income	698,224	2,149,523	8,927,215	2,541,980	3,734,604
Other income	72,258	99,585	285,217	105,065	127,870
Net assets released from restrictions	2,000,000	-	-	5,000,000	-
Total lending and corporate revenue	30,213,207	23,630,895	24,581,829	22,311,056	18,954,329
<u>HOUSING REVENUE AND SUPPORT</u>					
CVC, CADI and other real estate operations					
Rental property income	15,312,656	13,415,903	11,701,614	8,931,701	7,823,028
Real estate sold	-	-	-	1,512,500	-
Debt forgiveness income	327,237	405,429	405,429	405,429	405,428
Other real estate income	19,150	17,880	12,399	23,873	82,294
Contributions and fundraising income	607,483	620,255	631,507	1,182,149	234,631
Net assets released from restrictions			-	500,000	-
Total housing revenue and support	16,266,526	14,459,467	12,750,949	12,555,652	8,545,381
Total revenue	46,479,733	38,090,362	37,332,778	34,866,708	27,499,710
<u>LENDING AND CORPORATE EXPENSES</u>					
Allocation for loan losses	871,858	1,139,304	931,700	374,661	400,746
Borrowing fees	305,252	113,723	79,784	166,371	130,452
Interest expense	10,030,007	7,386,845	4,672,222	3,711,163	3,241,417
Salaries and employee benefits	4,905,091	2,051,644	3,077,186	4,680,953	4,198,415
Professional fees	323,032	390,529	225,655	262,287	325,043
Business development expenses	399,309	358,342	322,152	266,134	361,233
General and administrative expenses	911,835	868,706	729,436	927,985	837,764
Depreciation and amortization expense	76,036	58,375	66,116	54,414	54,906
Total lending and corporate expenses	17,822,420	12,367,468	10,104,251	10,443,968	9,549,976
<u>HOUSING EXPENSES</u>					
CVC, CADI and other real estate operations					
Rental property expenses	7,335,155	6,292,413	5,131,415	4,304,192	3,948,424
Property depreciation and amortization	7,623,233	6,467,677	4,882,268	3,764,200	3,280,308
Cost of real estate sold	-	-	-	1,231,270	-
Interest expense	2,408,048	1,410,931	1,174,955	627,492	1,043,668

Other real estate expenses	328,177	261,031	187,790	79,301	54,967
Housing salaries and employee benefits	5,708,979	3,964,536	3,036,749	3,063,028	2,665,644
Total housing expenses	23,403,592	18,396,588	14,413,177	13,069,483	10,993,011
Total expenses	41,226,012	30,764,056	24,517,428	23,513,451	20,542,987
Change in net assets without donor restriction before other income and expenses	5,253,721	7,326,306	2,815,350	11,353,257	6,956,723
OTHER INCOME AND (EXPENSES)					
Realized and unrealized gains (losses) on financial	9,604,527	(4,941,621)	6,338,644	3,484,558	(3,607,926)
Unrealized loss on interest rate swap	(2,861,603)	(415,943)	(86,249)	-	-
Income tax expense	(15,300)	(15,490)	(12,063)	(20,600)	(16,540)
Bad debt expense	(131,419)	(143,291)	(79,360)	(76,643)	(86,139)
Other Expenses	-	-	-	(92,861)	(2,878)
Net other income and	6,596,205	(5,516,345)	6,160,972	3,294,454	(3,713,483)
Change in net assets without donor restriction from operations	11,849,926	1,809,961	18,976,322	14,647,711	3,243,240
Contributions from non-controlling interest	17,122,573	29,375,640	5,276,263	19,564,344	10,521,842
Distributions to non-controlling interest	(12,423)	(12,221)	(771,783)	(25,678)	(41,604)
Syndication costs paid by non-controlling interest	(65,074)	(167,069)	-	-	(77,500)
Change in net assets without donor restriction	28,895,002	31,006,311	23,480,802	34,186,377	13,645,978
Change in net assets with donor restriction					
Contributions	8,200,000	7,186,500	-	2,000,000	500,000
Release from net assets with donor restriction	(2,000,000)	-	-	(5,500,000)	-
Change in net assets with donor	6,200,000	7,186,500	-	(3,500,000)	500,000
Change in net assets	35,095,002	38,192,811	23,480,802	30,686,377	14,145,978
Net assets at beginning of year	280,860,666	242,667,855	219,187,053	188,500,676	174,354,698
Net assets at end of year	\$ 315,955,668	\$ 280,860,666	\$ 242,667,855	\$ 219,187,053	\$ 188,500,676

PARENT-ONLY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the years ended December 31,

	2019	2018	2017	2016	2015
<u>LENDING AND CORPORATE REVENUE</u>					
Investment interest and dividends	\$ 2,173,521	\$ 1,978,729	\$ 2,539,807	\$ 2,495,596	\$ 2,434,328
Income from notes receivable	26,578,884	20,615,275	13,840,084	10,624,936	10,092,842
Residual receipts and contingent asset income	698,224	2,149,523	8,927,215	2,541,980	3,734,604
Other income	80,987	88,103	694,659	370,285	510,699
Net assets released from restrictions	2,000,000	-	-	5,000,000	-
Total lending and corporate revenue	31,531,616	24,831,630	26,001,765	21,032,797	16,772,473
<u>HOUSING REVENUE AND SUPPORT</u>					
Other real estate operations					
Rental property income	109,500	35,118	32,088	33,091	37,964
Real estate sold	-	-	-	1,512,500	-
Contributions and fundraising income	274,401	980,285	10,000	5,000	5,000
Total housing revenue and support	383,901	1,015,403	42,088	1,550,591	42,964
Total revenue	31,915,517	25,847,033	26,043,853	22,583,388	16,815,437
<u>LENDING EXPENSES</u>					
Allocation for loan losses	871,858	1,139,304	931,700	258,095	-
Borrowing fees	305,252	102,241	79,784	166,371	130,452
Interest expense	10,030,007	7,386,845	4,531,328	2,415,059	2,021,302
Total lending expenses	11,207,117	8,628,390	5,542,812	2,839,525	2,151,754
<u>HOUSING EXPENSES</u>					
Other real estate operations					
Rental property expenses	24,319	11,167	12,178	14,769	19,675
Property depreciation and amortization	86,956	8,364	8,727	10,470	10,545
Cost of real estate sold	-	-	-	1,231,270	-
Other real estate expenses	-	-	7,887	14,552	1,983
Total housing expenses	111,275	19,531	28,792	1,271,061	32,203

MANAGEMENT AND GENERAL EXPENSES

Salaries and employee benefits	5,829,131	5,678,849	5,666,761	5,120,171	5,098,415
Professional fees	323,032	389,029	214,155	241,537	320,043
Business development expenses	399,309	358,342	321,652	266,134	361,233
General and administrative expenses	908,908	857,315	725,471	924,969	834,722
Depreciation and amortization expense	76,036	58,375	66,116	54,414	54,906
Total management and general expenses	7,536,416	7,341,910	6,994,155	6,607,225	6,669,319
Total expenses	18,854,808	15,989,831	12,565,759	10,717,811	8,853,276

Change in net assets without donor restriction before other income and expenses	13,060,709	9,857,202	13,478,094	11,865,577	7,962,161
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OTHER INCOME AND (EXPENSES)

Realized and unrealized gains (losses) on financial investments	9,604,527	(4,941,621)	6,332,828	3,484,558	(3,607,926)
Unrealized loss on interest rate swap	(2,145,139)	(415,943)	(2,530)	-	(3,340)
Other expenses	-	(800)		(94,461)	
Net other income and (expenses)	7,459,388	(5,358,364)	6,330,298	3,390,097	(3,611,266)

Change in net assets from continuing operations	20,520,097	4,498,838	19,808,392	15,255,674	4,350,895
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Change in net assets with donor restriction					
Contributions	8,200,000	7,186,500	-	2,000,000	-
Release from net assets with donor restriction	(2,000,000)	-	-	(5,000,000)	-
Change in net assets with donor restrictions	6,200,000	7,186,500	-	(3,000,000)	-
Change in net assets	26,720,097	11,685,338	19,808,392	12,255,674	4,350,895
Net assets at beginning of year	194,559,983	182,869,645	163,061,253	150,805,579	146,454,684
Net assets at end of year	221,280,080	194,554,983	182,869,645	163,061,253	150,805,579

SUPPLEMENTAL FINANCIAL INFORMATION
As of June 30, 2020

	<u>Consolidated</u>	<u>Parent-Only</u>
Unsecured Loans Receivable	\$ 3,402,000	\$ 5,231,597
Unsecured Loans Receivable as a Percentage of Total Loans	1.0%	1.4%
Loans Delinquent 90 Days or More	4,303,542	4,180,642
Loans Delinquent 90 Days or More as a Percentage of Total Loans	1.3%	1.1%
Notes Payable ⁽¹⁾	-	-
Notes Redeemed ⁽¹⁾	-	-
Long-Term Debt	309,390,204	204,005,637
Net Assets without Donor Restrictions	321,343,817	212,900,150
Net Assets without Donor Restrictions as a Percentage of Net Assets	94.1%	93.3%
Net Assets	\$ 341,520,439	\$ 228,286,650
Total Loans Receivable	\$ 339,295,555	\$ 366,934,120

(1) This is a new offering of the Notes. Accordingly, there are no existing Notes payable, and there have been no prior Note redemptions.

SUPPLEMENTAL FINANCIAL INFORMATION
As of December 31,

	2019		2018		2017	
	Consolidated	Parent-Only	Consolidated	Parent-Only	Consolidated	Parent-Only
Unsecured Loans Receivable	\$ 3,498,320	\$ 6,053,658	\$ 5,311,826	\$ 6,266,666	\$ 4,220,316	\$ 7,720,316
Unsecured Loans Receivable as a Percentage of Total Loans	1.2%	1.8%	2.1%	2.2%	2.2%	3.2%
Loans Delinquent 90 Days or More	\$ 14,825,563	\$ 14,825,563	\$ 384,920	\$ 384,920	\$ 6,044,416	\$ 6,044,416
Loans Delinquent 90 Days or More as a Percentage of Total Loans	4.9%	4.4%	0.2%	0.1%	3.1%	2.5%
Notes Payable ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes Redeemed ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Long-Term Debt	\$ 259,967,035	\$ 172,980,175	\$ 280,308,495	\$ 183,698,377	\$ 230,206,275	\$ 148,907,143
Net Assets without Donor Restrictions	\$ 300,569,168	\$ 205,893,580	\$ 271,674,166	\$ 185,373,483	\$ 240,667,855	\$ 180,869,645
Net Assets without Donor Restrictions as a Percentage of Net Assets	95.1%	93.0%	96.7%	95.3%	99.2%	98.9%
Net Assets	<u>315,955,668</u>	<u>221,280,080</u>	<u>280,860,666</u>	<u>194,559,983</u>	<u>242,667,855</u>	<u>182,869,645</u>
Total Loans Receivable	\$ 299,513,325	\$ 337,375,934	\$ 252,330,062	\$ 281,012,713	\$ 194,598,394	\$ 239,549,287

(1) This is a new offering of the Notes. Accordingly, there are no existing Notes payable, and there have been no prior Note redemptions.

SUPPLEMENTAL FINANCIAL INFORMATION
As of December 31,

	2016		2015	
	Consolidated	Parent-Only	Consolidated	Parent-Only
Unsecured Loans Receivable	\$ 4,194,658	\$ 4,194,658	\$ 2,350,611	\$ 2,350,611
Unsecured Loans Receivable as a Percentage of Total Loans	2.8%	2.3%	1.3 %	1.6%
Loans Delinquent 90 Days or More	\$ 384,920	\$ 384,920	\$ 384,920	\$ 384,920
Loans Delinquent 90 Days or More as a Percentage of Total Loans	0.3%	0.2%	0.2 %	0.3%
Notes Payable ⁽¹⁾	\$ -	\$ -	\$ -	\$ -
Notes Redeemed ⁽¹⁾	\$ -	\$ -	\$ -	\$ -
Long-Term Debt	\$ 166,002,369	\$ 113,138,212	\$ 139,445,873	\$ 110,832,715
Net Assets without Donor Restrictions	\$ 217,187,053	\$ 161,061,253	\$ 183,000,676	\$ 145,805,579
Net Assets without Donor Restrictions as a Percentage of Net Assets	99.1%	98.8%	97.1 %	96.7%
Net Assets	<u>219,187,053</u>	<u>163,061,253</u>	<u>188,500,676</u>	<u>150,805,579</u>
Total Loans Receivable	\$ 151,808,145	\$ 180,633,419	\$ 175,181,086	\$ 147,948,462

(1) This is a new offering of the Notes. Accordingly, there are no existing Notes payable, and there have been no prior Note redemptions.

FINANCING AND OPERATIONAL ACTIVITIES

When Century was incorporated as a nonprofit public benefit corporation in 1995, it was capitalized by its predecessor in interest CFHP with approximately \$140 million of assets, primarily in cash, an additional portfolio of approximately \$90 million of residual receipt and “silent second” loans, originated by CFHP and held off-balance sheet by Century, and a portfolio of Right to Purchase Agreements for the homes offered to homeowners displaced during the construction of the Century Freeway. Century invested a large portion of its cash in a portfolio of marketable securities, which have always been a central component of Century’s capital structure and business model, providing deep capital reserves as well as an additional source of income.

Century had no corporate debt until 2005, when Century gradually began taking on debt to increase its mission-driven lending operations. Initially, Century’s debt was primarily in the form of short-term floating rate credit facilities negotiated with federal Community Reinvestment Act (“CRA”) motivated commercial banks, matching the rate structure of the short-term loans in which Century has specialized. In 2019, Century began accessing the public capital markets for fixed rate debt. As of June 30, 2020, Century’s loan assets are primarily floating rate. In the future, however, Century may attempt to shift the mix of its loan assets to additional fixed rate loans to align with the structure of existing and future fixed rate debt liabilities.

Capitalization

Century is largely self-sufficient with respect to funding its operations and, while it has accepted some grants from the CDFI Fund, it does not rely on grant funding or contributions for any of its operating costs. Under the terms of these grants, Century has deployed all CDFI Fund grant amounts as additional loan amounts to developers of affordable housing projects.

As of and for the six-month period ended June 30, 2020, Century had assets of \$771 million, net assets of \$341 million, and revenue of \$34.9 million on a consolidated basis, and assets of \$507.1 million, net assets of \$228.3 million, and revenue of \$18.4 million on a parent-only basis. As of and for the year ended December 31, 2019, Century had assets of \$718.9 million, net assets of \$315.9 million, and total revenue, gains and contributions of \$64.3 million on a consolidated basis, and assets of \$475 million, net assets of \$221 million, and total revenue, gains and contributions of \$49.7 million on a parent-only basis. The assets and revenues of Century’s consolidated affiliates should not be considered available for repayment of the Notes.

Additional information on Century’s consolidated capitalization is shown below:

Net Assets	As of June 30, 2020	As of December 31, 2019
Controlling interest without donor restrictions ⁽¹⁾	\$ 233,797,756	\$ 224,011,153
Noncontrolling interest without donor restrictions ⁽¹⁾	87,546,061	76,558,015
With Temporary Donor Restrictions ⁽²⁾	20,176,622	15,386,500
Total Net Assets	341,520,439	315,955,668
Total Debt	\$ 411,687,203	\$ 379,165,381
Total Capitalization	\$ 753,207,642	\$ 695,121,049

⁽¹⁾ Net assets without donor restrictions have no external restrictions regarding their use or function.

⁽²⁾ Net assets with donor restrictions have temporary donor-imposed restrictions, such as fulfilling a specified purpose. For additional information on temporary donor-imposed restrictions, please see Notes 1 and 2 to the historical audited financial statements as of and for the year ended December 31, 2019, attached to this prospectus as Appendix I.

Consolidated Net Assets

Consolidated net assets without donor restrictions totaled \$321,343,817 million as of June 30, 2020 and \$300.6 million as of December 31, 2019. Consolidated net assets with temporary donor restrictions totaled \$20.2 million as of June 30, 2020 and \$15.4 million as of December 31, 2019, with a restricted term of three to five years for each. These temporarily restricted net assets are the proceeds of two Financial Assistance Grants from the CDFI Fund and are available to fund Century's qualifying loans during the three to five year restriction period, after which time the funds are no longer restricted. As of June 30, 2020, Century had no net assets with permanent donor restrictions.

Additional information on Century's consolidated net assets as of June 30, 2020 is shown below:

Purpose	Portion of Net Assets	Restriction(s) and Possible Uses
Without Donor Restrictions	94.1%	Unrestricted
With Temporary Donor Restrictions	5.9%	Restricted as to making loans to finance affordable housing developments meeting certain requirements.
Total	100%	

Additional information on Century's consolidated net assets as of December 31, 2019 is shown below:

Purpose	Portion of Net Assets	Restriction(s) and Possible Uses
Without Donor Restrictions	95.13%	Unrestricted
With Temporary Donor Restrictions	4.87%	Restricted as to making loans to finance affordable housing developments meeting certain requirements.
Total	100%	

Consolidated Sources of Debt

Historically, Century's borrowings have been made on terms to match Century's loan assets. At June 30, 2020 and December 31, 2019, approximately 52% and 58% of Century's loan assets had terms of less than two years, and approximately 4% and 2% had terms less than one year, respectively. Approximately 83% and 88% of Century's loan assets were priced at a spread to 1-month LIBOR at June 30, 2020 and December 31, 2019, respectively, with the remainder at fixed rates. As of June 30, 2020 and December 31, 2019, Century's net debt liabilities payable totaled \$269.1 million and \$247.7 million with a weighted average interest rate of 2.82% and 3.58% and a term of two years and two years, respectively (excluding indebtedness owed to the Federal Home Loan Bank of San Francisco).

As of June 30, 2020	Maturities	Interest rates	Amount	% of Total
Century				
Impact Investment Bonds, Series 2019 ⁽¹⁾	11/1/2020-11/1/2023	3.82%-4.15%	\$ 100,000,000	24.3%
Series 2020 Sustainability Bonds	11/1/2022-11/1/2035	1.48%-2.87%	85,000,000	20.6%
US Bank (Syndicated Bank Line) ⁽²⁾	7/30/2021-1/10/2020-	1 month LIBOR plus 180 BP	39,743,442	9.7%
Federal Home Loan Bank San Francisco	10/10/2036	2.02%-3.81%	28,549,500	6.9%

L.A. County Housing Innovation Fund (LACHIF)	9/9/2027	2%	3,262,195	0.8%
California Organized Investment Network (COIN)	9/23/2020	0%	7,000,000	1.7%
US Bank – Perm Loan	9/20/2020	4.48%	4,500,000	1.1%
Wells Fargo EQ2	6/20/2024	2%	1,000,000	0.2%
Subtotal			\$ 269,055,137	65.4%

CVC

Federal Home Loan Bank of SF	11/1/2023	0%	972,000	0.2%
Department of Housing and Community Development	3/1/2022	0%	\$333,334	0.1%
US Bank (SBA PPP loan)	5/4/2022	1%	\$1,138,500	0.3%
Long Beach Housing Development Company	1/1/2062	0%	11,753,554	2.9%
California Community Reinvestment Corporation	3/1/2031	5.95%	\$2,348,514	0.6%
California Housing Finance Agency	11/1/2068	3.00%	1,600,000	0.4%
Wells Fargo (AHP loan) ⁽³⁾	6/1/2070	0.00%	800,000	0.2%
California Community Reinvestment Corporation	6/1/2033	5.25%	\$2,276,010	0.6%
California Housing Finance Agency	11/1/2070	3.00%	1,710,000	0.4%
City of Long Beach	10/1/2072	1.00%	4,000,000	1.0%
Wells Fargo (AHP loan) ⁽³⁾	12/31/2072	0.00%	1,500,000	0.4%
Department of Housing and Community Development	6/1/2073	3.00%	2,191,616	0.5%
Subtotal			30,623,529	7.4%

CADI

City of Long Beach	2/1/2075	3.00%	\$1,500,000	0.4%
The Bank of New York Mellon	11/1/2040	6.25%	2,050,000	0.5%
PNC Bank	4/1/2049	3.94%	2,132,199	0.5%
Goodwill Housing of the Inland Counties, Inc.	4/1/2049	4.05%	200,000	0.0%
California Community Reinvestment Corporation	4/1/2055	5.34%	1,532,790	0.4%
Department of Housing and Community Development	3/20/2075	3.00%	5,198,428	1.3%
Wells Fargo (AHP loan) ⁽³⁾	6/1/2074	0%	760,000	0.2%
		LIBOR Plus		
Wells Fargo	5/15/2020	165BP	37,266,748	9.1%
City of Long Beach	5/15/2075	3%	10,000,000	2.4%
City of Long Beach	5/15/2075	0%	2,276,000	0.6%
Wells Fargo (AHP loan) ⁽³⁾	12/1/2072	0%	1,500,000	0.4%
Union Bank	2/1/2036	4.32%	7,994,724	1.9%
City of Long Beach	9/1/2071	3%	2,100,000	0.5%
Wells Fargo (AHP loan) ⁽³⁾	11/1/2073	0%	440,000	0.1%
		LIBOR Plus		
Wells Fargo	6/1/2038	145BP	13,689,333	3.3%

City of Los Angeles Housing Community Investment	6/1/2072	2.75%	3,046,838	0.7%
City of Los Angeles Housing Community Investment	6/1/2072	3%	900,000	0.2%
Wells Fargo (AHP loan)	6/1/2074	0%	590,000	0.1%
Wells Fargo Bank	2/1/2033	4.19%	\$11,026,404	2.7%
Wells Fargo	10/15/2021	LIBOR + 140BP	\$6,724,324	1.6%
City of Long Beach	3/31/2075	3.00%	\$1,100,000	0.3%
Subtotal			112,027,787	27%
Total			411,706,452	

As of December 31, 2019	Maturities	Interest rates	Amount	% of Total
Century				
Impact Investment Bonds, Series 2019 ⁽¹⁾	11/1/2020-11/1/2023	3.82%-4.15% 1 month LIBOR	\$ 100,000,000	26.2%
US Bank (Syndicated Bank Line) ⁽²⁾	7/30/2021	plus 180 BP	91,243,442	23.9%
Federal Home Loan Bank San Francisco	1/10/2020-10/10/2036	2.02%-3.81%	38,249,500	10.0%
L.A. County Housing Innovation Fund (LACHIF)	9/9/2027	2%	5,736,733	1.5%
California Organized Investment Network (COIN)	9/23/2020	0%	7,000,000	1.8%
US Bank – Perm Loan	9/20/2020	4.48%	4,500,000	1.2%
Wells Fargo EQ2	6/20/2024	2%	1,000,000	0.3%
Subtotal			\$ 247,729,675	64.9%
CVC				
Federal Home Loan Bank of SF	11/1/2023	0%	972,000	0.3%
Department of Housing and Community Development	3/1/2022	0%	433,334	0.1%
Long Beach Housing Development Company	1/1/2062	0%	11,753,554	3.1%
California Community Reinvestment Corporation	3/1/2031	5.95%	2,425,434	0.6%
California Housing Finance Agency	11/1/2068	3%	1,600,000	0.4%
Wells Fargo (AHP loan) ⁽³⁾	6/1/2070	0%	800,000	0.2%
California Community Reinvestment Corporation	6/1/2033	5.25%	2,336,306	0.6%
California Housing Finance Agency	11/1/2070	3%	1,710,000	0.4%
City of Long Beach	10/1/2072	1%	4,000,000	1.0%
Wells Fargo (AHP loan) ⁽³⁾	12/1/2072	0%	1,500,000	0.4%
Department of Housing and Community Development	6/1/2073	3%	2,191,616	0.6%
Subtotal			\$ 29,722,244	7.8%
CADI				
The Bank of New York Mellon	11/1/2040	6.25%	2,075,000	0.5%
PNC Bank	4/1/2049	3.94%	2,151,893	0.6%

Goodwill Housing of the Inland Counties, Inc.	4/1/2049	4.05%	200,000	0.1%
		LIBOR plus		
Wells Fargo	2/15/2020	175BP	15,678,932	4.1%
Wells Fargo (AHP loan) ⁽³⁾	6/1/2074	0%	760,000	0.2%
		LIBOR plus		
Wells Fargo	5/15/2020	165BP	31,024,565	8.1%
City of Long Beach	5/15/2075	3%	10,000,000	2.6%
City of Long Beach	5/15/2075	0%	2,276,000	0.6%
Wells Fargo (AHP loan) ⁽³⁾	6/1/2074	0%	1,500,000	0.4%
Union Bank	2/1/2036	4.32%	8,046,863	2.1%
City of Long Beach	9/1/2071	3%	2,100,000	0.6%
Wells Fargo (AHP loan) ⁽³⁾	11/1/2073	0%	440,000	0.1%
		LIBOR plus		
Wells Fargo	6/1/2038	145BP	12,672,816	3.3%
City of Los Angeles Housing Community Investment	6/1/2072	2.75%	3,046,838	0.8%
City of Los Angeles Housing Community Investment	6/1/2072	3%	900,000	0.2%
Wells Fargo Bank	2/1/2033	4.19%	11,095,206	2.9%
Subtotal			\$ 103,968,113	27%
Total			\$ 381,420,032	100%

(1) The Series 2019 bonds have maturities of \$50 million due November 2020, \$40 million due November 2021, and \$10 million due November 2023.

(2) Century may, at its option, extend the term of the U.S. Bank term loan by two years.

(3) Refers to a Federal Home Loan Bank Affordable Housing Program Loan administered through Wells Fargo.

For more information on the sources and composition of Century's debt, see Note 11 to the audited financial statements attached as Appendix I to this prospectus.

2019 Bond Offering

During 2019, Century issued Impact Investment Bonds, Taxable Series 2019 in the principal amount of \$100 million pursuant to the terms of an Indenture of Trust, dated as of January 1, 2019, with The Bank of New York Mellon Trust Company, N.A. as trustee. The bonds are an unsecured general obligation of Century and have equal repayment priority with the Notes. As of June 30, 2020 and December 31, 2019, accrued interest on the bonds was \$1,962,399 and \$654,133. Total interest incurred on the bonds during 2019 was \$3.5 million.

2020 Bond Offering

During 2020, the California Municipal Finance Authority issued California Municipal Finance Authority Taxable Bonds, Series 2020 on behalf of Century in the principal amount of \$85 million. The bonds are an unsecured general obligation of Century and have equal repayment priority with the Notes. As of June 30, 2020, accrued interest on the bonds was \$4,397.

Remaining Term on Consolidated Debt

Year of Debt Maturity	As of June 30, 2020		As of December 31, 2019	
	Total Debt Maturing	% of Total Debt	Total Debt Maturing	% of Total Debt
2020	\$ 102,316,248	25%	\$ 121,452,997	32%
2021	47,057,658	11%	40,433,334	11%
2022	31,138,500	8%	-	0%
2023	85,715,442	21%	102,215,442	27%
2024	1,000,000	0%	1,000,000	0%
Thereafter	144,478,605	35%	114,063,608	30%
	\$ 411,706,452	100%	\$ 379,165,381	100%

Largest Debt Investors as of December 31, 2019

Five Largest Investors	Amount Outstanding	% of Total Debt	Maturity	Secured or Unsecured	Entity Responsibly
Impact Investment Bonds, Series 2019	\$ 100,000,000	26.4%	11/1/2020-11/1/2023	Unsecured	Century
US Bank (Syndicated Bank Line)	91,243,442	24.1%	7/30/2021	Unsecured	Century
Wells Fargo	59,376,313	15.7%	2/15/2020-6/1/2038	Secured	CADI
Federal Home Loan Bank San Francisco	38,249,500	10.1%	1/10/2020-10/10/2036	Secured	Century
City of Long Beach	12,276,000	3.2%	5/15/2075	Secured	CADI
	\$ 301,145,255	79.5%			

Schedule of Liabilities

Below is a schedule of Century's secured liabilities, total liabilities of Century's consolidated affiliates, and Century's unsecured liabilities.

Type of Liability	As of June 30, 2020	As of December 31, 2019
Secured Liabilities of Century	\$ 28,549,500	\$ 38,249,500
Total Liabilities of Consolidated Affiliates	\$ 411,706,452	\$ 379,165,381
Unsecured Liabilities of Century	\$ 240,505,637	\$ 209,480,175

LENDING ACTIVITIES

Century makes loans only to developers and preservers of affordable housing, including both nonprofit and for-profit organizations. Century earns a margin on lending activity based on the spread between the interest rate charged to borrowers and the interest rate paid to capital providers.

Affordable housing lending was an activity under CFHP, and Century inherited several CFHP loan portfolios upon its incorporation in 1995. Several “Legacy” loans were also originated during the first few years after Century’s inception. As of December 31, 2019, three Legacy loans remained on balance sheet totaling \$972,000. Today, the focus of Century’s lending program is on lending to un-affiliated developers and preservers of affordable housing, *i.e.*, “developer” loans.

As of June 30, 2020 and December 31, 2019, respectively, Century’s loans outstanding totaled \$327.8 million and \$289.1 million, net of participations. Terms included both variable and fixed interest rates, with annual interest rates ranging from 0% to 10%, and a weighted average interest rate for the portfolio of 6.21% for the six-month period ended June 30, 2020 and 6.32% for the year ended December 31, 2019. At December 31, 2019, Century’s developer loans outstanding had various maturities through 2033, including permanent loans, but the weighted average maturity of loans receivable was only 2.8 years due to Century’s specialization in short-term early stage loans. Century has grown its affordable housing loan origination volume by approximately 13.5% since 2015.

Loan Products

Century provides financial products for community revitalization, primarily affordable rental housing development lending to both for-profit and nonprofit organizations throughout the State of California. An important characteristic of Century’s lending is its flexibility in matching loan products to the requirements of the borrower and the transaction. Century offers the following loan products in furtherance of its mission:

- Predevelopment loans
- Acquisition loans
- Construction loans
- Bridge loans
- Permanent loans
- Lines of credit

Lending and Impact Criteria

Century provides financial products to for-profit and nonprofit developers of affordable and subsidized rental homes and single-purpose entities sponsored by such organizations located in the State of California. Century is focused on affordable multifamily rental housing because Century believes it is the most needed type of housing in its geography and it enjoys a favorable risk profile. Century seeks to magnify its social impact while mitigating the risk of its loans by financing some of California’s largest and most successful affordable housing developers. Century’s success is largely based on the relationships it has developed with affordable housing developers in California, on the deep knowledge and considerable experience of its loan officers in the affordable housing development process, and on the level of service Century can provide to its developer clients with its in house legal, loan administration, loan servicing, and IT support functions.

Century has many long-term relationships among these expert practitioners, in some cases spanning decades. As of June 30, 2020, approximately 75% of Century’s loans, representing approximately 80% of its loan portfolio, were made to repeat borrowers and as of December 31, 2019, approximately 75% of Century’s loans, representing approximately 79% of its loan portfolio, were made to repeat borrowers.

Century considers its loans to affordable housing developers to be low-risk due to the developers' retention of financed property, which eliminates sales risk, and low vacancy rates due to the affordability of homes financed and the chronic shortage of housing in California.

Century's loan underwriting and management policies reflect the needs of communities, Century's charitable mission and purpose, and Century's responsibilities to lenders and investors. Century has broad experience with loans made to support affordable housing development, including projects under the LIHTC program, which ensures capital is directed to places that might be overlooked by for-profit market participants. Once constructed and occupied, the majority of properties to which Century provides early stage loans will be ultimately financed with LIHTC. These LIHTC awards anchor the various layers of financing for a project, some on subsidized terms including contingent debt service and eventual forgiveness of obligations, and some on collateralized market terms that constitute the longer term or "permanent" financing for the project, which are the source of repayment for Century's early stage loans. Consequently, a principal risk that Century has historically underwritten is the probability that its client developers will achieve a LIHTC award. Century's in-house experience and expertise in the LIHTC award process and its book of experienced clients mitigate this risk.

Century's mission-driven focus in loan transactions differentiates its approach from that of commercial banks. For four years beginning in 2014, with its single state footprint, Century has appeared on the list of Affordable Housing Finance magazine's Top 25 affordable housing lenders, competing in total affordable housing origination value against the nation's largest banks as well as CDFIs with national footprints.

Lending Process

To qualify for a loan from Century, an applicant's project or overall mission must be consistent with the charitable principles and purpose of Century. The borrower must also demonstrate an ability and willingness to meet the terms of the loan. In all cases, the applicant's project must demonstrate potential for providing affordable housing for low-wealth communities. All loans are approved in accordance with Century's loan underwriting policy. Lending authority is based on a determination of the maximum allowable loan amount for any single loan to a borrower. Century's Board of Directors has delegated authority to approve single loans of up to \$2 million to the President and CEO and up to \$20 million to its Loan Committee; all other loans must be approved by the full Board of Directors.

Century's management reviews and approves its lending policies and procedures on a regular basis, and also provides ongoing assessment and guidance to lending staff regarding acceptable risk tolerances. A reporting system supplements the review process by providing management with periodic reports related to loan origination, asset quality, concentrations of credit, loan delinquencies, and non-performing and emerging problem loans. Century seeks to diversify its borrower and geographic concentration as a means of managing risk from fluctuations in individual borrower and economic conditions.

Affiliate Lending

At December 31, 2019, Century had \$37.9 million of loans extended to its affiliates.

In addition to its own lending activities, Century also establishes affiliated, controlled companies from time to time through which it performs its lending activities. One example is LACHIF, a limited liability company owned and managed by Century and its mission-aligned nonprofit partners to operate an acquisition loan fund supported by the Los Angeles County Community Development Commission. Another example is the Golden State Acquisition Fund LLC, established to provide State funds to CDFIs in first-loss position for impactful high LTV acquisition loans.

Century created several non-recourse and limited recourse special purpose entities to house lending activities outside of Century, including Century Community Development Inc. (“CCDI”), Century Community Lending Company (“CCLC”), Century California Fund (“CCF”), Century Metropolitan Fund (“CMF”) and Century Long Term Value Fund (“CLTV”). These special purpose entities were inactive as of June 30, 2020, but Century may conduct activities in the future through one or more of these entities.

Credit Approval Procedures

As required by the terms of Century’s syndicated revolving credit facility, Century limits the maximum loan amount for a single borrower and the aggregate loan amounts to one or more borrowers affiliated by common ownership to 22.5% of Century’s total net assets as of the date the loan is closed. Century’s loans are typically secured by a first deed of trust on the real estate financed by the loan, although it may on a limited basis provide unsecured commercial non-real estate financing. Depending on the structure of a particular development, Century may also occasionally secure a loan through a junior lien on real estate to accommodate other development financing. It is Century’s practice to obtain guarantees from development sponsors as security in addition to liens on real estate.

Century engages in a comprehensive credit analysis process for each prospective loan. As part of this process, Century examines several elements to determine the likelihood of repayment including borrower capacity, available capital, collateral, character, and repayment risk.

Additionally, Century requires appraisals from each borrower and uses loan-to value ratio (LTV) in order to determine the acceptable size of each loan. Permitted LTV can vary depending on the use of the loan funds, consideration of other financing (especially from public agencies) in the development, and the financial and development capacity of the developer. Century permits a maximum LTV of 100%, with most acquisition loans made at 80% LTV or less.

Loan Portfolio – Description of Loan Products

Century offers fixed and variable interest rates to its borrowers, depending on the source of loan funding, overall risk of repayment, and other conditions evaluated by Century’s lending team. Century prices variable rate loans at a margin over an appropriate index (*e.g.*, LIBOR), which is determined primarily by credit risk and collateral position. Century collects interest payments monthly and charges loan origination fees of between 1.0% and 1.5%, depending on the costs associated with a particular loan. Loan maturities vary depending on the type and purpose of the loan, but generally range from six months to 18 years. Because of the nature of some early stage lending activities undertaken by Century, which often fund projects until entitlements and other competitive sources of financing are secured, including those anchored by LIHTC awards which only occur twice a year, it is not uncommon for loans to require extensions and other modifications. Century’s Board of Directors has delegated to its President and CEO the authority to increase the amount of a loan by up to 10% of the original loan amount and to extend the maturity of a loan by an amount equal to its original term.

Acquisition and Bridge Loans

The primary loan product that Century provides is short-term acquisition and bridge financing for affordable housing properties. Typically, acquisition and bridge financing is used for land that will be developed into affordable housing or for operating multifamily properties that are in transition to another stage of financing. The term of these loans typically ranges from three months to 24 months, depending on the development. In almost every circumstance, an interest reserve is funded from the loan proceeds that is adequate to cover payments for the entire term of the loan, taking into account potential increases in the interest rate. In certain instances, Century also extends predevelopment loans to projects that also have

acquisition, and/or bridge financing from Century. Acquisition and bridge loans are secured by first trust deeds, are recourse, and receive full repayment guarantees from the developer. Acquisition and bridge loans are typically repaid by construction financing or public agency loans and the timely repayment of Century under this loan product depends upon the ability of the borrowers to obtain such long-term financing and the progress of the applicable projects.

Construction Loans

Century provides construction financing for workforce housing projects. Workforce housing is defined as any multifamily property that will have rents that are affordable for households earning between 80% and 120% of the area median income. All construction loans provided by Century to date have been in infill locations throughout the Los Angeles Metropolitan area, with most projects located within the City of Los Angeles. In order to remain consistent with its tax exemption, Century finances only properties with projected rents that are affordable to tenants earning not greater than 120% of area median income, based on the assumption that tenants do not spend more than 30% of gross income on rent. Construction loans are secured by first trust deeds, are recourse, and receive full repayment guarantees from the developer. Construction loans are typically repaid by mortgage loans and/or other permanent financing and the timely repayment of Century under this loan product depends upon the ability of the borrowers to obtain such long-term financing and the progress of the applicable projects.

Permanent Loans

In 2017, Century began offering long-term permanent financing to unaffiliated borrowers. Permanent financing is a fixed rate loan product with a term between five years and 17 years. Century can offer up to 35 years of amortization and can also offer forward rate locks up to 36 months in advance of loan closings, which it can hedge with interest rate swaps or options. Permanent financing is provided for completed properties that are leased and stabilized. Permanent financing is primarily used for tax credit properties that have reached the end of their 15-year tax credit compliance period and are not going to be re-syndicated within the next five years, or recently completed LIHTC financed developments that have stabilized occupancy. Permanent loans are secured by first trust deeds but are limited recourse to the borrowing entity.

Predevelopment Loans

Century provides short-term predevelopment financing for affordable housing projects. Predevelopment loans are reserved for clients with a strong track record, reputation, and positive prior experience with Century. These funds are typically deployed at the final stage of the predevelopment period, when the project has achieved substantial milestones. Predevelopment loans are usually unsecured or are in a second trust deed position. All predevelopment loans are recourse and receive full repayment guarantees from the developer.

Lines of Credit

Century has extended lines of credit to repeat clients who have requested a renewable source of predevelopment and construction financing for projects in their pipeline. Lines of credit may be secured or unsecured, are provided with a specific term, and are utilized only for real estate related expenses for projects in predevelopment or development. Lines of credit are reserved for strong repeat clients and Century does not regularly market this product.

Participations

In addition to lending directly to developers, Century also sells participations in its loans to other lending institutions and purchases participations in loans originated by other lenders from time to time. When purchasing a loan participation, Century fully underwrites the loan and obtains approval from the appropriate approval authority (*i.e.*, Century's President and CEO, Loan Committee, or full Board of Directors), depending on the amount of the participation. When Century is the lead lender on a participated loan, Century charges a servicing fee to the other participants, netted from the participants' interest payments.

Loan Portfolio – Breakdown

Century has grown its annual lending volume from \$27.5 million at December 31, 2002 to \$218.2 million at December 31, 2019 and grew the size of its loan portfolio from \$50.1 million to \$289.1 million over the same periods. The average annual affordability of the multi-family units Century finances, in terms of percentage of AMI required to afford the units, has ranged from 59% to 64% with an average of 62% over the five years ended December 31, 2019. Century's lending includes the financing of veterans housing, senior housing, farm worker housing, and workforce housing.

Below is a breakdown of loans outstanding on a consolidated basis by loan amount and number of loans as of June 30, 2020 and December 31, 2019:

	June 30, 2020		December 31, 2019	
	Aggregate Loan Amount	Number of Loans	Aggregate Loan Amounts	Number of Loans
	(Dollars in thousands)			
\$20,000,000 - \$50,000,000	\$ -	-	\$ -	-
\$5,000,000 - \$20,000,000	170,685	24	122,366	15
\$1,000,000 - \$5,000,000	150,370	59	160,443	61
Less than \$1,000,000	18,241	38	16,704	34
Total	\$ 339,296	121	\$ 299,513	110

Below is a breakdown by loan product on a consolidated basis as of June 30, 2020 and December 31, 2019, 2018, and 2017:

	June 30, 2020		December 31,	
		2019	2018	2017
	(Dollars in thousands)			
Acquisition – Rental	\$ 200,478	\$ 178,638	\$ 142,553	\$ 112,333
Bridge	54,255	47,216	42,012	35,871
Construction – Rental	42,357	43,033	39,794	29,784
Line of Credit	11,306	9,061	9,841	10,016
Permanent	17,684	12,241	11,950	4,929
Predevelopment	8,886	5,873	5,556	1,274
Other	4,330	3,452	624	390
	339,296	299,513	252,330	194,598
Allowance for Loan Losses	(4,810)	(4,616)	(3,744)	(2,765)
Participations ⁽¹⁾	(11,537)	(10,377)	(6,347)	(6,181)
Total	\$ 322,949	\$ 284,520	\$ 242,239	\$ 185,653

- (1) Participations are from the Golden State Acquisition Fund (GSAF). The California Department of Housing and Community Development (HCD) seeded GSAF with \$23 million from its Affordable Housing Innovation Fund, which serve as 25% top-loss for GSAF loans. Century is one of eight community development financial institutions that have been approved to leverage these funds with additional capital to then fund qualifying loans.

As of June 30, 2020 and December 31, 2019, Century's loan portfolio was approximately 99% and 98.8% secured by collateral, respectively. Unsecured loans comprised only approximately 1.0% and 1.2% of Century's total loan portfolio at June 30, 2020 and December 31, 2019, respectively. Approximately 96.7% of loans in Century's portfolio at June 30, 2020 hold the first position (or shared first position) on loan collateral.

Century almost exclusively finances multifamily rental properties. Real property is the most common form of collateral, with over 99% and 98.8% of Century's loans by dollar value collateralized by a mortgage in fee-simple real estate or leasehold estate as of June 30, 2020 and December 31, 2019, respectively.

	As of June 30, 2020		As of December 31, 2019	
	Total	% of Total	Total	% of Total
Secured by Real Property (1 st position)	\$ 328,189,764	96.7%	\$ 291,284,163	97.2%
Secured by Real Property (Subordinated)	7,698,811	2.3%	4,725,863	1.6%
Unsecured	3,402,000	1.0%	3,498,320	1.2%
Total	\$ 339,290,575	100%	\$ 299,508,346	100%

Below is a summary of the approximate annual maturities of loans receivable in Century's consolidated loan portfolio as of June 30, 2020 (Dollars in thousands):

Maturity Schedule	2020	2021	2022	2023	2024	Thereafter
Loans Receivable	\$136,567	\$136,122	\$39,837	\$3,935	\$944	\$21,891

Below is a summary of the approximate annual maturities of loans receivable in Century's consolidated loan portfolio as of December 31, 2019 (Dollars in thousands):

Maturity Schedule	2020	2021	2022	2023	2024	Thereafter
Loans Receivable	\$193,296	\$77,911	\$16,377	\$0	\$563	\$11,366

Portfolio Risk Management

Century tracks the term and rate basis of its assets and liabilities on an ongoing basis, and analyzes interest rate and term risk by considering rate change and rollover risk scenarios for its debt. Custom asset-liability management models, developed in house, are used to quantify risk and loss potential.

At each monthly meeting of the Loan Committee, a loan portfolio report is reviewed. An asset management report is also presented to review the status of all higher risk loans, including loans that are matured, impaired, on non-accrual, under forbearance agreements, troubled debt restructurings (TDRs), and over 90 days delinquent, if any. In addition, at a bi-weekly meeting, Century management reviews projections of loan closings and maturities to monitor performance and for cash planning purposes. Century monitors loan status and pending maturities closely. Century's constant contact with borrowers allows early intervention on delinquent loans, which helps it identify problem loans before they become severely delinquent.

Swaps

While Century relies primarily on structuring the term and rate bases of its assets and liabilities to manage its asset-liability risks, it has access to interest rate management products through developed relationships with interest rate swap and options providers. The use of these instruments is controlled by an interest rate risk management policy, approved by the Board of Directors. Century only uses interest rate swaps and options to hedge its rate lock commitments on the future closing of fixed rate loans. The swaps are structured to offset changes, over the term of the rate locks, in the funding costs of these loans. Century does not use swaps or options for speculative purposes.

As of June 30, 2020, Century had six cash settled, forward closing interest rate swaps under contract. Four of the swaps are with BBVA-Compass Bank, hedging the 15-year swap rate, with notional amounts ranging from \$863,000 to \$5 million, maturing from July 2020 to October 2021 at rates ranging from 1.89% to 3.10%. As of June 30, 2020 and December 31, 2019, the mark to market value of these swaps was \$2 million and \$1 million, respectively, in favor of BBVA-Compass. Century also has two swaps with Wells Fargo Bank with nominal amounts ranging from \$8.3 million to \$13.5 million, maturing December 2021 to March 2022 at rates ranging from 2.77% to 3.10%. As of June 30, 2020 and December 31, 2019, the mark to market value of this swap was \$3.89 million and \$1.56 million in favor of Wells Fargo Bank, respectively. Century and its bank counterparties are reciprocally required to deposit collateral with each other to cover negative valuations should the daily mark to market value of these transactions exceed a minimum threshold of \$250,000. In early January 2019, changes in interest rates required Century to start depositing collateral with BBVA-Compass Bank and Wells Fargo Bank. As of December 31, 2019, \$3.7 million of collateral is being held by BBVA-Compass Bank and Wells Fargo Bank, collectively, to cover the seven swaps. For a discussion of risk related to interest rate swaps, see “Risk Factors” on page 17.

Delinquencies and Loan Losses

Century reevaluates each loan’s risk according to guidelines set for each product type to establish an allowance for loan losses and to monitor the portfolio. Century had no loan losses over the five years ended December 31, 2019. Delinquencies were approximately 1.7% of the average total loan portfolio over the same period. Century’s allowance for loan losses was 1.4% and 1.5% of loans outstanding as of June 30, 2020 and December 31, 2019, respectively. In 2020 through June 30, 2020, Century recorded a write-off of a fully reserved Legacy loan in the amount of \$276,781 and a \$103,639 loss on the sale of a \$10.3 million bridge loan secured by a first trust deed on a property in Hayward. Century initiated foreclosure proceedings on that loan in 2019 and in January 2020 Century sold the loan to a third party.

The following table sets forth information regarding delinquencies of loans outstanding on a consolidated basis at June 30, 2020:

	June 30, 2020	
	Loan Amount	% of Loans
	(Dollars in thousands)	
Days Past Due		
Current	\$ 334,992	98.7%
1-30 Days	-	0.0%
31-60 Days	-	0.0%
61-90 Days	-	0.0%
90+ Days	4,304	1.3%
Total	\$ 339,296	100.0%

At June 30, 2020, Century had one loan that was over 90 days delinquent: a \$4.2 million developer loan. The developer loan is a bridge loan secured by a first trust deed on vacant real property to be developed as a 412-unit multifamily housing development in Palm Desert. The property appraised for \$5.8 million in October 2019, and foreclosure proceedings were initiated in the fourth quarter of 2019. The borrower filed for bankruptcy in December 2019 and in July 2020 a bankruptcy court approved the borrower's plan of reorganization, which requires full repayment of the debt owed to Century by July 2021.

The following table sets forth information regarding delinquencies of loans outstanding on a consolidated basis at December 31, 2019, 2018, and 2017:

	2019		2018		2017	
	Loan Amount	% of Loans	Loan Amount	% of Loans	Loan Amount	% of Loans
(Dollars in thousands)						
Days Past Due						
Current	\$ 273,417	91.3%	\$ 240,293	95.2%	\$ 186,820	96.0%
1-30 Days	3,912	1.3%	1,392	0.6%	-	0.0%
31-60 Days	4,218	1.4%	-	0.0%	-	0.0%
61-90 Days	3,141	1.0%	10,260	4.1%	1,734	0.9%
90+ Days	14,826	4.9%	385	0.2%	6,044	3.1%
Total	\$ 299,513	100.0%	\$ 252,330	100.0%	\$ 194,598	100.0%

At December 31, 2019, Century had four loans that were over 90 days delinquent: two fully reserved Legacy loans and two loans to one developer, a new borrower referred to Century by a third party, for approximately \$10.3 million on a property in Hayward and for approximately \$4.2 million for a separate property in Palm Desert. The \$10.3 million loan in Hayward was sold in January 2020 to a third party and realized a loss of \$103,639.

Management's policy is to establish an allowance for loan losses of up to 2% on the outstanding balance of loans with no prior history of non-performance. Loans that exhibit non-performance are re-evaluated by management and the allowance for loan losses is adjusted accordingly. In addition to the allowance for loan losses, Century's portfolio of marketable securities, which Century expects can be monetized in five to seven days, provides a secondary capital reserve for loan losses. The activity in Century's allowance for loan losses on a consolidated basis as of June 30, 2020 was as follows:

	June 30, 2020
Allowance for loan losses as of the beginning of the year	\$ 4,616,120
Write-offs	(380,420)
Recoveries	-
Provision	573,949
Allowance for loan losses as of the end of the year	\$ 4,809,649

The activity in Century's allowance for loan losses on a consolidated basis as of December 31, 2019, 2018, and 2017 was as follows:

	2019	2018	2017
Allowance for loan losses as of the beginning of the year	\$ 3,744,262	\$ 2,765,124	\$ 2,005,424
Write-offs	-	-	-
Recoveries	-	-	-
Provision	871,858	979,138	759,700
Allowance for loan losses as of the end of the year	\$ 4,616,120	\$ 3,744,262	\$ 2,765,124

Century occasionally takes title to real property associated with distressed loans previously made by Century, with the expectation of preparing such property for sale. Century accounts for its investment in this real estate owned ("REO") at the appraised value at the date the real estate is acquired by Century. As of June 30, 2020, Century had no properties in its REO portfolio.

Portfolio Monitoring

Through the close relationships Century's loan officers maintain with their clients, Century is able to monitor the quality of Century's loan portfolio and identify potential problem loans as early as possible. Loan officers monitor credit on an ongoing basis and recommend changes to loan risk ratings (described below) based on risk factors such as loan payment performance, construction status, and a borrower's or guarantor's financial circumstances. Century has monitoring procedures for early risk detection and intervention, including a formal annual portfolio review of all loans by staff and Loan Committee and quarterly reviews for loans with higher potential risk of loss.

To conservatively determine Century's financial condition, Century's assets and liabilities are regularly examined to establish their value. Century's notes receivable make up its largest asset class, and must be regularly analyzed to ensure that loans are appropriately valued and loan loss reserves are allocated. Periodic loan risk reviews are used to: (i) examine the degree to which the risk mitigation factors present at loan origination have succeeded or been maintained; (ii) identify additional risk factors which have developed over the loan term; (iii) report the likelihood of loan repayment from the sources originally intended, and (iv) project losses in the event of a loan default.

The quality of Century's loans also determines the extent to which a general or specific loan loss reserve reduces the overall portfolio value, impacting Century's financial condition and performance.

Risk Assessment

Century's loan risk ratings are a reflection of the likelihood and magnitude of loss of principal on a loan. Century's loans are generally short-term and non-amortizing, with full repayment from one or more sources obtained during the loan term (public agency funds, sales of completed improvements, construction loans, etc.). Because the loan repayment is not generally from the borrower's/sponsor's cash flow, extension of a loan past original maturity does not automatically warrant downgrading, if the extension is related to circumstances beyond the Borrower's direct control (e.g., competition for tax credits, delays in receipt of funds from public agencies). These causes do not generally impact the collateral value or indicate a reduction in the likelihood of repayment, merely a change in the timing of repayment.

For all loans, management uses internally assigned risk ratings, which are developed and maintained by Century's lending team, as comprehensive indicators of credit quality. Each loan's risk weighting is

assigned at origination and reviewed at least annually and may be updated more frequently if circumstances warrant a change in risk rating. Century uses the following loan grading system: 1 (Pass), 2 (Watch), 3 (Special Mention), 4 (Substandard), 5 (Doubtful), and 6 (Loss). If a loan's risk rating is downgraded to 3 (Special Mention) or below, indicating that the full repayment of the loan is unlikely, the loan is designated as a "Special Asset" and management of the loan and any workout plan will be done by the Senior Vice President Lending and Vice President Loan Administration. A report of Century's loan portfolio, including risk ratings and any changes to ratings, is made to the Loan Committee of the Board of Directors monthly. The Loan Committee may change the above described underwriting standards and procedures, or make exceptions thereto, from time to time, in its sole discretion.

The tables below show the breakdown of Century's consolidated portfolio by risk rating.

Rating	June 30, 2020	
	Total (Dollars in thousands)	% of Total
1 Pass Excellent	\$ 327,682	97.8%
2 Watch	7,283	2.2%
3 Special Mention	-	-
4 Substandard	-	-
5 Doubtful	-	-
6 Loss	123	-
Total	\$ 335,088	100.0%

Rating	December 31,					
	2019		2018		2017	
	Total	% of Total	Total	% of Total	Total	% of Total
(Dollars in thousands)						
1 Pass Excellent	\$ 281,619	95.0%	\$ 251,704	99.8%	\$ 186,813	96.0%
2 Watch	14,442	4.9%	1	0.0%	1	0.0%
3 Special Mention	-	-	-	-	7,394	3.8%
4 Substandard	-	-	-	-	-	-
5 Doubtful	-	-	-	-	-	-
6 Loss	385	0.1%	385	0.2%	385	0.2%
Total	\$ 296,446	100%	\$ 252,091	100%	\$ 194,593	100%

DEVELOPMENT ACTIVITIES

Century engages in the development, ownership, and management of affordable housing primarily through its controlled affiliates CVC and CADI and their respective controlled affiliates. CVC and CADI participate in the LIHTC program, administered under Section 42 of the Internal Revenue Code, through ownership interests in projects which receive federal housing tax credits in exchange for the commitment to develop and maintain affordable housing.

As of June 30, 2020, CVC and CADI and their controlled affiliates housed approximately 3,358 residents in 1,686 units across 17 owned multifamily affordable housing developments. They provided property management services to 871 of these units and had 749 units of new or rehabbed affordable housing under development. Century and its consolidated affiliates and partners were recently selected as Principal Developer for a portion of the 388-acre U.S. Department of Veterans Affairs Greater Los Angeles Campus, which includes 1,691 planned homes for Veterans, and the Master Developer for the 21-acre, 478 unit Rancho San Pedro public housing complex, which includes up to 1,390 planned homes.

CVC, CADI, and their respective controlled affiliates are distinct legal entities from Century. The assets and revenues of CVC, CADI, and their respective controlled affiliates, although significant, are not available to Century for repayment of the Notes. For more information, see the consolidating financial statements of Century and its consolidated affiliates as of and for the year ended December 31, 2019 in the Supplementary Information to Century's audited financial statements, beginning on pg. 43 of the audited financial statements, attached to this prospectus as Appendix I.

LIHTC Partnerships

CVC is the sole general partner and nominal owner in three limited partnerships: Long Beach Savannah Housing, L.P., Casa de Cabrillo, L.P., and The Family Commons at Cabrillo, L.P. CVC is also the sole member of CVC Phase IV, LLC and CVC Phase V, LLC, which are the sole general partner and nominal owner of Cabrillo Gateway, L.P. and Anchor Place, L.P., respectively. CVC is also the sole member of CVC Phase II, LLC, which is the sole general partner and 99% owner of Plaza de Cabrillo, L.P. These partnerships are referred to in this prospectus collectively as the "CVC partnerships." CADI is the 1% managing member of 12010 South Vermont, LLC, which is the sole general partner and nominal owner of Academy Hall, L.P. CADI is also the sole member of CADI VI, LLC, CADI VII, LLC, CADI VIII, LLC, CADI IX, LLC, CADI X, LLC, CADI Eleven, LLC, and CADI XII, LLC which are the sole general partners and nominal owners of Century Arrowhead Vista, L.P., Florence Morehouse, L.P., Beacon Place, L.P., Beacon Pointe, L.P., Century Beachwood Apartments 2, L.P., Casa Rita, L.P., and Woodbridge Apartments, L.P., respectively. These partnerships are referred to in this prospectus collectively as the "CADI partnerships" and, together with the CVC partnerships, the "LIHTC partnerships."

CVC

CVC is a place-based supportive housing affiliate of Century, and presently represents the centerpiece for Century's housing development division. As a nonprofit community development organization that serves as the steward of the Villages at Cabrillo, CVC delivers property management, real estate development, community engagement, and supportive services which aim to empower residents, restore health and inspire hope. CVC was formed on July 31, 1996 for the purpose of rehabilitating and developing the Villages at Cabrillo as a master planned residential community that provides affordable housing and a comprehensive array of supportive services for homeless individuals, families, and veterans. Located on 27 acres and owned by CVC, the Villages at Cabrillo is sited, at the former Cabrillo Savannah Housing complex of the U.S. Naval Station, located in the City of Long Beach, California. The property was deeded to CVC under the Base Reuse Closure Act and pursuant to the federal McKinney Act that requires the property to primarily serve the homeless. The Villages at Cabrillo has become a nationwide model for addressing homelessness through its collective impact approach.

Since its formation, CVC has evolved into a unique residential community that provides housing on any given night to more than 1,500 persons. These include veteran and non-veteran individuals, families, youth, and children. More than simply providing shelter, CVC has co-located a palette of valuable social services to help residents regain their independence and establish self-sufficiency. To this end, CVC has partnered with more than thirty established service providers, educational institutions and government agencies to provide much needed supportive services which include: case management, life skills training, substance abuse treatment, affordable child care, a homeless education program, an employment center, a career center, a food service program, a VA medical clinic, a federally qualified health center run by The Children's Clinic, among others. This collaboration of organizations combines to serve over 2,000 individuals at CVC each year.

CADI

CADI is Century's development affiliate responsible for the acquisition and development of real property to create and preserve affordable housing solutions in Southern California. The CADI Partnerships own affordable housing developments throughout Southern California, including Academy Hall Apartments in Los Angeles, Arrowhead Vista Apartments in San Bernardino, Florence Avenue Villas and Morehouse Apartments in Los Angeles, Beacon Place Apartments in Long Beach, Beacon Pointe Apartments in Long Beach, Beachwood Apartments in Long Beach, Casa Rita Apartments in Huntington Park, and Woodbridge Apartments in Long Beach. Collectively, these developments provide 503 units of affordable rental housing for veterans, disabled and special needs populations, and low-income individuals and families throughout Southern California.

Development Fee Income

CADI earns developer fees from the LIHTC partnerships in connection with development services rendered, a portion of which is paid pursuant to a milestone-based schedule and a portion of which may be deferred and paid from the project partnership's cash flow over time. These fees are included in the development budget for each affordable housing project and the undeferred portions are generally released to the LIHTC partnerships in phases after, among other conditions, all closing items required by the tax credit investor have been satisfied, construction is partially and then fully completed, and a project achieves stabilized operations. Thereafter, any deferred developer fees are paid annually from LIHTC cash flow. Total development fee income was \$0.7 million and \$3.1 million for the six-month period ended June 2020 and the year ended December 31, 2019, respectively. Deferred development fee income for the six-month period ended June 30, 2020 and the year ended December 31, 2019 was as follows:

	DDF Income 12/31/19	Developer Fee Income	Eliminated Against Salary Expense	Amortization of DDF Income	DDF Income June 30, 2020
Cabrillo Gateway, L.P.	\$ 44,375	\$ -	\$ -	\$ (625)	\$ 43,750
Anchor Place, L.P.	188,750	-	-	(2,500)	186,250
Century Beachwood Apartments 2, L.P.	208,013	-	-	(2,667)	205,346
Florence Morehouse, L.P.	311,467	-	-	(3,894)	307,573
Beacon Pointe, L.P.	171,134	-	-	(2,139)	168,995
Beacon Place, L.P.	197,500	-	-	(2,500)	195,000
Casa Rita, L.P.	305,503	-	-	(3,916)	301,587

Woodbridge Apartments, L.P.	-	685,000	(616,500)	-	68,500
Total	\$ 1,426,742	\$ 685,000	\$ (616,500)	\$ (18,241)	\$ 1,477,001

	DDF Income 12/31/18	Developer Fee Income	Eliminated Against Salary Expense	Amortization of DDF Income	DDF Income 12/31/19
Cabrillo Gateway, L.P.	\$ 45,625	\$ -	\$ -	\$ (1,250)	\$ 44,375
Anchor Place, L.P.	193,750	-	-	(5,000)	188,750
Century Beachwood Apartments 2, L.P.	213,347	-	-	(5,334)	208,013
Florence Morehouse, L.P.	115,296	1,961,713	(1,765,542)	-	311,467
Beacon Pointe, L.P.	118,334	528,000	(475,200)	-	171,134
Beacon Place, L.P.	140,000	600,000	(540,000)	(2,500)	197,500
Casa Rita, L.P.	313,336	-	-	(7,833)	305,503
Total	\$ 1,139,688	\$ 3,089,713	\$ (2,780,742)	\$ (21,917)	\$ 1,426,742

Tax Credit Investors; Guarantees

The LIHTC partnerships receive allocations of Section 42 tax credits, which are federal low income housing tax credits administered through the California Tax Credit Allocation Committee, for their affordable housing developments. Section 42 tax credits allow the holder to reduce its federal tax bill dollar-for-dollar by the amount of tax credits it holds during the initial 15-year compliance period or over an accelerated ten-year period while receiving the benefit of taxable losses at the partnership level and other CRA-related benefits. Section 42 regulates the use of projects that have been allocated tax credits as to occupant eligibility and unit gross rent, among other requirements, during the initial 15-year compliance period and commonly an extended 55-year extended use period. The LIHTC partnerships sell their Section 42 tax credits to outside investors (known as “tax credit investors”) in exchange for a cash equity limited partner investment in project partnerships, which reduces financing costs and the amount of debt that the LIHTC partnerships would otherwise have to incur.

The LIHTC partnerships work with several tax credit investors to finance their affordable housing developments, including affiliates of John Hancock Realty Advisors, Inc., Wells Fargo Affordable Housing Community Development Corporation (“WFAHCDC”), and Richman Capital. CVC and CADI, either directly or through special purpose general partner LLC entities, serve as the managing general partners of the LIHTC partnerships. In addition, CVC, CADI, and Century have jointly and severally guaranteed (either fully or in limited capacity) to tax credit investors all aspects of the development and operation of each project, as applicable, including but not limited to construction completion, funding of reserves, operating deficits, delivery of tax credits, adjustments to tax credit amount, recapture, and repurchase of the outside investor’s interest.

The nominal value of these guarantees fluctuates over time, and diminishes with the progress of construction, stabilized operations of the projects, and the life of tax credits. Construction completion guarantees are terminated upon project completion. Construction loan repayment guarantees are terminated upon retirement of construction-period debt. Operating deficit guarantees most commonly have a 36-month life and are retired after satisfying debt coverage ratio targets. Tax credit delivery guarantees are amortized over time and diminished sequentially with the annual delivery of credits as outlined in partnership

agreements. Active management of projects by CADI and CVC from construction management, to property management, to ongoing compliance management helps to mitigate guaranty risk. Performance from Century, CVC, or CADI has never been required on these guarantees.

The balance of Century's tax credit guarantees as of June 30, 2020 was as follows:

LIHTC Partnership	Tax Credit Investor	Guaranty Balance
CVC Partnerships		
Anchor Place, L.P.	WFAHCDC	\$ 24,926,926
Cabrillo Gateway, L.P.	WFAHCDC	\$ 11,701,580
CADI Partnerships		
Beacon Place, L.P.	WFAHCDC	\$ 10,900,793
Beacon Pointe, L.P.	Wells Fargo Community Investment Holdings, LLC Corporation	\$ 5,791,647
Casa Rita, L.P.	WFAHCDC	\$ 6,560,549
Century Arrowhead Vista, L.P.	WFAHCDC	\$ 1,200,803
Century Beachwood Apartments 2, L.P.	WFAHCDC	\$ 4,669,038
Florence Morehouse, L.P.	WFAHCDC	\$ 183,260
Woodbridge Apartments, L.P.	WFAHDC	\$ 500,000
Total		\$ 66,434,595

The balance of Century's tax credit guarantees as of December 31, 2019 was as follows:

LIHTC Partnership	Tax Credit Investor	Guaranty Balance
CVC Partnerships		
Anchor Place, L.P.	WFAHCDC	\$ 26,284,932
Cabrillo Gateway, L.P.	WFAHCDC	\$ 13,001,755
CADI Partnerships		
Beacon Place, L.P.	WFAHCDC	\$ 1,617,800
Beacon Pointe, L.P.	Wells Fargo Community Investment Holdings, LLC Corporation	\$ 3,985,972
Casa Rita, L.P.	WFAHCDC	\$ 6,999,931
Century Arrowhead Vista, L.P.	WFAHCDC	\$ 1,372,346
Century Beachwood Apartments 2, L.P.	WFAHCDC	\$ 4,883,054
Florence Morehouse, L.P.	WFAHCDC	\$ 183,260
Total		\$ 58,329,050

The balance of Century's repayment guarantees as of June 30, 2020 was as follows:

LIHTC Partnership	Tax Credit Investor	Guaranty Balance
CADI Partnerships		
Beacon Pointe, L.P.	Wells Fargo Community Investment Holdings, LLC Corporation	\$ 37,266,748

Florence Morehouse, L.P.	WFAHCDC	\$	13,689,333
Woodbridge Apartments, L.P.	WFAHCDC	\$	6,724,324
Total		\$	57,680,405

The balance of Century's repayment guarantees as of December 31, 2019 was as follows:

LIHTC Partnership	Tax Credit Investor	Guaranty Balance
CADI Partnerships		
Beacon Place, L.P.	WFAHCDC	\$ 15,678,932
Beacon Pointe, L.P.	Wells Fargo Community Investment Holdings, LLC Corporation	\$ 31,024,565
Florence Morehouse, L.P.	WFAHCDC	\$ 12,672,816
Total		\$ 59,376,313

Additionally, Century has from time to time guaranteed certain other financial obligations of its consolidated affiliates. For more information on Century's guaranty obligations, see Note 16 to the audited financial statements, attached as Appendix I to this prospectus.

Property Management

CVC is the sole member of Century Villages Property Management, LLC ("CVPM"), which was formed on October 15, 2009 for the purpose of providing property management services for low income, affordable housing located in Long Beach, California. CVPM presently serves as the property manager of record for the LIHTC partnerships, other facilities at the Villages at Cabrillo, and Woodbridge Apartments.

Real Estate Held For Investment

LIHTC partnerships own and operate affordable multifamily real estate assets. CVC and its controlled affiliates Long Beach Savannah Housing L.P., Casa de Cabrillo L.P., Cabrillo Gateway, L.P., and The Family Commons at Cabrillo, L.P. collectively owned five affordable housing developments totaling \$111.1 million and \$111.2 million in real estate held for investment, net as of June 30, 2020 and December 31, 2019, respectively. CADI and its controlled affiliates Academy Hall, L.P., Century Arrowhead Vista, L.P., Florence Morehouse, L.P., Century Beachwood Apartments 2, L.P., Casa Rita, L.P., Beacon Place, L.P., Beacon Pointe, L.P., and Woodbridge Apartments, L.P. collectively owned eight affordable housing developments totaling \$172.9 million and \$158.8 million in real estate held for investment, net as of June 30, 2020 and December 31, 2019, respectively.

Century's consolidated real estate held for investment, net real estate owned by Century's consolidated affiliates, at June 30, 2020 and December 31, 2019 was as follows:

	June 30, 2020	December 31, 2019
Century Housing Corporation	\$ 6,409,572	\$ 6,500,747
CVC	102,014,347	111,213,935
CADI	172,453,505	158,775,416
Total real estate held for investment, net	\$ 280,877,424	\$ 276,490,098

INVESTING ACTIVITIES

The primary purpose of Century's investment portfolio is to serve as a strong liquid capital reserve. Century aims to earn a sufficient return on its investments, while at the same time seeking to manage its portfolio risk by adjusting the percentages of the portfolio that are invested in different asset classes, e.g., reducing amounts invested in stocks and increasing amounts invested in bonds to decrease risk. Century has reduced the risk of the portfolio in recent years in response to increases in the amount of its corporate indebtedness. Century reviews the expected risk and return profile of its investments at least annually to determine if adjustments are necessary to align it with Century's evolving risk profile. Century does not rely on its portfolio of marketable securities to provide revenue to fund its operations. Century's liquid investments reserves are, however, available to fund operational requirements on short notice, should this be required.

Consistent with these investment goals, Century's portfolio is invested in assets that can be monetized in five to seven days. Given the portfolio's size of \$110.4 and \$108.8 at June 30, 2020 and December 31, 2019, respectively, relative to Century's consolidated assets of \$770.9 million and \$718.9 million as of the same periods, Century's portfolio is invested according to an asset allocation which supports an acceptable overall corporate return on assets. Century's allocation policy was previously 60% equities and 40% fixed income, but has been adjusted to 27% equities and 73% fixed income, and will continue to be adjusted, in proportion to changes in overall corporate leverage to control total balance sheet risk.

Historically, market downturns have provided tests of Century's investments asset allocation. In 2020, accompanying a maximum 13% decrease in the Dow Jones Industrial Average and a 12% decrease in the S&P 500 stock indices, Century's portfolio suffered a maximum impairment of 10.8%. As of June 5, 2020, Century's portfolio had fully recovered and showed a positive result for the year. Century's hybrid capital strategy, based on low leverage and high liquid reserve balances, provides it with the ability to absorb annual and even multi-year periods of volatility and loss, should these occur.

The Investment Committee of Century's Board of Directors is responsible for managing Century's investments. The Investment committee has selected Wilshire Associates ("Wilshire") to serve as an independent investment advisor and has delegated certain investment management responsibilities to Wilshire. The Investment Committee and Wilshire work together to select proven third party investment managers with an established track record with respect to specific asset classes to manage those asset classes on Century's behalf. The Investment Committee has established performance benchmarks for each asset class and evaluates the performance of each investment manager against the applicable benchmark to ensure that Century's assets are being effectively managed. Wilshire also monitors and evaluates investment managers and periodically reports its findings to the Investment Committee and Century's management.

Investments⁽¹⁾	June 30, 2020	
	Amount	%
US Equities	\$ 11,661,872	11%
International Equities	8,948,932	8%
Global Low Volatility Equities	5,954,588	5%
High Yield Bonds	6,529,827	6%
Bank Loans	6,276,089	6%
Core Fixed Income	41,747,497	38%
Treasury Inflation Protected Securities (TIPS)	28,060,567	26%
Total	\$ 109,179,372	100%

(1) Excludes FHLB stock and time deposits.

Investments	2019		2018		2017	
	Amount	%	Amount	%	Amount	%
US Equities	\$ 11,677,340	11%	\$ 12,937,512	13%	\$ 15,867,855	17%
International Equities	9,256,528	9%	11,639,692	12%	16,685,830	18%
High Yield Bonds	6,561,372	6%	7,803,203	8%	11,014,033	12%
Bank Loans	6,526,534	6%	7,941,979	8%	5,832,215	6%
Core Fixed Income	40,952,332	40%	28,361,895	29%	27,266,321	30%
Treasury Inflation Protected Securities (TIPS)	27,645,925	27%	27,556,564	29%	14,600,179	16%
Total	\$ 102,620,031	100%	\$ 96,240,845	100%	\$ 91,266,432	100%

Century's investment portfolio returned approximately 12.4% during the period January 1, 2019, through December 31, 2019. As of December 31, 2019, Century had a total of four active investment managers and four passive investment managers managing its portfolio. As of June 30, 2020 year to date, Century's investment portfolio has returned 0.15%. Century's entire investment portfolio can be liquidated in less than 30 days.

BOARD OF DIRECTORS

The Board of Directors (the “Board”) is responsible for oversight of the day-to-day management of Century. In accordance with Century’s bylaws, the Board consists of nine directors. The Board includes directors with expertise in the financing and production of affordable housing and other relevant expertise, including urban planning and development, banking, affordable housing financing, community lending and credit quality procedures, the needs of low income communities, affordable housing production and rehabilitation and the production and legal aspects of real estate development, including tax credit transactions, government programs and funding sources, and Code Section 501(c)(3) tax-exempt bond financing. Board members represent a variety of business sectors and contribute a wide range of knowledge, skills, and experiences to Century’s operations.

The Board meets every other month and ad hoc as needed. The President and CEO, Board Chair, Secretary, or any three directors may call a special meeting of the Board in addition to its scheduled meetings. The directors serve an initial two-year term, and after the designation of one-, two-, and three-year terms of successor directors, directors serve a three-year term from the date of the annual meeting at which they were elected or until a successor has been designated and qualified. No more than 49% of the persons serving on the Board may be interested persons, as that term is defined in Century’s bylaws. Directors are elected by a majority of directors at a duly held meeting at which a quorum is present. There is no limit on the number of terms each director may serve, and the current average tenure of Board members is 14.6 years. If a vacancy on the board occurs, it is filled by a vote of the majority of the directors then in office, whether or not less than a quorum.

Century’s bylaws specify that the Board shall nominate two of its members to act as “Government Directors” who are charged with the additional responsibility of reviewing and evaluating each loan or development entered into by Century that does not fall within the “safe harbor” of Rev. Proc. 96-32 (“Low Income Housing Guidelines”). Each Government Director must have prior experience with the public sector and familiarity with public sector goals, priorities, and programs as an employee or appointed member of a public agency, governing board or similar position. No Government Director may be an officer of Century or have any interest in the loan or development entered into by Century.

Board Committees

The Board has established five standing committees with the authority to review and approve certain corporate matters: the Administration, Budget and Executive Committee, the Audit Committee, the Investment Committee, the Loan Committee, and the Nominating Committee. A description of each committee’s duties and powers follows below.

Administration, Budget and Executive Committee

The Administration, Budget and Executive Committee, chaired by Board Chair Darroch Young, meets at least once a year to review and discuss Century’s annual budget, strategy, current operations and program results, to develop policies and to ensure all programs and initiatives reflect Century’s mission.

Audit Committee

The Audit Committee, chaired by Director R. Steven Lewis, meets at least once each year. This committee’s primary function is to oversee all matters relating to financial accounting and reporting, and matters related to enterprise risk, internal controls, integrity including conflicts of interest, insurance, and compliance with all laws and regulations. This committee oversees internal and external audits and investigations, and appoints or removes outside auditors.

Investment Committee

The Investment Committee, chaired by Director Carrie Hawkins, meets at least once each year and is responsible for recommending financial and investment policies, goals and budgets that support Century's mission, values, and strategic goals.

Loan Committee

The Loan Committee, chaired by Director Daniel Lopez, meets at least once per month and is responsible for approval or disapproval of any loan or loan modification proposed by Century's loan officers. The committee also reviews the loan portfolio and delinquencies, if any, at the monthly meeting. The committee includes experienced banking and community representatives, including social service providers.

Nominating Committee

The Nominating Committee, chaired by Director Yvonne Burke, meets at least once each year and is responsible for recommending potential candidates to the Board.

Board Members

The individuals currently serving on Century's Board of Directors, including the committee(s) on which each individual serves, are as follows:

Name	Business Title	Business Affiliation	Original Election Date	Current Term End Date	Committee
Yvonne B. Burke (Vice Chair)	Mediator	Alternative Resolution Centers	2009	2020	Nom. (Chair), Admin., Inv.
Christopher David Ruiz Cameron	Professor of Law	Southwestern Law School	2020	2023	Aud., Inv.
Earl G. Fields	Consultant	Housing & Community Development	1998	2021	Inv., LC
Carrie Hawkins	President	Carrie Hawkins & Associates	1995	2022	Inv. (Chair), LC
R. Steven Lewis	Principal	ZGF Architects	2013	2021	Aud. (Chair), Nom., LC
Daniel B. Lopez	Principal	Daniel B. Lopez & Associates	1995	2021	LC (Chair), Aud.
Louise Oliver	Regional Operations Officer and Director of Government Contracts	Goodwill Southern California	1997	2022	Admin., Aud.
Kristina Olson	Ambassador	California Technology Council	2014	2020	Aud., Inv.
Darroch "Rocky" Young (Board Chair)	Chancellor Emeritus	Los Angeles Community Colleges	2008	2020	Admin. (Chair), Nom.

Admin = Administration, Budget and Executive Committee; Aud = Audit Committee; Inv = Investment Committee; LC = Loan Committee; and Nom = Nominating Committee

Following are brief biographies of Century's Board members:

Yvonne B. Burke (Vice Chair). Ms. Burke currently serves as an arbitrator for the American Arbitration Association and the Financial Institutions Resolution Authority. President Obama appointed her in 2013 to a five-year term on the Board of Amtrak. Ms. Burke retired from the Los Angeles County Board of Supervisors in 2008 after 17 years of service, including three terms as Chairwoman. She was the first African-American elected to that body. She served three terms in the United States House of Representatives. Prior to her service in Congress, she served three terms in the California State Assembly, the first African-American to be elected to that body. She has served as a director of the Nestle US Advisory Board, the University of California Board of Regents, the Ford Foundation, as chair of the L.A. County Children's Planning Council, and vice-chair of the 1984 U.S. Olympics Organizing Committee.

Christopher David Ruiz Cameron. Professor Cameron is the tenured Justice Marshall F. McComb Professor of Law at Southwestern Law School in Los Angeles who teaches and writes about the law of the workplace. His published scholarship includes authorship or co-authorship of numerous legal articles, book chapters and books. Professor Cameron is an Elected Member of the American Law Institute, the College of Labor and Employment Lawyers, and The Labor Law Group. Professor Cameron also serves as a labor relations neutral with over 25 years of experience as an arbitrator and civil service hearing officer. He is listed on three major neutral rosters and 10 permanent collective bargaining panels.

Earl G. Fields. Mr. Fields is President of EGP & Associates, which specializes in housing and community development issues involving HUD/HFA programs and operations. Earl Fields was appointed to the position of Santa Ana, California Field Office Manager with the U.S. Department of Housing & Urban Development in 1978 and served in that position until retirement in 1994. For the 10 years prior to this position, Mr. Fields held various management and representative positions with HUD in the New York field office for urban renewal, and later in the Los Angeles office, for model cities, insured multifamily housing, college housing, and community development programs.

Carrie Hawkins. Ms. Hawkins has over 40 years of experience in mortgage banking and affordable housing in the for-profit, nonprofit and government agency sectors. Ms. Hawkins has served as the President and CEO of Trinity Mortgage Company (a Federal Housing Administration, Veterans Administration, California Housing Finance Agency, Fannie Mae and Freddie Mac lender and seller servicer). She served as President of the Southern California Mortgage Bankers' Association and in 1992 she was elected the first woman President of the California Mortgage Bankers' Association. Ms. Hawkins was appointed by Governors Deukmejian and Wilson to serve three terms as a board member and Vice Chair of the California Housing Finance Agency, which makes low-rate housing loans financed through the issuance of taxable and tax exempt bonds. She also served on the board of the California Housing Partnership Corporation; the Fannie Mae Advisory Board; the LINC Housing Corporation Board; as President of the Southern California Mortgage Bankers' Association; and the Board of the Association of Professional Mortgage Women.

R. Steven Lewis. Mr. Lewis is founder of Thinking Leadership – a consulting practice built on collaborative problem solving that enhances the ability of clients to achieve superior outcomes. He is currently a Principal of ZGF Architects based in Los Angeles, California. Mr. Lewis was appointed by Los Angeles County Supervisor Mark Ridley-Thomas to the Urban Design Review Committee overseeing Phase 2 of the Exposition light rail line, and was also appointed by LA Council Member Jan Perry to serve on the Arts Oversight Committee for the planned downtown LA football stadium. Mr. Lewis has also served in the Office of the Chief Architect with the U.S. General Services Administration in Washington, D.C. and with

Pasadena-based Parsons Corporation as a principal project manager, working on a range of programs including U.S. Custom and Border Protection and U.S. Postal Service.

Daniel B. Lopez. Mr. Lopez is an independent consultant in the area of affordable housing finance and development. He previously served as President and Chief Executive Officer of the California Community Reinvestment Corporation, which funds low-income multifamily housing throughout the State of California. Mr. Lopez has also served as Director of Community Lending for Citibank, and was Chief of Housing for the Association of Bay Area Governments. Mr. Lopez serves on numerous local, state and federal advisory committees on affordable housing policy, and has lectured on housing finance, housing policy formation, and community relations at a number of universities. Mr. Lopez is the former Chairman of the Board of Directors for Citizens Housing, serves as President of the Board for Building Futures with Women & Children, and is also Chairman of Bay Area Local Initiatives Support Corporation's Local Advisory Committee. He is a member of HCD's Development Loan and Grant Committee and LACCDC's City of Industry Review Panel.

Louise Oliver. Ms. Oliver is the Regional Operations Officer & Director of Government Contracts for Goodwill Southern California. Ms. Oliver is the former Deputy Director of Real Property of the Western Region of the Federal General Services Administration, where she was responsible for the supervision of more than 10 million square feet of Federal Government-controlled space. Ms. Oliver serves on the Boards of Salvation Army, Shelter Partnership, the San Fernando Community Health Center, the Harry Pregerson Federal Child Care Center, the Bell Shelter, the Valley Economic Alliance, and the Rotary Club of Downtown Los Angeles. In the past, she has served as Chairman of the Los Angeles Combined Federal Campaign (United Way), and on the Boards of the Wilshire West Federal Credit Union, the Boys and Girls Club of Greater Los Angeles, and the Ketchum Downtown YMCA.

Kristina Olson. Ms. Olson is a new business development leader with expertise creating sales strategies, strategic planning, integrated marketing strategies and brand communications with global execution across multiple channels. Having held senior executive positions with companies such as Metromail, RR Donnelley, Valassis and Cenveo, she has developed strong client and network relationships with a hands-on approach to create solutions for short and long-term strategic opportunities. Her clients have included AT&T, Carnival Cruise Lines, Hilton Hotels, Petco, Carl Zeiss, Netflix, Hyundai and Blackstone.

Darroch "Rocky" Young (Chair). Mr. Young retired as Chancellor of the Los Angeles Community College District in 2007. He is currently working as the Chief Consultant for the Collegiate Brain Trust and the author of several books on leadership and community college issues. As Chancellor, Mr. Young initiated the first formal Comprehensive Strategic Planning effort in the District's history. He also launched a major Student Success Initiative that aimed at improving all student educational outcomes across the District. Before assuming district wide responsibilities, Mr. Young was President of Peirce College, and Vice President of Academic and Student Affairs and Vice President of Planning and Development at Santa Monica College.

MANAGEMENT TEAM AND KEY EMPLOYEES

The following individuals serve as Century's executive officers, and will continue to serve in such capacities until their resignation or replacement by the Board:

Ronald M. Griffith. *President & Chief Executive Officer.* Since 2007, Mr. Griffith has served as President and CEO of Century. Prior to his current position, Mr. Griffith was Senior Vice President and General Counsel for Century and its affiliates. Before joining Century, he was a partner in a national law firm specializing in all aspects of real estate law and finance. He also established the office of general counsel at Union Federal Bank. Earlier in his career, Mr. Griffith served as Assistant U.S. Attorney with the U.S. Department of Justice. Mr. Griffith graduated magna cum laude from Tufts University and holds a law degree from the University of Pennsylvania School of Law. Mr. Griffith was the recipient of the Combat Infantry Badge and Purple Heart for his service in Vietnam with the U.S. Army.

Alan R. Hoffman. *Senior Vice President & Chief Financial Officer.* Mr. Hoffman is Senior Vice President and Chief Financial Officer for Century and certain affiliates. With over 32 years of experience in management and finance, Mr. Hoffman is currently responsible for all corporate finance, risk management, investments, financial planning, tax, and IT functions. Mr. Hoffman has managed capital markets and corporate finance functions for such companies as Exxon Corporation, GM-Hughes Electronics, K & B Home Corporation, and Lockheed Martin Finance Corporation. To date he has raised over \$5 billion in debt and equity capital for companies in various industries in public and private markets, including three IPOs. Mr. Hoffman received an M.B.A. from The Wharton School at the University of Pennsylvania, an M.A. in Political Science and International Economics from the School of Advanced International Studies at Johns Hopkins University, and a B.A. in Social Systems' Science from UCLA. He has also instructed as an adjunct professor of finance in Pepperdine University's M.B.A. program and at UCLA Extension.

Josh Hamilton. *Senior Vice President, Lending.* As Senior Vice President of Lending, Mr. Hamilton is team leader and responsible for loan originations throughout Century's California footprint. Mr. Hamilton is a seasoned real estate professional with over 18 years of experience in providing a range of financing for affordable housing properties, at all stages of their development. Prior to Century, Mr. Hamilton was a loan officer with PNC Real Estate where he was responsible for originating permanent financing primarily for affordable housing properties through Fannie Mae, Freddie Mac and FHA. Mr. Hamilton has a Bachelor's Degree in Political Science from UCLA and a Master's Degree in Real Estate Development (MRED) through the University of Southern California.

Rosa Menart. *Senior Vice President, Finance & Treasury.* Ms. Menart is Senior Vice President, Finance & Treasury for Century. She has over 21 years of experience in Accounting and Finance. Ms. Menart is responsible for all corporate accounting, treasury, capital raising, investments, loan accounting and loan servicing. She manages the day-to-day activities of the Finance/Accounting department and Loan Accounting/Loan Servicing. She coordinates, formulates, and manages a capital and operational expense budget of over \$30 million. Ms. Menart coordinates the annual audit and tax returns of Century Housing and affiliates. She oversees the Loan Accounting /Loan Servicing department, which is responsible for a loan portfolio over \$300 million. Ms. Menart is responsible for helping to raise capital via the capital markets, lending institutions and grants. She oversees the investment portfolio and is responsible for financial and compliance reporting. Ms. Menart graduated from California State University, Northridge, with a Bachelor of Science (with honors) in Business Administration with an emphasis in Finance.

Karen Bennett-Green. *Vice President, Loan Administration.* Ms. Bennett-Green, Vice President of Loan Administration has been with Century for over 20 years and is responsible for the management and oversight of loan administration, closing team and capital investor audits/reporting, the collection of due

diligence, loan closing transactions and documentation, construction loan disbursement review and approvals. Ms. Bennett-Green is responsible for the direction of associated activities including capital management for loan funding, loan processing and risk management and coordination with title and escrow companies, insurance companies, environmental and appraisal agencies. Additionally, she has extensive experience in working with tax credit terms, tax-exempt bonds, and Fannie Mae "Direct Underwriting Service" transactions. A previous housing specialist for the Housing Authority of the City of Inglewood, Ms. Bennett-Green also served on the Kaufman and Broad Multi-Housing Group in Long Beach where she oversaw all aspects of risk management for LIHTC of an 8,000-unit portfolio. Ms. Bennett-Green earned her Bachelor of Science degree from California State University, Los Angeles. Currently a member of Women in Real Estate and a member of Leader to Leader since 2003, Ms. Bennett-Green also serves as a panelist annually on the USC Ross Minority Program in Real Estate.

Nick Friend. *Vice President, Lending.* Mr. Friend is the Vice President and the Lending Officer at Century's Northern California office located in Oakland. Over his four years at Century, Mr. Friend has originated over \$140 million of loans and has expanded the reach of Century's lending practice to include projects from Alturas, in Modoc County at the northern tip of the State, to Fresno. Mr. Friend previously served as Mortgage Officer at the Community Preservation Corporation, a leading CDFI and affordable housing construction lender in the State of New York and as an Associate at Citi Community Capital. While at Citi Mr. Friend managed Citi's relationships with LIHTC syndicators and underwrote tax credit equity investments. He also oversaw relationships with three affordable housing developers providing equity for acquisitions and participated in structuring financing for CDFI's. Mr. Friend received his Master in Business Administration in Real Estate and Entrepreneurship from Columbia University, and his Bachelor of Arts in Architecture and Urban Studies from Yale University. Mr. Friend is on the board of Cal-ALHFA, a statewide non-profit that promotes the education of local housing authorities on best practices on financing, developing and managing affordable housing stock.

Tracey Burns. *Senior Relationship Manager.* Ms. Burns, Senior Relationship Manager, is responsible for all construction financing at Century, with over 15 years of experience in affordable and urban infill lending. Ms. Burns has underwritten more than \$450 million in predevelopment, acquisition, and construction loans which resulted in more than 2,000 workforce and low-income housing units in Southern California. Prior to her employment at Century, Ms. Burns worked with Simpson Housing Solutions in the Acquisitions department. Ms. Burns graduated from California State University, Dominguez Hills, with a Bachelor of Science in Public Administration and a concentration in Criminal Justice. She also completed the USC Ross Minority Program in Real Estate at the USC Lusk Center.

DIRECTOR AND EXECUTIVE COMPENSATION

The table below provides the direct and indirect remuneration paid by Century during 2019 (a) to each executive officer receiving in excess of \$150,000 during 2019 and (b) to Century's executive officers in the aggregate.

Name	Position	Salary	Bonus and Other Compensation	Health and Other Insurance	Contributions to Retirement Plan
Steve Colman	Executive Director, Century Villages at Cabrillo	\$ 191,230	\$ 42,714	\$ 18,019	\$ 18,078
Brian D'Andrea	Senior Vice President, Housing	\$ 235,927	\$ 65,655	\$ 28,346	\$ 21,845
Ronald M. Griffith	President & CEO	\$ 324,508	\$ 163,043	\$ 31,858	\$ 28,159
Josh Hamilton	Senior Vice President, Lending	\$ 235,927	\$ 54,453	\$ 24,086	\$ 20,519
Alan R. Hoffman	Senior Vice President & CFO	\$ 263,085	\$ 72,479	\$ 30,507	\$ 20,906
Rosa Menart	Senior Vice President, Finance & Treasury	\$ 183,532	\$ 47,301	\$ 24,465	\$ 17,731
Aggregate of Executive Officers and Directors		\$ 1,536,457	\$ 445,643	\$ 161,568	\$ 127,236

RELATED PARTY TRANSACTIONS

Century has from time to time extended loans to its affiliated companies, notably its affiliated housing development and ownership companies, particularly in the early years of their operations. This activity is limited and the focus of Century's lending program is on lending to un-affiliated developers and preservers of affordable housing. As of December 31, 2019 and June 30, 2020, respectively, Century had 12 affiliate loans on its balance sheet totaling \$37.9 million and 11 affiliate loans totaling \$30.5 million. These loans accrue interest at an average of 4.56% annually, and have terms of ten to 57 years maturing in March 2027 to June 2074. All loans and commitments made to affiliated companies are made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and do not involve more than the normal risk of collectability or present other unfavorable features. A majority of the disinterested members of Century's Board of Directors approve all material affiliated transactions.

Additionally, Century has entered into various loans as lender or borrower with unaffiliated third parties in the ordinary course of business. All loans and commitments included in such transactions were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risk of collectability or present other unfavorable features. Similar transactions may be expected to take place in the ordinary course of business in the future.

LEGAL PROCEEDINGS

There are no material legal proceedings presently pending against Century or any of its directors, officers, or employees acting in their capacity as representatives of Century.

DESCRIPTION OF THE NOTES

This section provides detail on the legal and financial terms of the Notes. Final terms of any particular Note will be determined at the time of sale and will be set forth in the relevant pricing supplement for that Note, and may vary from and supersede the terms set forth in this prospectus. Before deciding to purchase any Notes, investors should read the more detailed information appearing in the relevant pricing supplement or elsewhere in this document. For additional information, please also see “State-Specific Disclosures” on page v.

What is a Century Sustainable Impact Note?

The Notes are notes issued by Century to support Century’s financing, building, and operation of exceptional affordable housing throughout California so that the people it serves may have a dignified home, a healthy and hopeful future and attain economic independence. The Notes can be purchased with a term of six months to 20 years. Interest rates on the Notes will be fixed for the term of the notes, as set forth in the relevant pricing supplement, based on market conditions and other relevant factors at the time of issuance.

Seniority; Security

The Notes are unsecured general obligations of Century. Century has other outstanding unsecured general obligations and secured obligations. Moreover, Century may incur additional indebtedness. Such additional indebtedness, if issued, may be either secured or unsecured and may be entitled to payment prior to payment on the Notes. Finally, Century’s consolidated affiliates have outstanding obligations, and the Notes will be effectively subordinated to such obligations. For additional information, please see “Financing and Operational Activities – Schedule of Liabilities” on page 55.

Who Can Invest?

The Notes are offered for investment by both individual and institutional investors.

Minimum Investment

The minimum investment for the Notes is \$1,000. Notes sold by Incapital, as Lead Agent, to certain broker-dealers (“the selected dealers”) for their own account may be purchased at the public offering price less the applicable concession. Notes purchased by the selected dealers on behalf of level-fee fiduciary accounts may be sold to such accounts at the public offering price less the applicable concession, in which case, such selected dealers will not retain any portion of the sales price as compensation.

Distribution

Century will offer the Notes through registered broker-dealers. The Notes may be offered through Incapital, as Lead Agent, for resale to other registered broker-dealers. Incapital and the other Agents appointed by Century are not required to purchase or sell any specific amount of Notes and offer the Notes on a reasonable best-efforts basis.

How to Invest/Purchase Method

The Notes are available for purchase in book-entry form, which means they may be purchased through the investor’s brokerage account and settled through DTC. Interest rates are set at the time of issuance. Interest rates for the Notes are set forth in the relevant pricing supplement for those Notes. The DTC arrangement

is described below in the section entitled “Book-Entry Notes and DTC” on page 86. U.S. Bank will serve as the paying agent of the global book-entry Notes. Century has appointed Incapital as the Lead Agent, which in turn has established a selling group of registered broker-dealers. Notes may be purchased through any broker-dealer participating in the selling group for the Notes. Investors must consult the current pricing supplement, available from participating brokerages, in addition to this prospectus for applicable Note terms. To purchase Notes, please contact your financial advisor or brokerage firm. Institutional investors may purchase Notes directly from Incapital.

The purchase price for the Notes is payable in full and in cash upon subscription at 100% of the principal amount of the investment.

CUSIP Numbers

Century will assign CUSIP numbers at the time the Notes are offered for sale. “CUSIP” is an acronym that refers to Committee on Uniform Security Identification Procedures and the nine-digit, alphanumeric CUSIP numbers that are used to identify securities such as the Notes. A CUSIP number, similar to a serial number, is assigned to each maturity of a security issue.

Interest Accrual and Interest Periods

Notes begin to accrue interest on the issuance date and mature on the maturity date stated in each Note. Interest rates on the Notes will be fixed for the term of the notes, as set forth in the relevant pricing supplement, based on market conditions and other relevant factors at the time of issuance. Interest accrues on a 360-day year based on twelve 30-day months. Interest on each Note will be payable semi-annually, or as otherwise set forth in the relevant pricing supplement, and cannot be reinvested in the Notes.

The interest payment dates for a Note will be the 15th day of every sixth month, commencing in the sixth succeeding calendar month following the month in which the note is issued, unless such day is not a business day, in which case the interest payment shall be made on the next succeeding business day. The first payment of interest under a Note shall be an amount equal to interest accruing during the period commencing on the issuance date and ending on the day preceding the first interest payment date that follows the issuance date (the “First Interest Period”). Subsequent payments of interest under the Note shall be made on each interest payment date in an amount equal to interest accruing during each period of six calendar months that follows the First Interest Period. The final payment of interest under a Note shall be made on the maturity date in an amount equal to interest accruing during the period commencing on the prior interest payment date and ending on the date preceding the maturity date.

Interest will be payable to the person in whose name a Note is registered at the close of business on the regular record date before each interest payment date. The first payment of interest on any Note originally issued between a regular record date and an interest payment date will be made on the interest payment date following the next succeeding regular record date to the registered owner of the Note on such next succeeding regular record date. The unpaid principal balance, and all accrued and unpaid interest under a Note, will be due and payable on the maturity date. The principal and interest payable at maturity will be paid to the person in whose name the Note is registered at the time of payment. The regular record date for an interest payment date will be the first calendar day of the month in which the interest payment date falls.

Options at Maturity/Reinvestments

Principal will be repaid at maturity for each Note, but investors have the option to re-invest their repaid principal by purchasing new Notes at then-current interest rates and terms offered by Century.

Right of Redemption

If provided in the relevant pricing supplement, Century will have the right to redeem a Note, in whole or in part, at any time and from time to time at Century's option prior to the Note's stated maturity date. If the relevant pricing supplement does not provide for early redemption by Century, Century will not have the right to redeem a Note, in whole or in part, at Century's option prior to the Note's stated maturity date. Notes that are subject to redemption may be redeemable for certain periods only, or for the entire term of the Note, as stated in the relevant pricing supplement. If a Note is redeemed, the redemption price will be equal to the principal amount to be redeemed plus accrued and unpaid interest, if any, up to but not including the redemption date.

Century will provide not less than 30 nor more than 60 days' notice to each registered holder of the Notes to be redeemed. If the redemption notice is given and funds deposited as required pursuant to the terms of the Notes, then interest will cease to accrue on and after the redemption date on the Notes or portions of such Notes called for redemption.

If fewer than all of the Notes are to be redeemed at any time, selection of Notes for redemption will be made on a pro rata basis or such other method as the Paying Agent deems appropriate and fair provided, however, that the Notes will be redeemed only in the minimum denominations of \$1,000 or any integral multiple of \$1,000 in excess thereof; and provided further that Notes shall be selected in accordance with the applicable procedures of DTC.

Survivor's Option

Subject to the limitations described below, the "Survivor's Option" is a provision in the Notes pursuant to which Century agrees, if requested by the authorized representative of the beneficial owner of those Notes, following the death of the beneficial owner of the Notes, to repurchase such Notes so long as the Notes were owned by that beneficial owner or the estate of that beneficial owner at least six months prior to the request and certain documentation requirements are satisfied.

Upon the valid exercise of the Survivor's Option and the proper tender of the Notes for repurchase, subject to the limitations described below, Century will repurchase the Notes, in whole or in part, at a price equal to 100% of the principal amount of the deceased beneficial owner's interest in the Notes plus unpaid interest accrued up to, but not including, the date of repurchase.

In order for a Survivor's Option to be validly exercised with respect to the Notes, the deceased beneficial owner's authorized representative must provide the following items to the broker or other entity through which the beneficial interest in the Notes is held by the deceased beneficial owner within one year of the date of death of the beneficial owner:

- a written instruction to such broker or other entity to notify DTC of the authorized representative's desire to obtain repurchase of the Notes pursuant to exercise of the Survivor's Option;
- tender of the Notes to be repurchased;
- appropriate evidence satisfactory to the paying agent (a) that the deceased was the beneficial owner of the Notes at the time of death and his or her interest in the Notes was owned by the deceased beneficial owner or his or her estate for at least six (6) months prior to the request for repurchase, (b) that the death of the beneficial owner has occurred, (c) of the date of death of the beneficial owner, and (d) that the authorized representative has authority to act on behalf of the deceased beneficial owner;

- if the interest in the Notes is held by a nominee of the deceased beneficial owner, a certificate or letter satisfactory to the paying agent from the nominee attesting to the deceased's beneficial ownership of such Notes;
- a written request for repurchase signed by the authorized representative of the deceased beneficial owner with the signature guaranteed by a member firm of a registered national securities exchange or of the Financial Industry Regulatory Authority, Inc. or a commercial bank or trust company having an office or correspondent in the United States;
- if applicable, a properly executed assignment or endorsement;
- tax waivers and any other instruments or documents that the paying agent or Century reasonably require in order to establish the validity of the beneficial ownership of the Notes and the claimant's entitlement to repurchase; and
- any additional information the paying agent or Century reasonably require to evidence satisfaction of any conditions to the exercise of the Survivor's Option or to document beneficial ownership or authority to make the election and to cause the repurchase of the Notes.

In turn, the broker or other entity will deliver each of these items to the paying agent, together with evidence satisfactory to the paying agent from the broker or other entity stating that it represents the deceased beneficial owner.

A beneficial owner of a Note is a person who has the right, immediately prior to such person's death, to receive the proceeds from the disposition of that Note as well as the right to receive payment of the Note.

The death of a person holding a beneficial ownership interest in a Note as a joint tenant or tenant by the entirety with another person, or as a tenant in common with the deceased holder's spouse, will be deemed the death of a beneficial owner of that Note, and the entire principal amount of the Note held in this manner will be subject to repurchase by Century upon exercise of the Survivor's Option. However, the death of a person holding a beneficial ownership interest in a Note as tenant in common with a person other than such deceased holder's spouse will be deemed the death of a beneficial owner only with respect to such deceased person's interest in the Note, and only the deceased beneficial owner's percentage interest in the principal amount of the Note will be subject to repurchase.

The death of a person who, during his or her lifetime, was entitled to substantially all of the beneficial ownership interests in a Note, will be deemed the death of the beneficial owner of that Note for purposes of the Survivor's Option, regardless of whether that beneficial owner was the registered holder of the Note, if the beneficial ownership interest can be established to the satisfaction of the paying agent and Century. A beneficial ownership interest will be deemed to exist in typical cases of nominee ownership, ownership under the Uniform Transfers to Minors Act or Uniform Gifts to Minors Act, and community property or other joint ownership arrangements between a husband and wife. In addition, the beneficial ownership interest in a Note will be deemed to exist in custodial and trust arrangements where one person has all of the beneficial ownership interest in that Note during his or her lifetime.

Century has the discretionary right to limit the aggregate principal amount of Notes as to which exercises of the Survivor's Option shall be accepted from authorized representatives of all deceased beneficial owners in any calendar year to an amount equal to the greater of \$1,000,000 or 1% of the aggregate principal amount of all Notes outstanding as of the end of the most recent calendar year. Century also has the discretionary right to limit to \$250,000 in any calendar year the aggregate principal amount of Notes as to which exercises of the Survivor's Option shall be accepted by Century from the authorized representative

of any individual deceased beneficial owner of Notes in such calendar year. In addition, Century will not permit the exercise of the Survivor's Option except in principal amounts of \$1,000 and multiples of \$1,000 and, in the event that the limitations described in this paragraph would result in the partial repurchase of any Note, the principal amount of such Note remaining outstanding after repurchase must be at least \$1,000.

An otherwise valid election to exercise the Survivor's Option may not be withdrawn. Each election to exercise the Survivor's Option will be accepted in the order that elections are received by the paying agent, except for any Note the acceptance of which would contravene any of the limitations described in the preceding paragraph. Notes accepted for repurchase through the exercise of the Survivor's Option normally will be repaid on the first interest payment date that occurs 20 or more calendar days after the date of the acceptance. Each tendered Note that is not accepted in any calendar year due to the application of any of the limitations described in the preceding paragraph will be deemed to be tendered in the following calendar year in the order in which all such Notes were originally tendered. If a Note tendered through a valid exercise of the Survivor's Option is not accepted, the paying agent will deliver a notice by first-class mail to the authorized representative of the deceased beneficial owner that states the reason that Note has not been accepted for repurchase.

All other questions regarding the eligibility or validity of any exercise of the Survivor's Option will be determined by Century, in its sole discretion, which determination will be final and binding on all parties.

For assistance with the exercise of the Survivor's Option, please contact the paying agent by email at Beverly.freeny@usbank.com or call (212) 951-6993.

Events of Default

Except in certain states under specific circumstances, the following events of nonpayment on any Note will constitute a default by Century, but only as to that Note: (i) failure to pay the full amount of interest payable on any Note on the interest payment date provided in such Note, which failure continues unremediated for 20 or more calendar days after such payment date; or (ii) failure to pay the principal amount on any Note on its maturity date, which failure continues unremediated for 20 or more calendar days after such maturity date. In the event of a default under the Notes, each holder will have to seek available remedies on an individual basis, which is likely to be expensive and may not be economically practicable.

Secondary Market

The nature of this program does not presently afford the opportunity of a secondary market. The Lead Agent and any other agents appointed by Century may make secondary market transactions, but are not obligated to do so. Dealers may be liquidity providers, but there is no assurance of such. Consequently, the purchase of a Note should be viewed as an investment to be held to maturity.

Interest Payments and Tax Considerations

This discussion of federal income tax consequences was written to support the promotion or marketing of the Notes and is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax penalties. Investors are advised to consult their own tax counsel or advisors to determine the particular federal, state, local or foreign income or other tax consequences particular to their investment in the Notes.

By purchasing a Note, investors may be subject to certain income tax provisions of the Code. Some of the significant federal income tax consequences of purchasing a Note include the following:

- Although Century is a Code Section 501(c)(3) organization, investors will not be entitled to a charitable deduction for Notes purchased by such investors. If an investor elects to donate earned interest or principal, Century will provide an acknowledgement to the investor of the donation in accordance with Code Section 501(c)(3) charitable contribution requirements. However, an investor may not be eligible to utilize a charitable contribution tax deduction depending on their individual tax circumstances.
- Unless an investor holds the investor's Note through an IRA or other tax deferred account, any interest on such investor's Note will be taxed as ordinary income in the year it accrues regardless of whether interest is paid or compounded.
- Notes purchased in an IRA or other tax deferred account will be subject to the tax rules applicable to such an account, and consultation with a competent financial and tax adviser is recommended.
- Unless an investor holds the investor's Note through an IRA or other tax deferred account, Century will issue or cause to be issued to each investor a Form 1099-INT or the comparable form by January 31st of each year, as required by the Code, indicating the interest paid on the investor's Note(s) during the previous year.
- Investors will not be taxed on the return of any principal amount of their Notes or on the payment of interest that was previously taxed.
- Payments of interest may be subject to "backup withholding" of federal income tax (currently at the rate of 24%) if an investor fails to furnish Century, Incapital, or its agents with a correct social security number or other tax identification number, or if an investor or the IRS has informed Century, Incapital, or its agents the investor is subject to backup withholding.

In addition, if an investor has (or an investor and the investor's spouse together have) invested or loaned more than \$250,000 in the aggregate with or to Century and other organizations that control, are consolidated by or under common control with Century, the investor may be deemed to receive additional taxable interest under Code Section 7872 if the interest paid to the investor is below the applicable federal rate ("AFR"). In that situation, the IRS may impute income up to that AFR. If an investor believes this applies to such investor, the investor should consult the investor's tax advisor.

If the law creating the tax consequences described in this summary changes, this summary could become inaccurate. This summary is based on the Code, the Treasury Regulations promulgated by the U.S. Treasury Department under the Code and administrative interpretations and court decisions existing as of the date of this prospectus. These authorities could be changed either prospectively or retroactively by future legislation, regulations, administrative interpretations, or court decisions. Accordingly, this summary may not accurately reflect the tax consequences of an investment in the Notes after the date of this prospectus.

Finally, this summary does not address every aspect of tax law that may be significant to an investor's particular circumstances. For instance, it does not address special rules that may apply if an investor is a financial institution or tax-exempt organization, or if an investor is not a citizen or resident of the United States. Nor does it address any aspect of state or local tax law that may apply to an investor.

Book-Entry Notes and DTC

Century will issue the Notes in the form of one or more permanent global book-entry notes fully registered and deposited with or on behalf of DTC and registered in the name of Cede & Co., as nominee of DTC. Century will not issue Notes in certificated form.

DTC has advised Century as follows:

- DTC is a limited-purpose trust company under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered under Section 17A of the Securities Exchange Act.
- DTC holds securities that its participants deposit and facilitate the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities, through electronic computerized book-entry changes in participants’ accounts, thereby eliminating the need for physical movement of securities certificates.
- Direct participants include securities brokers and dealers, trust companies, clearing corporations and other organizations.
- DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is owned by the users of its regulated consolidated affiliates.
- Access to the DTC system is also available to others, such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly.
- The rules applicable to DTC and its participants are on file with the SEC.

Century has provided the following descriptions of the operations and procedures of DTC solely as a matter of convenience. These operations and procedures are solely within the control of DTC and may be subject to change. Century does not take any responsibility for these operations or procedures, and investors are urged to contact DTC or its participants directly to discuss these matters.

Century expects that under procedures established by DTC:

- Upon deposit of the global notes with DTC or its custodian, DTC will credit through its internal system the accounts of its direct participants with portions of the principal amounts of the global book-entry Notes.
- Ownership of the Notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC or its nominee, with respect to interests of direct participants, and the records of direct and indirect participants, with respect to interests of persons other than participants.

The laws of some jurisdictions require purchasers of securities to take physical delivery in definitive form. Accordingly, the ability to transfer interests in the book-entry Notes represented by a global book-entry Note to those persons may be limited. In addition, because DTC can act only on behalf of its participants, who in turn act on behalf of persons who hold interests through participants, the ability of a person having an interest in Notes represented by a global book-entry Note to pledge or transfer those interests to persons or entities that do not participate in DTC’s system, or otherwise to take actions in respect of such interest, may be affected by the lack of a physical definitive security in respect of such interest.

So long as DTC or its nominee is the registered owner of a global book-entry Note, DTC or that nominee will be considered the sole owner or holder of the Notes represented by that global book-entry Note for all purposes under the Notes. Except as provided below, owners of beneficial interests in a global book-entry Note will not be entitled to have Notes represented by that global book-entry Note registered in their names, will not receive or be entitled to receive physical delivery of a certificated Note and will not be considered the owners or holders thereof under the Notes for any purpose. Accordingly, each beneficial holder owning a beneficial interest in a global book-entry Note must rely on the procedures of DTC and, if that beneficial

holder is not a direct or indirect participant, on the procedures of the participant through which that beneficial holder owns its interest, to exercise any rights of a holder of Notes under the global book-entry Notes.

Century will not have any responsibility or liability for any aspect of the records relating to or payments made on account of the Notes by DTC, or for maintaining, supervising or reviewing any records of DTC relating to the Notes.

Payments on the Notes represented by the global book-entry Notes will be made to DTC or its nominee, as the case may be, as the registered owner thereof. Century expects that DTC or its nominee, upon receipt of any payment on the Notes represented by a global book-entry Note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the global book-entry Note as shown in the records of DTC or its nominee. Century also expects that payments by participants to owners of beneficial interests in the global book-entry Note held through such participants will be governed by standing instructions and customary practice as is now the case with Notes held for the accounts of customers registered in the names of nominees for such customers. The participants will be responsible for those payments.

Payments on the Notes represented by the global book-entry Note will be made in immediately available funds. Transfers between participants in DTC will be effected in accordance with DTC rules and will be settled in immediately available funds.

HOW TO INVEST/PLAN OF DISTRIBUTION

General

Investors must consult the relevant pricing supplement, available from participating broker-dealers, in addition to this prospectus for applicable Note terms. The applicable interest rate for the Notes will be set forth in the relevant pricing supplement.

Century has entered into a Selling Agent Agreement with Incapital, as the Lead Agent, and Incapital may resell the Notes to the selected dealers. Notes may be purchased by retail investors through any selected dealer participating in the selling group for the Notes. Institutional investors may purchase Notes directly from Incapital or a selected dealer. Selected dealers who effect transactions have agreed to sell Notes in accordance with the terms of this prospectus. Through this program with Incapital, Century receives net proceeds from sales after sales compensation to Incapital and broker dealers based on the maturity of the Notes sold, ranging from \$997 per \$1,000 of six-month Notes to \$970 per \$1,000 of 20-year Notes. While Century receives net proceeds after sales of less than the full par value, it uses operating funds to cover the discount such that each investor receives the full par value of a Note.

Except for Notes sold to level-fee accounts, Notes offered to the public will be offered at the public offering price set forth in the relevant pricing supplement. Selected dealers purchasing Notes on an agency basis for non-level fee client accounts shall purchase Notes at the public offering price. Notes purchased by the selected dealers for their own account may be purchased at the public offering price less the applicable concession. Notes purchased by the selected dealers on behalf of level-fee fiduciary accounts may be sold to such accounts at the public offering price less the applicable concession, in which case, such selected dealers will not retain any portion of the sales price as compensation.

Investment Suitability under the SEC's Regulation Best Interest

The SEC's Regulation Best Interest ("Regulation BI") under the Securities Exchange Act of 1934 establishes a "best interest" standard of conduct for broker-dealers and associated persons when they make a recommendation to a retail customer of any securities transaction or investment strategy involving securities. A broker-dealer must act in the best interest of the retail customer at the time the recommendation is made, without placing its own financial or other interest ahead of the retail customer's interest. This general obligation is satisfied only if a broker-dealer complies with four component obligations. (1) The Disclosure Obligation requires a broker-dealer, prior to or at the time of the recommendation, to provide a retail customer, in writing, full and fair disclosure of all material facts relating to the scope and terms of the relationship with the retail customer and all material facts relating to conflicts of interest that are associated with the recommendation. (2) The Care Obligation requires a broker-dealer to exercise reasonable diligence, care, and skill when making a recommendation to a retail customer. (3) The Conflict of Interest Obligation requires a broker-dealer to establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with its recommendations to retail customers. (4) The Compliance Obligation requires a broker-dealer to establish, maintain, and enforce written policies and procedures reasonably designed to achieve compliance with Regulation Best Interest as a whole. Depending on individual investor circumstances, the obligations under Regulation BI may limit some potential investments in this offering.

FINANCIAL REPORTING

Within 120 days of its fiscal year-end, Century will cause the audited financial statements for the most recent fiscal year to be made available to all current investors in the Notes. The most recent financial statements are also available on the Century website, www.century.org/about/reports, or upon written request to Century.

APPENDIX I

AUDITED FINANCIAL STATEMENTS OF CENTURY HOUSING CORPORATION AND AFFILIATES AS OF AND FOR THE FISCAL YEARS ENDED DECEMBER 31, 2019 AND 2018

Century Housing Corporation and Affiliates

**Consolidated Financial Statements with Report of Independent Auditors
December 31, 2019 and 2018**



Report of Independent Auditors

To the Board of Directors of
Century Housing Corporation and Affiliates:

We have audited the accompanying consolidated financial statements of Century Housing Corporation, a California nonprofit public benefit corporation, and Affiliates (the "Corporation"), which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principles

As discussed in Note 2 to the financial statements, Century Housing Corporation and Affiliates adopted changes in accounting principles related to revenue recognition and presentation and disclosure of the statements of cash flows. Our opinion is not modified with respect to those matters.

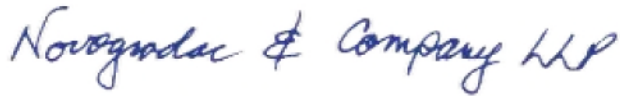
Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the accompanying supplementary information on pages 43-51 are presented for the purposes of additional analysis of the consolidated financial statements rather than to present the financial position or changes in net assets of the individual entities, and they are also not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2020, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



Walnut Creek, California
April 28, 2020

CENTURY HOUSING CORPORATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 16,677,357	\$ 16,447,673
Restricted cash	23,879,076	13,789,105
Accounts receivable, net	509,784	310,060
Investments	109,830,370	97,273,911
Interest receivable	1,892,085	1,502,275
Notes receivable, net	284,519,978	242,238,733
Deferred charges, net	431,379	436,326
Prepaid expenses and other assets	547,352	434,020
Real estate held for investment, net	276,490,098	242,401,969
Furniture, fixtures and equipment, net	<u>4,133,776</u>	<u>4,587,910</u>
Total assets	<u>\$ 718,911,255</u>	<u>\$ 619,421,982</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	\$ 12,655,664	\$ 11,088,949
Accrued interest	3,182,056	2,093,988
Security deposits	1,175,704	998,881
Deferred income	1,742,126	1,344,026
Fair value of interest rate swap liability	3,277,546	415,943
Bonds payable, net of unamortized debt issuance costs	99,400,035	-
Notes payable and lines of credit, net of unamortized debt issuance costs	279,332,012	321,349,704
Other liabilities	1,757,110	509,254
Forgivable loans	<u>433,334</u>	<u>760,571</u>
Total liabilities	402,955,587	338,561,316
Net assets:		
Without donor restriction		
Controlling interest	224,011,153	204,187,660
Non-controlling interest	<u>76,558,015</u>	<u>67,486,506</u>
Total net assets without donor restriction	300,569,168	271,674,166
With donor restriction - controlling interest	<u>15,386,500</u>	<u>9,186,500</u>
Total net assets	<u>315,955,668</u>	<u>280,860,666</u>
Total liabilities and net assets	<u>\$ 718,911,255</u>	<u>\$ 619,421,982</u>

see accompanying notes to consolidated financial statements

CENTURY HOUSING CORPORATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
LENDING AND CORPORATE REVENUE		
Investment interest and dividends	\$ 2,448,209	\$ 2,089,392
Income from notes receivable	24,994,516	19,292,395
Residual receipts and contingent asset income	698,224	2,149,523
Other income	72,258	99,585
Net assets released from restrictions	2,000,000	-
Total lending and corporate revenue	<u>30,213,207</u>	<u>23,630,895</u>
HOUSING REVENUE AND SUPPORT		
CVC, CADI and other real estate operations		
Rental property income	15,312,656	13,415,903
Debt forgiveness income	327,237	405,429
Other real estate income	19,150	17,880
Contributions and fundraising income	607,483	620,255
Total housing revenue and support	<u>16,266,526</u>	<u>14,459,467</u>
Total revenue	46,479,733	38,090,362
LENDING AND CORPORATE EXPENSES		
Allocation for loan losses	871,858	1,139,304
Borrowing fees	305,252	113,723
Interest expense	10,030,007	7,386,845
Salaries and employee benefits	4,905,091	2,051,644
Professional fees	323,032	390,529
Business development expenses	399,309	358,342
General and administrative expenses	911,835	868,706
Depreciation and amortization expense	76,036	58,375
Total lending and corporate expenses	<u>17,822,420</u>	<u>12,367,468</u>
HOUSING EXPENSES		
CVC, CADI and other real estate operations		
Rental property expenses	7,335,155	6,292,413
Property depreciation and amortization	7,623,233	6,467,677
Interest expense	2,408,048	1,410,931
Other real estate expenses	328,177	261,031
Housing salaries and employee benefits	5,708,979	3,964,536
Total housing expenses	<u>23,403,592</u>	<u>18,396,588</u>
Total expenses	<u>41,226,012</u>	<u>30,764,056</u>

see accompanying notes to consolidated financial statements

CENTURY HOUSING CORPORATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Change in net assets without donor restriction before other income and expenses	\$ 5,253,721	\$ 7,326,306
OTHER INCOME AND (EXPENSES)		
Realized and unrealized gains (losses) on financial investments	9,604,527	(4,941,621)
Unrealized loss on interest rate swap	(2,861,603)	(415,943)
Income tax expense	(15,300)	(15,490)
Bad debt expense	(131,419)	(143,291)
Net other income and (expenses)	<u>6,596,205</u>	<u>(5,516,345)</u>
Change in net assets without donor restriction from operations	11,849,926	1,809,961
Contributions from non-controlling interest	17,122,573	29,375,640
Distributions to non-controlling interest	(12,423)	(12,221)
Syndication costs paid by non-controlling interest	(65,074)	(167,069)
Change in net assets without donor restriction	<u>28,895,002</u>	<u>31,006,311</u>
Change in net assets with donor restriction		
Contributions	8,200,000	7,186,500
Release from net assets with donor restriction	(2,000,000)	-
Change in net assets with donor restriction	<u>6,200,000</u>	<u>7,186,500</u>
Change in net assets	35,095,002	38,192,811
Net assets at beginning of year	<u>280,860,666</u>	<u>242,667,855</u>
Net assets at end of year	<u>\$ 315,955,668</u>	<u>\$ 280,860,666</u>

see accompanying notes to consolidated financial statements

CENTURY HOUSING CORPORATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program	Administrative	Fundraising	Total
LENDING AND CORPORATE EXPENSES				
Allocation for loan losses	\$ 871,858	\$ -	\$ -	\$ 871,858
Borrowing fees	305,252	-	-	305,252
Interest expense	10,030,007	-	-	10,030,007
Salaries and employee benefits	1,689,201	3,180,412	35,478	4,905,091
Professional fees	323,032	-	-	323,032
Business development expenses	399,309	-	-	399,309
General and administrative expenses	-	911,835	-	911,835
Depreciation and amortization expense	-	76,036	-	76,036
Total lending and corporate expenses	<u>13,618,659</u>	<u>4,168,283</u>	<u>35,478</u>	<u>17,822,420</u>
HOUSING EXPENSES				
CVC, CADI and other real estate operations				
Rental property expenses	7,243,332	-	91,823	7,335,155
Property depreciation and amortization	7,623,233	-	-	7,623,233
Interest expense	2,408,048	-	-	2,408,048
Other real estate expenses	328,177	-	-	328,177
Housing salaries and employee benefits	4,435,263	1,273,716	-	5,708,979
Total housing expenses	<u>22,038,053</u>	<u>1,273,716</u>	<u>91,823</u>	<u>23,403,592</u>
TOTAL	<u>35,656,712</u>	<u>5,441,999</u>	<u>127,301</u>	<u>41,226,012</u>
OTHER EXPENSES				
Unrealized loss on interest rate swap	2,861,603	-	-	2,861,603
Income tax expense	15,300	-	-	15,300
Bad debt expense	131,419	-	-	131,419
Total other expenses	<u>3,008,322</u>	<u>-</u>	<u>-</u>	<u>3,008,322</u>
TOTAL EXPENSES	<u>\$ 38,665,034</u>	<u>\$ 5,441,999</u>	<u>\$ 127,301</u>	<u>\$ 44,234,334</u>

see accompanying notes to consolidated financial statements

CENTURY HOUSING CORPORATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program	Administrative	Fundraising	Total
LENDING AND CORPORATE EXPENSES				
Allocation for loan losses	\$ 1,139,304	\$ -	\$ -	\$ 1,139,304
Borrowing fees	113,723	-	-	113,723
Interest expense	7,386,845	-	-	7,386,845
Salaries and employee benefits	1,497,017	518,270	36,357	2,051,644
Professional fees	380,029	-	10,500	390,529
Business development expenses	358,342	-	-	358,342
General and administrative expenses	500	868,206	-	868,706
Depreciation and amortization expense	-	58,375	-	58,375
Total lending and corporate expenses	<u>10,875,760</u>	<u>1,444,851</u>	<u>46,857</u>	<u>12,367,468</u>
HOUSING EXPENSES				
CVC, CADI and other real estate operations				
Rental property expenses	6,223,044	-	69,369	6,292,413
Property depreciation and amortization	6,467,677	-	-	6,467,677
Interest expense	1,410,931	-	-	1,410,931
Other real estate expenses	261,031	-	-	261,031
Housing salaries and employee benefits	2,652,857	1,311,679	-	3,964,536
Total housing expenses	<u>17,015,540</u>	<u>1,311,679</u>	<u>69,369</u>	<u>18,396,588</u>
TOTAL	<u>27,891,300</u>	<u>2,756,530</u>	<u>116,226</u>	<u>30,764,056</u>
OTHER EXPENSES				
Realized and unrealized losses				
on financial investments	4,941,621	-	-	4,941,621
Unrealized loss on interest rate swap	415,943	-	-	415,943
Income tax expense	-	15,490	-	15,490
Bad debt expense	143,291	-	-	143,291
Total other expenses	<u>5,500,855</u>	<u>15,490</u>	<u>-</u>	<u>5,516,345</u>
TOTAL EXPENSES	<u>\$ 33,392,155</u>	<u>\$ 2,772,020</u>	<u>\$ 116,226</u>	<u>\$ 36,280,401</u>

see accompanying notes to consolidated financial statements

CENTURY HOUSING CORPORATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 35,095,002	\$ 38,192,811
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Contributions from non-controlling interest	(17,122,573)	(29,375,640)
Distributions to non-controlling interest	12,423	12,221
Syndication costs paid by non-controlling interest	65,074	167,069
Debt forgiveness income	(327,237)	(405,429)
Interest expense - debt issuance costs	435,322	18,585
Depreciation and amortization expense	7,699,269	6,526,052
Allocation for loan losses	871,858	979,138
Bad debt expense	131,419	143,291
Realized and unrealized (gains) losses on financial investments	(9,604,527)	4,941,621
Unrealized loss on interest rate swap	2,861,603	415,943
(Increase) decrease in assets		
Accounts receivable, net	(331,143)	(81,407)
Interest receivable	(389,810)	(343,860)
Prepaid expenses and other assets	(113,332)	(88,793)
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	831,303	346,516
Accrued interest	1,088,068	471,683
Security deposits	176,823	50,416
Other liabilities	1,247,856	509,254
Deferred income	398,100	727,337
Net cash provided by operating activities	<u>23,025,498</u>	<u>23,206,808</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment of accounts payable and accrued expenses - construction	(8,490,035)	(4,902,012)
Purchase of real estate held for investment	(30,758,075)	(37,910,970)
Purchase of furniture, fixtures and equipment	(1,310,817)	(1,738,752)
Increase in deferred charges	(33,978)	(22,365)
Advances in notes receivable	(246,789,027)	(288,138,462)
Receipts from notes receivable	203,401,478	230,573,160
Purchase of investment securities	(18,704,301)	(18,558,833)
Proceeds from sales of investment securities	15,752,369	8,345,600
Net cash used in investing activities	<u>(86,932,386)</u>	<u>(112,352,634)</u>

see accompanying notes to consolidated financial statements

CENTURY HOUSING CORPORATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable and lines of credit	\$ 162,422,821	\$ 115,520,413
Payments of notes payable and lines of credit	(204,216,070)	(71,059,288)
Proceeds from bonds payable	100,000,000	-
Increase in debt issuance costs	(1,025,284)	(353,357)
Proceeds from interest rate swap	-	19,051
Contributions from non-controlling interest	17,122,573	29,375,640
Distributions to non-controlling interest	(12,423)	(12,221)
Syndication costs paid by non-controlling interest	(65,074)	(167,069)
Net cash provided by financing activities	<u>74,226,543</u>	<u>73,323,169</u>
Net change in cash, cash equivalents and restricted cash	10,319,655	(15,822,657)
Cash, cash equivalents and restricted cash at beginning of year	<u>30,236,778</u>	<u>46,059,435</u>
Cash, cash equivalents and restricted cash at end of year	<u>\$ 40,556,433</u>	<u>\$ 30,236,778</u>
Cash and cash equivalents	\$ 16,677,357	\$ 16,447,673
Restricted cash	<u>23,879,076</u>	<u>13,789,105</u>
Total cash, cash equivalents and restricted cash	<u>\$ 40,556,433</u>	<u>\$ 30,236,778</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 12,520,441	\$ 9,873,530
Cash paid for income taxes	<u>\$ 15,300</u>	<u>\$ 15,490</u>
Interest capitalized to fixed assets	<u>\$ 1,605,776</u>	<u>\$ 1,772,963</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Increase in real estate assets held for investment, net and accounts payable and accrued liabilities	<u>\$ 9,225,447</u>	<u>\$ 8,920,596</u>

see accompanying notes to consolidated financial statements

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Organization

Century Housing Corporation (“Century”) is a California nonprofit public benefit corporation exempt from state and federal income taxation. Century is the successor-in-interest to a housing program formerly administered by the State of California under the supervision of the United States District Court (“Court”) and a Consent Decree entered in settlement of Keith v. Volpe (U.S. District Court, 72-355 HP). Century and its predecessor have developed and/or financed more than 42,031 affordable housing units throughout the State of California.

Century provides certain business activities and service programs to communities within the State of California. The following are the significant activities:

Affordable Housing Financing – Century operates primarily as a lender to developers, builders and other nonprofit entities to provide and maintain affordable homes.

Affordable Housing Development – Century engages in the development, preservation, and management of affordable housing through its Century Villages at Cabrillo, Inc. (“CVC”) and Century Affordable Development, Inc. (“CADI”) affiliates.

2. Summary of significant accounting policies and nature of operations

Principles of consolidation

The accompanying consolidated financial statements include the assets, liabilities, net assets and financial activities of Century and its controlled affiliates (collectively, the “Corporation”):

Century Villages at Cabrillo, Inc. and affiliates,
Century Affordable Development, Inc. and affiliates,
Century Community Children’s Centers, Inc.,
Century Pointe, Inc.
Century California Fund, LLC, and
Century Metropolitan Fund, LLC
Century Long Term Value Fund, LLC

All material intercompany transactions and balances have been eliminated in consolidation.

CVC Entities

CVC is the sole general partner in three limited partnerships: Long Beach Savannah Housing, L.P. (“Savannah”), Casa de Cabrillo, L.P. (“Casa”), and The Family Commons at Cabrillo, L.P. (“Family Commons”). CVC owns 0.1% of Savannah, 0.01% of Casa and 0.01% of Family Commons. CVC is the sole member of CVC Phase II, LLC, CVC Phase IV, LLC and CVC Phase V, LLC, which is the sole general partner of Plaza de Cabrillo, L.P. (“Plaza de Cabrillo”), Cabrillo Gateway, L.P. (“Cabrillo Gateway”) and Anchor Place, L.P. (“Anchor Place”), respectively. CVC Phase II, LLC owns a 99% interest in Plaza de Cabrillo. CVC Phase IV, LLC and CVC Phase V, LLC owns a 0.01% interest in Cabrillo Gateway and Anchor Place, respectively. CVC is the sole member of Century Villages Property Management, LLC (“CVPM”), which is the property management business for the Villages at Cabrillo.

The accompanying consolidated financial statements also include the assets, liabilities, net assets and financial activities of CVPM, CVC Phase II, LLC, CVC Phase IV, LLC, and CVC Phase V, LLC.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

2. Summary of significant accounting policies and nature of operations (continued)

CADI Entities

CADI is the 1% managing member of 12010 South Vermont, LLC (“Vermont”) and Century is the 99% member. Vermont is the sole general partner of Academy Hall, L.P. (“Academy Hall”) and owns a 0.01% interest in Academy Hall. CADI is the sole member of CADI VI, LLC, which is the sole general partner of Century Arrowhead Vista, L.P. (“Arrowhead Vista”) and owns a 0.01% interest in Arrowhead Vista. CADI is the sole member of CADI VII, LLC, which is the sole general partner of Florence Morehouse, L.P. (“Florence Morehouse”) and owns a 0.01% interest in Florence Morehouse. CADI is the sole member of CADI VIII, LLC, which is the sole general partner of Beacon Place, L.P. (“Beacon Place”) and owns a 0.01% interest in Beacon Place. CADI is the sole member of CADI IX, LLC, which is the sole general partner of Beacon Pointe, L.P. (“Beacon Pointe”) and owns a 0.01% interest in Beacon Pointe. CADI is the sole member of CADI X, LLC, which is the sole general partner of Century Beachwood Apartments 2, LP (“Century Beachwood 2”) and owns a 0.01% interest in Century Beachwood 2. CADI is the sole member of CADI Eleven, LLC, which is the sole general partner of Casa Rita, LP (“Casa Rita”) and owns a 0.01% in Casa Rita. CADI also owns 99.9% and 99.99% of Savannah and Casa, respectively. CADI is the sole member of CADI XII, LLC, which is the sole general partner of Woodbridge Apartments, L.P. (“Woodbridge”) and owns a 51% interest in Woodbridge.

Partnerships that are controlled by Century and its controlled affiliates, regardless of ownership percentage, are included in the consolidated financial statements. The accompanying consolidated financial statements include the assets, liabilities, net assets and financial activities of the following partnerships:

Long Beach Savannah Housing, L.P.	Century Beachwood Apartments 2, L.P.
Casa de Cabrillo, L.P.	Beacon Pointe, L.P.
The Family Commons at Cabrillo, L.P.	Beacon Place, L.P.
Academy Hall, L.P.	Casa Rita, L.P.
Cabrillo Gateway, L.P.	Plaza de Cabrillo, L.P.
Anchor Place, L.P.	Woodbridge Apartments, L.P.
Century Arrowhead Vista, L.P.	West LA Veterans Collective, LLC
Florence Morehouse, L.P.	

Basis of accounting

The Corporation prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Financial statement presentation

The Corporation conforms to accounting principles generally accepted for not-for-profit organizations, which require the Corporation to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction. Furthermore, information is required to segregate program service expenses from management and general expenses. Income earnings on net assets with donor restriction are recognized as net assets without donor restriction.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

2. Summary of significant accounting policies and nature of operations (continued)

Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents

Cash is defined as cash in demand deposit accounts as well as cash on hand. The Corporation considers all highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents. The carrying amounts of cash and cash equivalents approximate their fair value.

Restricted cash

Restricted cash is not considered cash and cash equivalents, and includes cash deposited into separate bank accounts being held as collateral, and security deposits, operating reserves and replacement reserves that certain entities have been required to establish. Restricted cash also includes cash held under the provisions of the CDFI Fund. The carrying amounts of restricted cash approximate their fair value.

Contributions

Contributions received are recorded as support with or without donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. The Corporation reports contributions with donor restrictions whose restrictions are met in the same reporting period as contributions without donor restrictions.

Investments

All debt and equity securities are carried at estimated fair value. Realized gains and losses on investments are determined using the specific-identification method. Unrealized gains and losses arise from changes in the fair value of debt and equity securities and are reported in the consolidated statements of activities as increases or decreases in net assets without donor restrictions.

Fair value measurements

The Corporation applies the accounting provisions related to fair value measurements. These provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data. These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows) and the cost approach (cost to replace the service capacity of an asset or replacement cost).

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

2. Summary of significant accounting policies and nature of operations (continued)

Fair value measurements (continued)

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

Level 1: Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Inputs other than quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Unobservable inputs that reflect the Corporation's own assumptions.

The following tables present certain Corporation assets and liabilities that are measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of December 31, 2019 and 2018:

		December 31, 2019			
		Level 1	Level 2	Level 3	Fair Value Measurements
Assets					
Marketable securities	\$	81,151,645	\$	-	\$ 81,151,645
U.S. Treasury obligations		27,645,925		-	27,645,925
Guarantee fees		-		50,701	50,701
Notes receivable, net		-		284,519,978	284,519,978
		<u>\$ 108,797,570</u>		<u>\$ 284,570,679</u>	<u>\$ 393,368,249</u>
Liabilities					
Guaranty liability	\$	-	\$	50,701	\$ 50,701
Interest rate swap		-	3,277,546	-	3,277,546
Bonds payable		99,400,035		-	99,400,035
Notes payable and lines of credit		279,332,012		-	279,332,012
Forgivable loans		433,334		-	433,334
		<u>\$ 379,165,381</u>		<u>\$ 50,701</u>	<u>\$ 382,493,628</u>

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

2. Summary of significant accounting policies and nature of operations (continued)

Fair value measurements (continued)

	December 31, 2018			
	Level 1	Level 2	Level 3	Fair Value Measurements
Assets				
Marketable securities	\$ 68,684,547	\$ -	\$ -	\$ 68,684,547
U.S. Treasury obligations	27,556,564	-	-	27,556,564
Guarantee fees	-	-	50,701	50,701
Notes receivable, net	-	-	242,238,733	242,238,733
	<u>\$ 96,241,111</u>	<u>\$ -</u>	<u>\$ 242,289,434</u>	<u>\$ 338,530,545</u>
Liabilities				
Guaranty liability	\$ -	\$ -	\$ 50,701	\$ 50,701
Interest rate swap	-	415,943	-	415,943
Notes payable and lines of credit	321,349,704	-	-	321,349,704
Forgivable loans	760,571	-	-	760,571
	<u>\$ 322,110,275</u>	<u>\$ 415,943</u>	<u>\$ 50,701</u>	<u>\$ 322,576,919</u>

Investments in marketable securities are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices, broker dealer quotations or alternative pricing sources with reasonable levels of price transparency.

U.S. Treasury obligations are based on prices provided by vendors that obtain feeds from a number of live data sources, including active market makers and interdealer brokers. To the extent that the values of U.S. Treasury obligations are actively quoted, they are categorized as Level 1. To the extent these inputs are observable and timely, the values of these securities are categorized as Level 2; otherwise, the values are categorized as Level 3.

Interest rate swaps are classified within Level 2 of the fair market value hierarchy because the fair value of the interest rate swap is based on notional amounts, interest rates, maturity date and other contract terms and is valued using a third-party.

Guarantee fees and liability are classified within Level 3 of the fair market value hierarchy because they are valued based on the income approach (e.g., the discounted cash flow method) and based on management's assumption of the discount rate.

Notes receivable are classified within Level 3 of the fair value hierarchy because they are valued based on future discounted cash flows and management's assumptions of various lending risk factors and existing market conditions.

The carrying amounts of bonds payable, notes payable and lines of credit, and forgivable loans approximate fair value because the Corporation can obtain similar loans at the same terms.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

2. Summary of significant accounting policies and nature of operations (continued)

Fair value measurements (continued)

The changes in notes receivable measured at fair value for which the Corporation has used Level 3 inputs to determine fair value are as follows:

Notes receivable, net:

Balance, January 1, 2018	\$ 185,652,569
Advances	288,138,462
Principal payments received	(230,573,160)
Allocation for loan losses	<u>(979,138)</u>
Balance, December 31, 2018	242,238,733
Advances	246,789,027
Principal payments received	(203,635,924)
Allocation for loan losses	<u>(871,858)</u>
Balance, December 31, 2019	<u><u>\$ 284,519,978</u></u>

Derivatives and hedging activities

The Corporation recognizes all derivatives on the statement of financial position at fair value. Derivatives that do not qualify for the hedge accounting are adjusted to fair value through income. If the derivative is a hedge instrument, depending on the nature of the hedge transaction, the changes in the fair value of derivative instrument are either offset against the earnings of the hedged item or recognized in other comprehensive income (loss) in net assets until the hedged item is recognized in earnings. The ineffective portion of a derivative hedge instrument is immediately recognized in earnings. The Corporation is a party to a derivative financial instrument for the purpose of limiting its exposure to interest rate fluctuations through the use of interest rate swaps. Derivatives are held only for the purpose of hedging or limiting such risks, not for speculation. As of December 31, 2019 and 2018, none of the Corporation's derivative financial instruments qualify as hedges.

Investment in limited partnerships

The Corporation holds interests of 50% or less in limited partnerships, which are accounted for using the equity method of accounting. The initial investment is recorded at cost and is subsequently increased by the Corporation's share of earnings and decreased by the Corporation's share of losses and distributions. Under the equity method, losses from operating partnerships in which the Corporation is not required to fund any operating deficit obligations are no longer recognized once the balance in the investment account reaches zero.

Rental income

Rental income is recognized as rent becomes due. Rental payments received in advance are deferred until earned. All leases between the Corporation and its tenants are operating leases.

Loan fees

Loan fees represent the origination fees charged to the borrowers of the Corporation. Loan origination fees are recognized as revenue upon closing of the loans when the cost of originating the loans is equal or greater than the loan origination fees received. In the case where the loan origination fees received are greater than the cost incurred to originate the loans, the excess of loan fees received over loan origination costs will be deferred and recognized as revenue over the terms of the loans.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

2. Summary of significant accounting policies and nature of operations (continued)

Accounts receivable and allowance for doubtful accounts

Accounts receivable is stated at the amount management expects to collect from outstanding balances. Management closely monitors outstanding balances and provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are generally written off through a charge to the valuation allowance and a credit to trade accounts receivable. As of December 31, 2019 and 2018, management had established an allowance for doubtful accounts in the amount of \$0.

Notes receivable and allowance for loan losses

Notes receivable are reported net of an allowance for loan losses. Management's estimate of the allowance is based on historical collection experience and a review of the current status and collections of notes receivable. Management's policy is to establish an allowance for loan losses of up to 2% on the outstanding balance of loans with no prior history of non-performance. Loans that exhibit non-performance are re-evaluated by management and the allowance for loan losses is adjusted accordingly. As of December 31, 2019 and 2018, management had established an allowance for loan losses in the amount of \$4,616,120 and \$3,744,262, respectively. The allowance for loan losses at December 31, 2019 and 2018 is summarized as follows:

Balance, January 1, 2018	\$ 2,765,124
Provision for losses	<u>979,138</u>
Balance, December 31, 2018	3,744,262
Provision for losses	<u>871,858</u>
Balance, December 31, 2019	<u><u>\$ 4,616,120</u></u>

Real estate held for investment

Real estate held for investment is stated at cost. The cost of maintenance and repairs is expensed as incurred, while major renewals and betterments are capitalized. The Corporation rents some of these assets to qualifying tenants under operating leases. Rental payments received in advance are deferred until earned. In addition, the Corporation records depreciation expense on the rented homes. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over the estimated service life of approximately 28 years using the straight-line method.

Buildings, leasehold improvements and office equipment are stated at cost of acquisition or construction. Assets purchased from commonly controlled entities are recorded at the seller's carrying value. Expenditures for maintenance and repairs are expensed as incurred, while major renewals and betterments are capitalized. Costs of the properties constructed, rehabilitated or still under development include all direct costs of construction as well as carrying costs, such as interest, during the construction period and indirect costs of construction, supervision, and management. It is the Corporation's policy to consider any items purchased with an estimated useful life of more than one year and a cost in excess of \$1,000 for capitalization.

Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the consolidated statements of activities. Depreciation is computed using the straight-line method over estimated useful lives of the assets.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

2. Summary of significant accounting policies and nature of operations (continued)

Real estate held for investment (continued)

The useful lives of the assets are estimated as follows:

Buildings and improvements	27.5 - 40 years
Furniture and fixtures	5 - 7 years
Equipment	5 years
Leasehold improvements	Over life of lease

Impairment of long-lived assets

The Corporation reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flows expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flow analysis, or other valuation technique. There were no impairment losses recognized during 2019 or 2018.

Deferred charges and amortization

Deferred charges are recorded at cost and amortized on a straight-line basis. Tax credit fees are amortized over the tax credit compliance period. Ground lease fees are amortized over the life of the lease.

Grant revenue

The Corporation received grants from governments, agencies and others, which are conditioned upon incurring certain qualifying costs or meeting other conditions. The grants are recognized as revenue when the qualifying costs are incurred. Funds received for costs not yet incurred are recorded as deferred revenue. Funds for qualifying costs incurred and recognized as revenue but not yet received are recorded as accounts receivable.

Development fee income

Development fee income from non-consolidated affiliates is recognized as the project is completed under a percentage of completion method or in accordance with the developer fee agreement. Developer fees earned on the development of properties owned by CVC, CADI, and Century, either temporarily or permanently, are not recognized as income. Developer fee profits recognized from affiliated limited partnerships are eliminated as intercompany transactions. Century estimates that 90% of its developer fees cover related project costs. Project costs include costs of development, such as consultants, allocated internal salaries and benefits, related overhead, and other non-reimbursed fees that are ordinarily capitalized. The 10% profit portion of the development fees is considered deferred income and amortized annually to offset the depreciation expense related to the fee capitalized as real property costs. See deferred development fee income schedule on page 40.

Sale of assets

The Corporation records its gain or loss on the sale of assets by recording the cost of sale of the asset as a reduction against the sale proceeds received. The cost of the sale of the asset is determined based upon the historical cost of the asset, net of any accumulated depreciation recorded through the date of the sale, and increased for any closing costs or commission incurred on the sale.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

2. Summary of significant accounting policies and nature of operations (continued)

Non-controlling interests in limited partnerships

The non-controlling interests in limited partnerships represent the aggregate positive balances of the limited partners' equity interests in Family Commons, Academy Hall, Cabrillo Gateway, Anchor Place, Arrowhead Vista, Florence Morehouse, Beacon Pointe, Beacon Place, Century Beachwood 2, and Casa Rita that are included in the consolidated financial statements, while the negative balances of the limited partners' interest reduce the Corporation's net assets.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statement of functional expenses. Expenses that are directly identifiable are allocated to programs. Accordingly, certain administrative costs are allocated among program services and supporting services based on estimates of time and effort.

Income taxes

The Corporation is a nonprofit public benefit corporation and is exempt from federal and state tax under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code (the "Codes"). Management believes that all material activities of the Corporation are within the tax-exempt guidelines of the Codes. Accordingly, no provision for income taxes is included on the accompanying consolidated financial statements.

Income taxes on partnership and LLC income are levied on the partners and members in their individual capacity. Accordingly, all profits and losses of the partnerships are recognized by each partner and member on its respective tax return.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Corporation to report information regarding its exposure to various tax positions taken by the Corporation. The Corporation has determined whether any tax positions have met the recognition threshold and has measured the Corporation's exposure to those tax positions. Management believes that the Corporation has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Corporation are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying consolidated financial statements.

Concentration of credit risk

The Corporation maintains its cash balances in various banks. The balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 at each bank. At times, these balances may exceed the federal insurance limit; however, the Corporation has not experienced any losses with respect to bank balances in excess of government provided insurance. As of December 31, 2019, cash balances in excess of the FDIC limits totaled \$25,472,000.

Changes in accounting principles

On January 1, 2019, the Corporation adopted new accounting standards that affects the accounting for revenue. The Corporation's revenue is derived from leases and income from notes receivable which is not impacted by this standard. The Corporation also derives revenue from contributions. Adopting these standards did not have a significant impact on the consolidated financial statements.

The new revenue standard also introduced new guidance for accounting for other revenue. Adopting this standard did not have a significant impact on the consolidated financial statements.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

2. Summary of significant accounting policies and nature of operations (continued)

Changes in accounting principles (continued)

On January 1, 2019, the Corporation adopted new accounting standards that affect the statement of cash flows. These new standards address how certain cash receipts and payments are presented and classified in the statement of cash flows, including that debt prepayments and other debt extinguishment related payments are required to be classified as financing activities, when previously these payments were classified as an operating activity. The new standards also require the statement of cash flows to explain the change in cash, cash equivalents and restricted cash. Previously, changes in restricted cash were presented in the statement of cash flows as operating, investing or financing activities depending upon the intended purpose of the restricted funds.

The effect of the revisions to the statements of cash flows for the year ended December 31, 2018 is as follows:

	As Previously Reported	Adjustments	As Revised
Net cash flows used in investing activities	\$ (97,138,380)	\$ (15,214,254)	\$ (112,352,634)

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

Subsequent events

Subsequent events have been evaluated through April 28, 2020, which is the date the consolidated financial statements were available to be issued. The following is a summary of significant transactions through April 28, 2020:

The spread of a novel strain of coronavirus (COVID-19) in the first quarter of 2020 has caused significant volatility in U.S. markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy. The extent of the impact of COVID-19 on the Corporation's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on tenants, borrowers, donors, employees and vendors, all of which are uncertain and cannot be determined at this time.

3. Restricted cash

The Corporation's restricted cash consisted of the following at December 31, 2019 and 2018:

	2019	2018
Security deposits	\$ 1,132,359	\$ 970,480
Replacement reserves	5,336,054	5,232,347
Operating reserves	2,299,322	1,618,664
Transition reserves	391,148	311,148
Construction reserves	1,595,504	303
General Partner reserves	45,021	-
Impound deposits	131,668	89,663
CDFI/Capital Magnet Funds	9,238,000	5,566,500
Swap collateral	3,710,000	-
Total restricted cash	<u>\$ 23,879,076</u>	<u>\$ 13,789,105</u>

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

4. Investments – Century Housing Corporation

Publicly traded securities and U.S. Treasury obligations are valued at quoted market prices. These investments are comprised of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Total Market Equity Fund	\$ 11,982,996	\$ 12,937,779
Loomis Sayles High Yield Fund	6,561,372	7,803,202
Bain Senior Loan Fund	6,526,534	7,941,979
Vanguard Total International Stock Index Fund	9,256,528	11,639,692
Dodge & Cox Fund	20,550,371	14,132,723
JP Morgan Core Bond Fund	20,401,961	14,229,172
U.S. Treasury Inflation-Protected Securities	27,645,925	27,556,564
BlackRock Minimum Volatility Index Fund	5,871,883	-
Total securities	<u>\$ 108,797,570</u>	<u>\$ 96,241,111</u>

As of December 31, 2019 and 2018, Century held shares of Federal Home Loan Bank of San Francisco (“FHLB”) capital stock in the amount of \$1,032,800 for both years. Members of FHLB are required to own a certain amount of stock based on the level of borrowings and other factors. The carrying value of FHLB capital stock approximates fair value.

The following schedule summarizes the investment return and its classification in the consolidated statements of activities for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Interest on cash and cash equivalents	\$ 400,054	\$ 129,932
Interest income and dividends	2,048,155	1,959,460
Unrealized/realized gains (losses)	6,742,924	(5,357,564)
Total investment gains (losses)	<u>\$ 9,191,133</u>	<u>\$ (3,268,172)</u>

5. Notes receivable, net – Century Housing Corporation

Notes receivable consist of notes secured by the real property of affordable housing development projects located in the State of California. Advances under the notes receivable bear interest at rates ranging from 2% to 10%. Notes receivable, secured by affordable housing development projects and unsecured, totaled \$299,513,325 and \$252,330,062 as of December 31, 2019 and 2018, respectively.

On December 14, 2012, Century entered into an Origination and Participation Agreement with Golden State Acquisition Fund, LLC (“GSAF”) to which GSAF will provide 25% of the loan funds, which are obtained from the California Department of Housing and Community Development (“HCD”), to support eligible affordable housing developments as governed by the terms and provisions of the HCD Loan Agreement as well as the Participation Agreement. As of December 31, 2019 and 2018, the portion of the loan funded by GSAF was \$7,314,781 and \$6,347,067, respectively, and is offset against notes receivable on the accompanying consolidated statements of financial position.

Century owes GSAF interest accrued on the portion of loans funded by GSAF. The outstanding balance due to GSAF as of December 31, 2019 and 2018 was \$36,872 and \$29,472, respectively, which is included in accrued interest on the accompanying consolidated statements of financial position.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

5. Notes receivable, net – Century Housing Corporation (continued)

During 2019 and 2018, Century received Affordable Housing Program awards from Federal Home Loan Bank of San Francisco (“FHLB AHP”) for certain affordable housing development projects. As of December 31, 2019 and 2018, the portion of the loan funded by FHLB AHP was \$3,062,446 and \$234,446, respectively, and is offset against notes receivable on the accompanying consolidated statements of financial position.

Outstanding principal is scheduled to be received over each of the next five years and thereafter as follows:

Year ending December 31:	
2020	\$ 193,296,348
2021	77,910,732
2022	16,376,985
2023	-
2024	563,489
Thereafter	<u>11,365,771</u>
Total notes receivable	299,513,325
Less allowance for doubtful accounts	(4,616,120)
Less participant purchases	<u>(10,377,227)</u>
Total notes receivable, net	<u>\$ 284,519,978</u>

6. Real estate held for investment

The Corporation’s real estate held for investment consists of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Land	\$ 37,924,479	\$ 33,873,370
Buildings and improvements	191,902,160	172,220,286
Leasehold improvements	20,500,015	21,586,827
Construction in progress	<u>63,439,754</u>	<u>46,102,403</u>
Total real estate held for investment	313,766,408	273,782,886
Less accumulated depreciation	<u>(37,276,310)</u>	<u>(31,380,917)</u>
Total real estate held for investment, net	<u>\$ 276,490,098</u>	<u>\$ 242,401,969</u>

Real estate held for investment, net owned by the affiliated entities at December 31, 2019 and 2018, is as follows:

	<u>2019</u>	<u>2018</u>
Century Housing Corporation	\$ 6,500,747	\$ 6,677,811
Century Affordable Development, Inc.	10,155,578	781,954
Century Villages at Cabrillo, Inc.	13,808,663	13,854,813
CVC – Consolidated partnerships	97,405,272	100,871,858
CADI affiliated limited partnerships	<u>148,619,838</u>	<u>120,215,533</u>
Total real estate held for investment, net	<u>\$ 276,490,098</u>	<u>\$ 242,401,969</u>

Depreciation expense on real estate held for investment during 2019 and 2018 was \$5,895,393 and \$5,607,908, respectively.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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7. Furniture, fixtures and equipment, net

The Corporation's furniture, fixtures, and equipment consist of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Furniture and fixtures	\$ 8,727,599	\$ 7,502,581
Equipment	<u>2,208,881</u>	<u>2,123,082</u>
Total furniture, fixtures and equipment	10,936,480	9,625,663
Less accumulated depreciation	<u>(6,802,704)</u>	<u>(5,037,753)</u>
Total furniture, fixtures and equipment, net	<u>\$ 4,133,776</u>	<u>\$ 4,587,910</u>

Depreciation expense on furniture, fixtures and equipment during 2019 and 2018 was \$1,764,951 and \$873,383, respectively.

8. Deferred charges and amortization

The Corporation's deferred charges consist of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Tax credit fees	\$ 723,962	\$ 689,984
Ground lease fees	<u>22,500</u>	<u>22,500</u>
Total deferred charges	746,462	712,484
Accumulated amortization	<u>(315,083)</u>	<u>(276,158)</u>
Total deferred charges, net	<u>\$ 431,379</u>	<u>\$ 436,326</u>

Amortization expense during 2019 and 2018 was \$38,925 and \$44,761, respectively.

9. Employee benefit plans – Century Housing Corporation

The Corporation has a Section 403(b) defined contribution plan for its employees. Eligible employees may contribute a percentage of their annual compensation, subject to certain limitations, to the 403(b) defined contribution plan. For all participants, the Corporation will contribute 3% of an employee's gross salary and will match employee contributions up to 4% of gross salary to the 403(b) defined contribution plan. During the years ended December 31, 2019 and 2018, the total amount contributed by the Corporation to the plan was \$557,683 and \$454,678, respectively, which is included in salaries and employee benefits on the accompanying consolidated statements of activities.

Century also has a Section 457(b) deferred compensation plan for a select group of management and highly compensated employees. Employees may defer and contribute a portion of their annual compensation, subject to certain limitations, to the 457(b) plan.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

10. Contingent and restricted assets: affordable housing financing – Century Housing Corporation

During the formation of Century, Century's predecessor (Century Freeway Housing Program ("CFHP")), a housing program administered by the state of California), contributed certain notes receivable and net assets with donor restrictions to fund additional notes receivable for affordable housing. These loans were made to facilitate the acquisition of land, provide construction financing and make available permanent financing of affordable housing at rates substantially below current market interest rates. These loans provided for affordable housing based on rent and income restrictions established by CFHP. Century monitors compliance with these restrictive covenants, which continue for a period of 15 years or more. These affordable housing loans were generally interest-free until the completion of construction, and then accrued simple interest generally at 3% per annum deferred for their term. Principal and interest are due only after the payment of normal operating expenses, taxes and debt service on senior loans.

The loans extended to single family borrowers generally accrue interest at 3% per annum deferred for the term of the loan. They are generally due at maturity, 30 years from the note date, or in the event the borrower sells, transfers or conveys the property prior to the maturity of the note. There are no payments required during the term of the loans unless stipulated in the notes.

Repayment of these loans is dependent on operating income, residual value of the affordable housing units, and/or a violation of the terms of the loan, such as selling the property at market, all of which cannot be predicted. As a result, management has determined that repayment of these loans is uncertain and has not recorded the notes receivable or accrued interest on the books of the Corporation. Therefore, should repayment occur, it will be accounted for as contingent assets income in the year in which the payments are received.

Contingent assets represented by affordable housing loans outstanding as of December 31, 2019 and 2018, total \$62,694,750 and \$62,912,272, respectively, and have an effective interest rate of 3% per annum. Unrecognized accrued interest receivable as of December 31, 2019 and 2018 was \$40,406,775 and \$39,023,973, respectively. For the years ended December 31, 2019 and 2018, the Corporation recognized income in the amount \$698,224 and \$2,149,523 from these loans, respectively, which is included in "Residual receipts and contingent asset income" on the consolidated statements of activities.

11. Notes payable: housing activities

Note payable – Federal Home Loan Bank of San Francisco

On November 15, 2007, CVC obtained a development loan from the Federal Home Loan Bank of San Francisco's Affordable Housing Program ("FHLB AHP") in the amount of \$972,000 and funded by First Federal Bank of California. Loan proceeds were loaned to CVC under conditions stipulated in certain loan and regulatory agreements. Repayment of the loan is secured by a third deed of trust on the real property of Family Commons. The loan bears no interest and matures in November 2023, which is fifteen years from the date of Family Commons' project completion date. If CVC complies with the terms of the loan and regulatory agreements, the principal balance will be forgiven upon maturity. CVC, in turn, made a loan in the amount of \$972,000 to Family Commons for the development of its low-income housing tax credit project, subject to the same terms as the loan from FHLB AHP. As of December 31, 2019 and 2018, the outstanding principal was \$972,000.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

11. Notes payable: housing activities (continued)

Note payable – Federal Home Loan Bank of San Francisco (continued)

On July 23, 2015 and October 1, 2015, Cabrillo Gateway and Anchor Place, respectively, entered into a development loan agreement with FHLB AHP. During 2016, these were funded by Wells Fargo Financial National Bank in the amount of \$800,000 and \$1,500,000, respectively. The loans are secured by deeds of trust, non-interest bearing, and mature on June 1, 2070 and December 31, 2072, respectively. As of December 31, 2019 and 2018, the outstanding principal was \$2,300,000.

On May 22, 2017 and November 21, 2017, Beacon Place and Beacon Pointe, respectively, entered into a development loan agreement with FHLB AHP. During 2019, these were funded by Wells Fargo Financial National Bank in the amount of \$760,000 and \$1,500,000, respectively. The loans are secured by deeds of trust, non-interest bearing, and mature on May 1, 2072 and December 1, 2072, respectively. As of December 31, 2019, the outstanding principal was \$2,260,000.

On December 1, 2017, Century Beachwood 2, entered into a development loan agreement with FHLB AHP. During 2019, these were funded by MUFG Union Bank, N.A. in the amount of \$440,000. The loans are secured by deeds of trust, non-interest bearing, and mature on December 1, 2072. As of December 31, 2019, the outstanding principal was \$440,000.

Notes payable – Long Beach Community Investment Company

On December 15, 2008, Family Commons obtained financing for the construction of its project from loan proceeds funded by the Long Beach Community Investment Company, formerly known as the Long Beach Housing Development Company, in an amount not to exceed \$11,775,000 (the “LBHDC Loan”). Repayment of the LBHDC Loan is secured by a deed of trust and matures in November 2063. The LBHDC Loan is non-interest bearing and requires annual principal payments from residual receipts, as defined in the partnership agreement. As of December 31, 2019 and 2018, the outstanding principal was \$11,753,554.

On December 30, 2014, CADI acquired the Long Beach & Anaheim Phase II Property (the “Phase II Property”) through assumption of debt and executed a loan agreement with the Long Beach Community Investment Company (“LBCIC”) to assume the outstanding principal encumbering the Phase II Property in the amount of \$2,276,000 (the “LBCIC Loan”). During 2014, CADI discounted the principal debt assumed at acquisition to its present value as of the acquisition date. On November 15, 2017, the LBCIC Loan was amended and assigned to Beacon Pointe. The amended LBCIC Loan is non-interest bearing and matures 55 years after the recordation of the Release of Construction Covenants, as defined in the loan agreement. As of December 31, 2019 and 2018, the outstanding principal was \$2,276,000.

On November 15, 2017, Beacon Pointe obtained financing for the construction of its project from loan proceeds funded by the LBCIC in the amount of \$10,000,000 (the “LBCIC Construction Loan”). Repayment of the LBCIC Construction Loan is secured by a deed of trust and matures 55 years after the recordation of the Release of Construction Covenants, as defined. The LBCIC Construction Loan accrues interest at 3% per annum, and requires annual principal payments from residual receipts, as defined in the partnership agreement. As of December 31, 2019 and 2018, the outstanding principal was \$10,000,000, and accrued interest was \$627,500 and \$327,500, respectively. Interest expense for the years ended December 31, 2019 and 2018 was \$300,000 for each year, which was capitalized to fixed assets.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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11. Notes payable: housing activities (continued)

Note payable – The Bank of New York Mellon Trust Company, N.A.

On April 1, 2009, Academy Hall obtained financing for the acquisition and rehabilitation of the project from the proceeds of tax-exempt Multifamily Housing Revenue Bonds, Series 2009B issued by the City of Los Angeles (the “Issuer”) in the amount of \$5,000,000 (the “Tax-Exempt Bonds”). Concurrent with the issuance of the Tax-Exempt Bonds, the Issuer entered into a Trust Indenture with The Bank of New York Mellon (the “Trustee”). Proceeds for the Tax-Exempt Bonds were loaned by the Issuer to the Partnership under conditions stipulated in the loan agreement and the Trust Indenture. A loan in the amount of \$5,000,000 was funded to the Partnership on April 1, 2009 (the “Construction Loan”). Repayment of the loan is secured by the real property of the Partnership and bears a variable interest rate equal to the sum of the British Bankers Association LIBOR Daily floating rate plus 2.5%, which shall never be less than 3% or exceed 12%. Commencing May 1, 2010, the Construction Loan shall bear interest at a fixed rate of 6.25%. In November 2012, the Construction Loan converted into permanent financing, at which point payments of principal were due based on the redemption of the underlying Tax-Exempt Bonds. The interest rate remained fixed at 6.25%. Any unpaid principal and accrued interest is due in full at maturity on November 1, 2040. As of December 31, 2019 and 2018, the outstanding principal was \$2,075,000 and \$2,120,000, respectively. Interest expense for the years ended December 31, 2019 and 2018 was \$134,306 and \$137,866, respectively.

Notes payable – California Housing Finance Agency

On November 1, 2013, Cabrillo Gateway entered into a promissory note under the Mental Health Services Act Program (“MHSA”) in the amount of \$1,600,000, and on November 1, 2015, Anchor Place entered into a promissory note under the MHSA in the amount of \$1,710,000 (the “MHSA Loans”). Both loans are funded by the California Housing Finance Agency (“CalHFA”). Repayment of the MHSA Loans is secured by deeds of trust and mature on November 1, 2068 and November 1, 2070, respectively. The MHSA Loans bear simple interest at a rate of 3% per annum and require annual payments of accrued interest and outstanding principal from residual receipts, as defined in the promissory note. As of December 31, 2019 and 2018, the outstanding principal was \$3,310,000, and accrued interest was \$505,213 and \$405,913, respectively. Interest expense for the years ended December 31, 2019 and 2018 was \$99,300 for each year.

Notes payable – Wells Fargo Bank, N.A.

On November 15, 2015, Anchor Place entered into a promissory note with Wells Fargo Bank, N.A. (“Wells Fargo”) in an amount up to the total maximum of \$32,000,000 (the “Anchor WFB Loan”) for the construction of a multifamily housing development consisting of 120 units. Repayment of the Anchor WFB Loan is secured by a deed of trust and an accommodation deed of trust encumbering certain improvements and property as legally defined in the loan agreement. The Anchor WFB Loan bears interest at a rate equal to one month LIBOR plus 1.75% and is calculated on a basis of a 360-day year. Interest is payable in arrears on the first business day of each month. The entire principal balance of the Anchor WFB Loan, together with all accrued and unpaid interest and all other amounts payable was due on April 15, 2018. Anchor Place has the option to extend the term of the loan upon satisfaction of conditions set forth in the loan agreement. On June 22, 2018, a portion of the loan was repaid upon its conversion to a permanent loan, and the remaining balance of the Anchor WFB Loan was sold from Wells Fargo to California Community Reinvestment Corporation (“CCRC”). Interest expense for the year ended December 31, 2018 was \$465,390.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

11. Notes payable: housing activities (continued)

Notes payable – Wells Fargo Bank, N.A. (continued)

On May 24, 2017, Beacon Place entered into a promissory note with Wells Fargo in an amount up to the total maximum of \$15,933,599 (the “Beacon Place WFB Loan”) for the construction of a multifamily housing development consisting of 39 units. Repayment of the Beacon Place WFB Loan is secured by a deed of trust and an accommodation deed of trust encumbering certain improvements and property as legally defined in the loan agreement. The Beacon Place WFB Loan bears interest at a rate equal to one month LIBOR plus 1.75% and is calculated on a basis of a 360-day year. Interest is payable in arrears on the first business day of each month. The entire principal balance of the Beacon Place WFB Loan, together with all accrued and unpaid interest and all other amounts payable are due on March 15, 2020. As of December 31, 2019 and 2018, the outstanding principal was \$15,678,932 and \$11,465,551, respectively, and accrued interest was \$47,220 and \$39,461, respectively. Interest expense for the years ended December 31, 2019 and 2018 was \$601,894 and \$286,960, of which \$142,696 and \$286,960 was capitalized to fixed assets, respectively. On March 20, 2020, a portion of the Beacon Place WFB Loan was repaid upon its conversion to a permanent loan, and the remaining balance was sold from Wells Fargo to CCRC.

On June 1, 2017, Florence Morehouse executed a construction loan with Wells Fargo in the principal amount of \$9,500,000. On June 1, 2019, Florence Morehouse executed a supplemental loan with Wells Fargo in the principal amount of \$4,246,179 as additional financing for the project. The loans are secured by a deed of trust, assignment of leases and rents, and security agreement and fixture filing. The loans bear interest at a rate equal to one month LIBOR plus 1.45% and is calculated on a basis of a 360-day year. Interest is payable in arrears on the first business day of each month. The entire principal balance of the loans, together with all accrued and unpaid interest and all other amounts payable are due on February 17, 2020. As of December 31, 2019 and 2018, the combined principal balance of the loans was \$12,672,816 and \$8,428,619, respectively, and accrued interest was \$34,468 and \$26,770, respectively. Interest expense for the years ended December 31, 2019 and 2018 was \$236,205 and \$250,076, of which \$163,777 and \$219,030 was capitalized to fixed assets, respectively.

On November 27, 2017, Beacon Pointe entered into a promissory note with Wells Fargo in an amount up to the total maximum of \$37,266,748 (the “Beacon Pointe WFB Loan”) for the construction of a multifamily housing development consisting of 121 units. Repayment of the Beacon Pointe WFB Loan is secured by a deed of trust and an accommodation deed of trust encumbering certain improvements and property as legally defined in the loan agreement. The Beacon Pointe WFB Loan bears interest at a rate equal to one month LIBOR plus 1.75% and is calculated on a basis of a 360-day year. Interest is payable in arrears on the first business day of each month. The entire principal balance of the Beacon Pointe WFB Loan, together with all accrued and unpaid interest and all other amounts payable are due on May 15, 2020. As of December 31, 2019 and 2018, the outstanding principal was \$31,024,565 and \$19,083,514, respectively, and accrued interest was \$89,260 and \$63,600, respectively. Interest expense for the years ended December 31, 2019 and 2018 was \$972,879 and \$333,490, respectively, which was capitalized to fixed assets.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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11. Notes payable: housing activities (continued)

Notes payable – Wells Fargo Bank, N.A. (continued)

On January 29, 2018, Casa Rita executed a construction loan with Wells Fargo in the principal amount of \$6,849,200 for the renovation and rehabilitation of Casa Rita Apartments. The loan is secured by a deed of trust, assignment of leases and rents, and security agreement and fixture filing. The loan bears interest at a rate of 2% plus the 1-month LIBO Rate, and matures on August 1, 2019. As of December 31, 2018, the outstanding principal balance was \$5,195,562, and accrued interest was \$19,405. On May 2019, the construction loan was paid off. Interest expense for the years ended December 31, 2019 and 2018 was \$101,172 and \$114,704, of which \$0 and \$107,068 was capitalized to fixed assets, respectively.

California Community Reinvestment Corporation

On February 26, 2016, Wells Fargo sold \$2,935,000 of the Cabrillo WFB Loan to CCRC (“Cabrillo CCRC Loan”). The Cabrillo CCRC Loan is secured by a deed of trust, accrues interest at 5.95%, and matures on March 1, 2031. As of December 31, 2019 and 2018, the outstanding principal was \$2,425,434 and \$2,572,590, respectively. Interest expense for the years ended December 31, 2019 and 2018 was \$149,099 and \$157,579, respectively.

On June 22, 2018, Anchor Place executed a loan with CCRC in the principal amount of \$2,508,000 (the “Anchor CCRC Loan”). The loan is secured by a deed of trust, assignment of leases and rents, and security agreement and fixture filing. The loan bears interest at a rate of 5.25% per annum. The loan has a term of 15 years with all unpaid principal and accrued interest due on June 1, 2033. As of December 31, 2019 and 2018, the outstanding principal was \$2,336,306 and \$2,452,261, respectively. Interest expense for the years ended December 31, 2019 and 2018 was \$125,980 and \$65,594, respectively.

California Department of Housing and Community Development

On June 20, 2018, Anchor Place entered into a promissory note with the California Department of Housing and Community Development (“HCD”) in the principal amount of \$2,191,616. The HCD loan is secured by a deed of trust, assignment of rents, and security agreement and fixture filing. The HCD loan bears simple interest at a rate of 3% per annum with annual payments of accrued interest and principal in an amount equal to the Anchor Place’s residual receipts, as defined in the promissory note. All unpaid principal and accrued interest are due on maturity, which is in 55 years. As of December 31, 2019 and 2018, the principal balance of the loan was \$2,191,616, and accrued interest was \$97,161 and \$31,413, respectively. Interest expense for years ended December 31, 2019 and 2018 was \$65,748 and \$31,413, respectively.

Note payable - PNC Bank, N.A.

In March 2014, Arrowhead Vista obtained financing for the acquisition and rehabilitation of the project from an FHA-insured mortgage under the U.S Department of Housing and Urban Development 223(f) loan program in the amount of \$2,350,000 (the “PNC Loan”) funded by PNC Bank N.A. Repayment of the PNC Loan is secured by a first deed of trust on the real property of the project. The PNC Loan bears interest at a rate of 3.94% per annum, together with an annual mortgage insurance premium of 0.45%. The PNC Loan has a term of 35 years and matures in March 2049. Under the terms of the loan agreement, the partnership is obligated to make monthly principal and interest payments of \$10,321. As of December 31, 2019 and 2018, the outstanding principal was \$2,151,893 and \$2,190,137, respectively, and accrued interest was \$7,065 and \$7,191, respectively. Interest expense for years ended December 31, 2019 and 2018 was \$85,480 and \$86,960, respectively.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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11. Notes payable: housing activities (continued)

Note payable - Goodwill Housing of the Inland Counties, Inc.

On April 1, 2014, Arrowhead Vista entered into a promissory note with Goodwill Housing of the Inland Counties, Inc. in the amount of \$200,000 (the "GHIC Loan") for the acquisition and rehabilitation of the project. The GHIC Loan is unsecured and bears simple interest at a rate of 4.05% per annum. The GHIC Loan has a term of 35 years and matures on April 1, 2049. Payment of interest is due annually or semi-annually commencing April 1, 2015, only to the extent of available cash flow in accordance with the Partnership Agreement. As of December 31, 2019 and 2018, the outstanding principal was \$200,000, and accrued interest was \$38,475 and \$30,375, respectively. Interest expense for years ended December 31, 2019 and 2018 was \$8,100 for each year.

Note payable – Los Angeles Housing and Community Investment Department

On October 2, 2015, the Florence Morehouse acquired Florence Avenue Villas through assumption of debt and executed a loan agreement with the Los Angeles Housing and Community Investment Department ("HCIDLA") to assume the outstanding principal and interest encumbering Florence Avenue Villas in the amount of \$970,796 and \$1,221,014, respectively (the "HCIDLA Loan"). The HCIDLA Loan is secured by a deed of trust, and bears simple interest at a rate of 6% per annum with annual payments of accrued interest and principal in an amount equal to the Florence Avenue Villas' residual receipts, as defined in the loan agreement. During 2015, Florence Morehouse discounted the outstanding principal and accrued interest assumed at acquisition to its present value as of the acquisition date. On June 1, 2017, the HCIDLA Loan was modified and restated. In concurrence with the loan restatement, the discounts on principal and interest were written off as interest expense. As of December 31, 2019 and 2018, the outstanding principal of the HCIDLA Loan was \$2,287,080, and accrued interest was \$166,069 and \$98,472, respectively. Interest expense for the years ended December 31, 2019 and 2018 was \$67,597 and \$49,596, respectively.

On June 1, 2017, Florence Morehouse executed new loan agreements with HCIDLA in the total amount of \$4,046,838. The loans are comprised of the restated HCIDLA Loan in the amount of \$2,287,080 and new funds under HCIDLA's Neighborhood Stabilization Program in the amount of \$1,759,758 (the "NSP Loan"). The HCIDLA Loan bears interest at 2.75% per annum, compounding annually. The NSP Loan bears 3% simple interest. The HCIDLA Loan and NSP Loan are secured by a deed of trust, assignment of leases and rents, and security agreement and fixture filing. Annual payments of accrued interest and principal will be in an amount equal to Florence Morehouse's residual receipts, as defined in the loan agreements. The HCIDLA Loan and NSP Loan have a term of 55 years with all unpaid principal and accrued interest due on June 1, 2072. As of December 31, 2019 and 2018, the principal balance of the NSP loan was \$1,659,758, and accrued interest was \$97,550 and \$46,794, respectively. Interest expense for the years ended December 31, 2019 and 2018 was \$50,756 and \$46,565, of which \$26,424 and \$12,373 was capitalized to fixed assets, respectively.

City of Long Beach

On November 9, 2015, Anchor Place obtained financing for the construction of its project from loan proceeds funded by the City of Long Beach in an amount of \$4,000,000 ("Anchor City loan"). Repayment of the Anchor City loan is secured by a deed of trust, and matures 55 years after project completion. The Anchor City loan bears simple interest rate at a rate of 1% per annum and requires annual payments of accrued interest and outstanding principal from residual receipts, as defined in the promissory note. As of December 31, 2019 and 2018, the outstanding principal was \$4,000,000, and accrued interest was \$149,678 and \$109,678, respectively. Interest expense for the years ended December 31, 2019 and 2018 was \$40,000 and \$39,137, respectively.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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11. Notes payable: housing activities (continued)

City of Long Beach (continued)

On September 16, 2016, CADI obtained financing for the acquisition of Beachwood Apartments from loan proceeds funded by the City of Long Beach in an amount of \$2,100,000 ("Beachwood City loan"). Repayment of the Beachwood City loan is secured by a deed of trust, and matures on September 16, 2071. The Beachwood City loan bears simple interest rate at a rate of 3% per annum and requires annual payments of accrued interest and outstanding principal from residual receipts, as defined in the promissory note. On July 20, 2017, CADI assigned all of its right, title and interest and its obligations and liabilities under the documents evidencing the Beachwood City loan to Century Beachwood. On December 1, 2017, Century Beachwood assigned all of its right, title and interest and its obligations and liabilities under the documents evidencing the Beachwood City loan to Century Beachwood 2. As of December 31, 2019 and 2018, the outstanding principal was \$2,100,000, and accrued interest was \$199,011 and \$136,011, respectively. Interest expense for the years ended December 31, 2019 and 2018 was \$63,000 for each year.

Note payable – MUFG Union Bank, N.A.

On December 1, 2017, Century Beachwood 2 obtained financing for the acquisition and rehabilitation of its project from California Municipal Finance Authority in the amount of \$13,335,274, funded by MUFG Union Bank, N.A. ("Union Bank loan"). The Union Bank loan is secured by a deed of trust, and bears interest at a rate equal to 65% of the LIBOR rate plus 1.75% during the construction phase. Any unpaid principal and accrued interest is due in full at maturity on February 1, 2036. As of December 31, 2019 and 2018, the outstanding principal was \$8,046,863 and \$13,335,274, respectively, and accrued interest was \$29,934 and \$37,606, respectively. Interest expense for the years ended December 31, 2019 and 2018 was \$364,120 and \$410,665, of which \$0 and \$96,609 was capitalized to fixed assets, respectively.

Note payable – U.S. Bank, N.A.

On December 26, 2017, Casa Rita obtained financing for the acquisition and rehabilitation of its project from the proceeds of tax-exempt Multifamily Housing Revenue Bonds, Series 2017A issued by California Municipal Finance Authority (the "Issuer") in the amount of \$11,900,000, funded by Wells Fargo (the "Casa Rita Bonds"). Concurrent with the issuance of the Casa Rita Bonds, the Issuer entered into a Trust Indenture with U.S. Bank N.A. (the "US Bank"). Proceeds for the Casa Rita Bonds were loaned by the Issuer to Casa Rita under conditions stipulated in the loan agreement and the Trust Indenture. The Casa Rita Bonds bears interest at a rate of 4.19% per annum and any unpaid principal and accrued interest is due in full at maturity on February 1, 2033. As of December 31, 2019 and 2018, the outstanding principal was \$11,095,206 and \$11,173,000 respectively, and accrued interest was \$40,032 and \$40,313, respectively. Interest expense for the years ended December 31, 2019 and 2018 was \$473,555 and \$436,159, of which \$0 and \$417,433 was capitalized to fixed assets, respectively.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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12. Notes payable and lines of credit: lending activities – Century Housing Corporation

Line of credit – City National Bank

On December 11, 2006, Century entered into a Credit Agreement with City National Bank under which City National Bank shall provide a line of credit to Century in an amount up to 65% of the market value of the financial assets of Century under the custody of City National Bank, up to a maximum of \$20,000,000. Century has granted City National Bank a lien on the assets under its custody. As of December 31, 2019 and 2018, Century has investments under the custody of City National Bank in the amount of \$59,191,044 and \$49,102,609, respectively. On March 24, 2020, Century signed a Eighth Amendment to Credit Agreement, extending the maturity date to April 1, 2021. The line of credit has two interest rate options: LIBOR plus 1.20% per annum, or the greater of Prime Rate minus 1.05% or 1.50% per annum. There is also a quarterly unused facility fee equal to 0.15% of the average daily difference between the revolving credit commitment and the revolving credit loans, letters of credit, and unpaid drafts under drawn letters of credit outstanding. As of December 31, 2019 and 2018, the outstanding principal was \$0, and accrued interest was \$0 and \$1,088, respectively. Interest incurred during 2019 and 2018 was \$61,396 and \$75,945, respectively.

Note payable – Calvert Social Investment Foundation

On March 31, 2010, Century entered into a promissory note with Calvert Social Investment Foundation in the amount of \$2,000,000 (the “Calvert Loan”). During 2012, an additional \$1,000,000 was funded by Calvert. The Calvert Loan is unsecured and bears simple interest at a rate of 4.5% per annum. Interest payments shall be made semi-annually in arrears on each March 31 and September 30. All unpaid principal and interest was due and payable at maturity on September 30, 2014. On December 15, 2014, the Calvert Loan was renewed and the loan amount was increased by an additional \$2,000,000. The renewed Calvert Loan is unsecured and bears simple interest at a rate of 4% per annum. Interest payments shall be made quarterly in arrears on each March 30, June 30, September 30, and December 30. All unpaid principal and interest shall be due and payable at maturity on December 30, 2019. As of December 31, 2018, the outstanding principal was \$5,000,000. On December 12, 2019, the loan was paid off. Interest incurred during 2019 and 2018 was \$192,778 and \$202,778, respectively.

Line of credit – JPMorgan Chase Bank, N.A.

On July 21, 2011, Century entered into a Revolving Credit Note with JPMorgan Chase Bank, N.A. (“Chase”) under which Chase shall provide a line of credit to Century in an amount up to a maximum of \$20,000,000. Between 2013 and 2018, Charles Schwab Bank (“Charles Schwab”), HSBC Bank USA, N.A. (“HSBC”), Wells Fargo, Compass Bank (“Compass”), and U.S. Bank (“US Bank”) joined the Chase Revolving Credit facility as co-lenders and the maximum commitment amount was increased to \$145,000,000. Advances from the line of credit bear interest at a rate equal to 1-month LIBOR plus 2.5% and is calculated on a basis of a 360-day year. The facility has a maturity date of July 31, 2019, and any outstanding balances unpaid as of that date shall be converted to a two year term loan. As of December 31, 2018, the outstanding principal \$118,770,059, and accrued interest was \$534,671. On July 30, 2019, any outstanding balance was paid off and the line of credit was terminated. Interest incurred during 2019 and 2018 was \$2,449,673 and \$5,360,060, respectively.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

12. Notes payable and lines of credit: lending activities – Century Housing Corporation (continued)

Line of credit - Federal Home Loan Bank of San Francisco

On May 27, 2011, Century entered into an Advances and Security Agreement with FHLB in the maximum commitment amount of \$10,000,000. On October 5, 2012, the maximum commitment amount was increased to \$25,000,000. Each advance is subject to the terms and conditions upon which Century and FHLB have agreed upon pursuant to a written confirmation agreement. On May 5, 2015, the maximum commitment amount was increased to \$50,000,000. During 2019 and 2018, advances bore interest ranging from 2.02% to 3.81% and had maturity dates ranging from January 10, 2020 to October 10, 2036, respectively. As of December 31, 2019 and 2018, advances secured by U.S. Treasury Inflation-Protected Securities purchased by Century were \$27,645,925 and \$27,556,564, respectively. As of December 31, 2019 and 2018, there is also a settlement transaction account in the amount of \$283,113 and \$209,345, respectively, and capital stock in the amount \$1,032,800. As of December 31, 2019 and 2018, the outstanding principal was \$38,249,500, and accrued interest was \$3,255 and \$3,265, respectively. Interest incurred during 2019 and 2018 was \$1,202,339 and \$731,031, respectively.

Note Payable – Los Angeles County Housing Innovation Fund II

On May 29, 2014, Century entered into a loan agreement with the Community Development Commission of the County of Los Angeles in the amount of \$19,563,577 funded by the Los Angeles County Housing Innovation Fund II (the “LACHIF Loan II”). Under the terms of the loan agreement, Century may request advances to fund loans made by the Century in accordance with its lending policy. The advances are unsecured and mature on May 29, 2022. On September 9, 2019, the LACHIF Loan II was amended and restated to restructure certain elements of the program and extending the maturity date to September 9, 2027. The LACHIF Loan II bears simple interest at a rate of 2% per annum. As of December 31, 2019 and 2018, the outstanding principal was \$5,736,733 and \$2,193,872, respectively, and accrued interest was \$44,660 and \$21,045, respectively. Interest incurred during 2019 and 2018 was \$158,100 and \$33,192, respectively.

Note payable – Wells Fargo Community Investment Holdings

On June 24, 2014, Century executed a subordinated Equity Equivalent Investments Agreement with Wells Fargo Community Investment Holdings in the amount of \$1,000,000 (the “EQ2 Loan”). The EQ2 Loan bears simple interest at a rate equal to 2% per annum and is calculated on a 360-day basis. Interest payments in the amount of \$5,000 shall be payable quarterly in arrears on the first day of the month after the end of each quarter. All unpaid principal and interest shall be due and payable at maturity on June 30, 2024. As of December 31, 2019 and 2018, the outstanding principal was \$1,000,000, and accrued interest was \$5,000. Interest incurred during 2019 and 2018 was \$20,000 for each year.

COIN CDFI Tax Credit Loan

During 2015, Century, a qualified Community Development Financial Institution (a “CDFI”), executed a deposit and funding agreement with JPMorgan Chase Bank, N.A., and a COIN investment agreement with Pacific Western Bank in the amount of \$5,000,000 and \$2,000,000, respectively (the “COIN Loans”), which qualifies each lender for CDFI tax credits administered by the California Organized Investment Network (“COIN”), a division of the California Department of Insurance. The COIN Loans do not bear interest, and mature on September 23, 2020 and September 14, 2020, respectively. As of December 31, 2019 and 2018, the outstanding principal was \$7,000,000.

CENTURY HOUSING CORPORATION AND AFFILIATES
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12. Notes payable and lines of credit: lending activities – Century Housing Corporation (continued)

Line of credit – East West Bank

On August 11, 2015, Century entered into a Revolving Credit Note with East West Bank in the amount of \$10,000,000. Century has a 24 month draw down period ending on November 11, 2019, and any outstanding principal as of that date shall be converted to a 24 month fully amortized term loan. On September 27, 2017, the line of credit was increased to \$20,000,000, and the maturity date was extended to November 11, 2021. On October 19, 2018, the line of credit was increased to \$25,000,000. The advances drawn bear interest at an adjustable rate at 1-month LIBOR plus 2.50%, and is calculated on a 360-day basis. As of December 31, 2018, the outstanding principal was \$20,000,000, and accrued interest was \$57,169. On August 5, 2019, any outstanding balance was paid off and the line of credit was terminated. Interest incurred during 2019 and 2018 was \$225,774 and \$651,398, respectively.

Line of credit – Manufacturer’s Bank

On November 2, 2015, Century entered into a Revolving Credit Note with Manufacturers Bank in the amount of \$5,000,000. On October 18, 2017, the line of credit was renewed and extended. Century has a 24 month draw down period ending on August 31, 2019, and any outstanding principal as of that date shall be converted to a 24 month fully amortized term loan. The advances drawn bear interest at an adjustable rate at 1-month LIBOR plus 2.50%, and is calculated on a 360-day basis. All unpaid principal and interest shall be due and payable at maturity on July 31, 2021. As of December 31, 2018, the outstanding principal \$5,000,000, and accrued interest was \$21,776. On February 7, 2019, any outstanding balance was paid off and the line of credit was terminated. Interest incurred during 2019 and 2018 was \$27,939 and \$228,795, respectively.

Note payable – U.S. Bank N.A.

On September 20, 2018, Century entered into a promissory note with U.S. Bank N.A. (“US Bank”) in the amount of \$4,500,000 (the “US Bank Loan”). The US Bank Loan bears simple interest at a rate equal to 4.48% per annum and is calculated on a 360-day basis. Accrued interest only shall be payable in arrears monthly, and all unpaid principal and interest shall be due and payable at maturity on September 20, 2020. As of December 31, 2019 and 2018, the outstanding principal was \$4,500,000. Interest incurred during 2019 and 2018 was \$204,400 and \$83,408, respectively.

Line of credit – U.S. Bank N.A.

On July 30, 2019, Century entered into a Revolving Credit Note of \$125,000,000 with various financial institutions, with US Bank as the Administrative Agent. US Bank, Chase, Wells Fargo, Compass, Charles Schwab, HSBC and City National Bank agreed to provide a line of credit to Century in an amount up to a maximum of \$30,000,000, \$25,000,000, \$17,000,000, \$17,000,000, \$17,000,000, \$11,500,000, and \$7,500,000, respectively. Advances from the line of credit bear interest per annum at a rate equal to the highest of (i) the Prime Rate, (ii) Federal Funds Effective Rate plus 0.50%, or 1-month LIBOR plus 1.8%, and is calculated on a basis of a 360-day year. The line of credit expires on July 31, 2021 and any outstanding principal as of that date shall be converted to a 2 year term loan. As of December 31, 2019, the outstanding principal was \$91,243,442, and accrued interest was \$309,500. Interest incurred during 2019 was \$1,596,613.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

12. Notes payable and lines of credit: lending activities – Century Housing Corporation (continued)

Line of credit – Woodforest National Bank

On October 1, 2018, Century entered into a Revolving Credit Note with Woodforest National Bank in the amount of \$10,000,000. The line of credit has two interest rate options: LIBOR plus 2.5% per annum, or Base Rate plus 0.25% per annum, as defined in the note agreement. There is also a quarterly unused facility fee equal to 0.25% of the difference between the credit limit and the average daily aggregate credit outstanding. The line of credit expires on October 1, 2020, and any outstanding principal as of that date shall be converted to a 24 month fully amortized term loan. All unpaid principal and interest shall be due and payable at maturity on October 1, 2022. As of December 31, 2018, the outstanding principal \$0, and accrued interest was \$0. This line was paid in full and terminated at the borrower's option in March 2019. No interest was incurred during 2019 and 2018.

Notes payable and lines of credit for housing and lending consists of the following as of December 31,

	<u>2019</u>	<u>2018</u>
Principal balance	\$ 280,986,698	\$ 323,014,393
Less: unamortized debt issuance costs	<u>(1,654,686)</u>	<u>(1,664,689)</u>
Notes payable and lines of credit, net of unamortized debt issuance costs	<u>\$ 279,332,012</u>	<u>\$ 321,349,704</u>

Debt issuance costs are being amortized to interest expense over the term of the loan. For 2019 and 2018, the effective interest rate for the Tax-Exempt Bonds was 6.48% and 6.34%, respectively. For 2019 and 2018, the effective interest rate for MHSA Loans was 3.05%. For 2019 and 2018, the effective interest rate for Cabrillo CCRC Loan was 6.19% and 6.16%, respectively. For 2019 and 2018, the effective interest rate for Anchor CCRC Loan was 5.40% and 5.28%, respectively. For 2019 and 2018, the effective interest rate for Anchor City Loan was 1.01%. For 2019 and 2018, the effective interest rate for PNC Loan was 4.18%. For 2019 and 2018, the effective interest rate for HCIDLA Loan and NSP Loan was 2.61% and 3.32%, respectively. During 2019 and 2018, amortization expense for debt issuance costs was \$76,647 and \$18,585, respectively.

Expected future annual principal payments on the outstanding debts are as follows:

Year ending December 31:	
2020	\$ 84,738,434
2021	91,885,779
2022	677,249
2023	2,177,902
2024	1,750,536
Thereafter	<u>99,756,798</u>
Total	<u>\$ 280,986,698</u>

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

13. Bonds payable: lending activities – Century Housing Corporation

During 2019, the Corporation issued Century Housing Impact Investment Bonds, Taxable Series 2019 (the “Bonds”) in the principal amount of \$100,000,000 pursuant to the terms of an Indenture of Trust, dated as of January 1, 2019, with The Bank of New York Mellon Trust Company, N.A. as trustee. The Bonds are a general obligation of Century payable from all legally available revenues and assets of Century. The Bonds are not secured by a reserve fund, mortgage lien or security interest on or in any funds or other revenues or assets of Century. The proceeds of the bonds were used to refinance existing obligations and finance loans related to the development of multi-family affordable housing. The Bonds were issued in tranches, wherein \$50,000,000, \$40,000,000, and \$10,000,000, bear interest rates of 3.824%, 3.995% and 4.148%, respectively, and have a maturity date of November 1, 2020, November 1, 2021, and November 1, 2023, respectively. As of December 31, 2019, accrued interest is \$654,133. Interest incurred during 2019 was \$3,532,320.

Bonds payable consist of the following as of December 31,

	<u>2019</u>
Principal balance	\$ 100,000,000
Less: unamortized debt issuance costs	<u>(599,965)</u>
Bonds payable, net of unamortized debt issuance costs	<u>\$ 99,400,035</u>

Debt issuance costs are being amortized to interest expense over the term of the bonds. For 2019, the effective interest rate was 4.21%. During 2019, amortization expense for debt issuance costs was \$358,675.

14. Forgivable loans: housing activities

Department of Housing and Community Development

On November 30, 2010, CVC entered into a promissory note with the Department of Housing and Community Development (“DHCD”) in the total maximum amount of \$1,000,000. On December 14, 2010, Catholic Charities of Los Angeles (“CCLA”) entered into a promissory note with DHCD in the maximum amount of \$1,000,000. CVC has agreed to assume the liability of CCLA’s promissory note. Proceeds from these notes were used for the construction of the Family Shelter I and II projects. The initial proceeds were funded in March 2011. The notes bear simple interest at a rate of 3% per annum and mature ten years after the promissory note dates. All principal and interest shall remain deferred for the entire loan terms and will be forgiven at the end of the loan terms as long as the Family Shelter I and II projects are in compliance with the terms of the Regulatory Agreement. In the event of default, total accrued interest at 10% per annum and principal are due. The loans are secured by a deed of trust and assignment of rents on the Family Shelter I and II projects. The loan balance has been amortized on a straight-line basis over the term of the loan as debt forgiveness income on the accompanying consolidated statements of activities. As of December 31, 2019 and 2018, the total principal balance of the loans was \$433,334 and \$633,334, respectively, net of accumulated amortization of \$1,566,666 and \$1,366,666, respectively. No interest has been accrued on these loans. During 2019 and 2018, CVC recognized debt forgiveness income of \$200,000 for each year.

CENTURY HOUSING CORPORATION AND AFFILIATES
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14. Forgivable loans: housing activities (continued)

Community Development Commission of the County of Los Angeles

On December 8, 2010, CVC entered into a promissory note with the Community Development Commission of the County of Los Angeles ("CDC") in the total maximum amount of \$883,830 for the construction of the Family Shelter I and II projects. Concurrently, CCLA entered into a promissory note with CDC in the total maximum amount of \$1,016,170. CVC has agreed to assume the liability of CCLA's promissory note. The initial proceeds were funded in May 2011. The loans shall bear interest at a rate of 3% per annum and are secured by a deed of trust on the Family Shelter I and II projects. The loan balance has been amortized on a straight-line basis over the term of the loan as debt forgiveness income. All outstanding principal and accrued interest shall be forgiven on a straight-line basis over a period of seven years after initial occupancy of the Family Shelter I and II projects. As of December 31, 2019 and 2018, the total principal balance of the loans was \$0 and \$127,237, respectively, net of accumulated amortization of \$1,564,000 and \$1,436,763, respectively. No interest has been accrued on these loans. During 2019 and 2018, CVC recognized debt forgiveness income of \$127,237 and \$205,429, respectively.

15. Century Villages at Cabrillo, Inc.

CVC is a place-based supportive housing affiliate of Century, and presently represents the centerpiece for Century's housing development division. As a nonprofit community development organization that serves as the steward of the Villages at Cabrillo, CVC delivers property management, real estate development, and supportive services which aim to empower residents, restore health and inspire hope. CVC was formed on July 31, 1996 for the purpose of rehabilitating and developing a master planned, residential community that provides affordable housing and a comprehensive array of supportive services for homeless individuals, families, and veterans at the former Cabrillo Housing of the U.S. Naval Station, located in the City of Long Beach, California. The 27 acre property was ultimately conveyed to CVC in 1997 under the McKinney Act for the purpose of benefiting the homeless.

Since that time, CVC has evolved into a unique, therapeutic residential community that provides housing on any given night to more than 1,500 persons. These include veteran and non-veteran individuals, families, youth and children. More than simply providing shelter, CVC has co-located a palette of valuable social services to help residents regain their independence and establish self-sufficiency. To this end, CVC has partnered with more than thirty established service providers, educational institutions and government agencies to provide much needed supportive services which include: case management, life skills training, substance abuse treatment, affordable child care, a homeless education program, an employment center, a career center, a food service program, a VA medical clinic, a federally qualified health center ("FQHC") run by The Children's Clinic among others. This collaboration of organizations combines to serve over 2,000 unique individuals at CVC each year.

CENTURY HOUSING CORPORATION AND AFFILIATES
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15. Century Villages at Cabrillo, Inc. (continued)

CVC employs a continuum of care and housing model whereby each resident is connected to a service provider and enveloped by an array of empowering resources. The housing continuum on the campus ranges from emergency shelter/treatment programs, to transitional housing programs, to permanent housing programs. This continuum is replicated for both veterans and non-veteran families and individuals. In support of this continuum, CVC maintains over 460,000 square feet of housing and supportive service space on its campus. With remaining development and redevelopment opportunities, CVC is actively planning for the continued build out of its campus in the years to come in support of its overall mission. During 2017, CVC completed construction of Anchor Place, the 5th distinct phase of campus development, which has added 120 permanent supportive homes to the campus. During 2017, CVC also launched its Pathways to Health program which aspires to increase the health and wellness of residents through a variety of programs and activities. In 2015, CVC completed construction on the LEED Platinum Cabrillo Gateway project, the 4th distinct phase of campus development, which added 80 permanent supportive homes to the campus. In late 2014, CVC completed construction of its new \$1.0 million maintenance headquarters, home to the approximately 17 professionals that maintain the community. The maintenance facility also houses a satellite office for PADNET TV in conjunction with Long Beach Community Action Partnership. This allows those in the community with access to state of the art digital video equipment and an editing bay to create visual media for use on public access television.

Also in 2012, CVC completed construction on the Family Shelter I and II projects. This \$5 million, 8,500 square-foot complex has provided for the replacement and expansion of Catholic Charities emergency shelter facility which has operated at CVC since 1998. Also in 2012, CVC ground leased an acre of land from the City of Long Beach and installed a 200 tree landscape barrier (“Urban Forest”) with funding from the Port of Long Beach (“POLB”) and private donors. This Urban Forest was supplemented in 2014 with additional trees, a walking path and fitness equipment thanks to funding from the POLB and Neighborhood Works Urban Lift program in partnership with Wells Fargo. The Urban Forest creates new amenity space for the Villages at Cabrillo while improving ambient air quality and reducing greenhouse gas emissions.

In 2011, CVC assumed ownership of the Oasis Community Center (“Center”), which is now operated as a separate business unit of CVC. This community resource facility had been initially funded for 3+ years by a U.S. Department of Housing and Urban Development’s Hispanic-Serving Institutions Assisting Communities (“HUD HSIAC”) grant to the California State University, Long Beach (“CSULB”). During the grant period, CSULB operated the Center in collaboration with Catholic Charities of Los Angeles. The Center provides an after school program, life skills classes, employment services, a computer center, and a host of other resources. With the original grant funding expiring in late 2011 and the center facing imminent closure, CVC adopted the Center and secured the necessary funding through year end. This funding was comprised of a Community Services Block Grant (“CSBG”) which was awarded to CVC as a subgrantee from Long Beach Community Action Partnership. During 2012, CVC secured a grant from the Ahmanson Foundation and an additional CSBG grant to sustain operations. For 2013 and beyond, CVC is actively fundraising to sustain the critical services provided by the Center. In 2015, the Center’s footprint and headcount grew as it began operating as the service provider of record for residents of Cabrillo Gateway through its Oasis @ Gateway operation. In 2017, the Center’s footprint expanded again with the expansion of residential services at Anchor Place. In addition, in 2017 CVC became an authorized contract service provider with the County of Los Angeles’ Housing for Health program which will now fund intensive case management services at both Cabrillo Gateway and Anchor Place.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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15. Century Villages at Cabrillo, Inc. (continued)

To effectuate the development of housing on its campus, CVC has entered into long-term ground leases with five limited partnerships of which CVC is the general partner. The limited partnerships, Savannah, Casa, Family Commons, Cabrillo Gateway, and Anchor Place, were formed to develop, own and operate a low-income housing tax credit project on the land that they have leased from CVC. CVC owns 0.1% of Savannah, 0.01% of Casa, 0.01% of Family Commons, 0.01% of Cabrillo Gateway, and 0.01% of Anchor Place. The partnerships have been allocated low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code ("Section 42"). These low-income housing tax credits have been utilized to help finance affordable housing projects. Affiliates of John Hancock Realty Advisors, Inc. have invested \$7,136,000 of equity into Savannah, \$11,900,000 of equity into Casa, and \$19,554,459 of equity into Family Commons, as investor limited partners in exchange for the benefits of the low-income housing tax credits that have been allocated to the projects. Wells Fargo Affordable Housing Community Development Corporation ("WFAHCDC") has committed to contribute an aggregate sum of approximately \$25,975,153 and \$34,410,134 to Cabrillo Gateway and Anchor Place, respectively, as an investor limited partner in exchange for the benefits of future low-income housing tax credits, upon satisfaction of certain conditions set forth in the partnership agreements. As of December 31, 2019 and 2018, WFAHCDC has invested \$26,003,510 of equity into the Cabrillo Gateway project. As of December 31, 2019 and 2018, WFAHCDC has invested \$33,910,134 of equity into the Anchor Place project.

Section 42 regulates the use of the projects as to occupant eligibility and unit gross rent, among other requirements. Each of the projects must meet the provisions of these regulations during each of fifteen consecutive years in order to remain qualified to receive the tax credits. The Savannah project was completed as of June 30, 2001, the Casa project was certified for occupancy on June 23, 2004, Family Commons was certified for occupancy on November 26, 2008, Cabrillo Gateway was certified for occupancy on July 6, 2015, and Anchor Place was certified for occupancy on September 28, 2017.

CVPM was formed on October 15, 2009 for the purpose of providing property management services for low income, affordable housing located in Long Beach, California.

16. Commitments and contingencies

Guaranty of tax credits

CVC Phase IV, LLC is the general partner of one low-income housing tax credit partnership (Cabrillo Gateway), which provides affordable housing in Long Beach, California. CVC Phase V, LLC is the general partner of one low-income housing tax credit partnership (Anchor Place), which provides affordable housing in Long Beach, California. CADI VI, LLC is the general partner of one low-income housing tax credit partnership (Arrowhead Vista), which provides affordable housing in San Bernadino, California. CADI VII, LLC is the general partner of one low-income housing tax credit partnership (Florence Morehouse), which provides affordable housing in Los Angeles, California. CADI VIII, LLC is the general partner of one low-income housing tax credit partnership (Beacon Place), which provides affordable housing in Long Beach, California. CADI X, LLC is the general partner of one low-income housing tax credit partnership (Century Beachwood 2), which provides affordable housing in Long Beach, California. CADI Eleven, LLC is the general partner of one low-income housing tax credit partnership (Casa Rita), which provides affordable housing in Huntington Park, California.

CENTURY HOUSING CORPORATION AND AFFILIATES
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16. Commitments and contingencies (continued)

Guaranty of tax credits (continued)

CADI IX, LLC is the general partner of one low-income housing tax credit partnership (Beacon Pointe), which will provide affordable housing in Long Beach, California upon completion of the low-income housing tax credit project.

In connection with each partnership, Century has provided certain guarantees to the tax credit investors guarantying the completion and construction of the apartment complexes, operating deficits of the partnerships, and the annual allocation of tax credits to the investor.

Partnership:	Cabrillo Gateway, L.P.
Investor limited partner:	Wells Fargo Affordable Housing Community Development Corporation
Guaranty balance:	\$13,001,755

Partnership:	Anchor Place, L.P.
Investor limited partner:	Wells Fargo Affordable Housing Community Development Corporation
Guaranty balance:	\$26,284,932

Partnership:	Century Arrowhead Vista, L.P.
Investor limited partner:	Wells Fargo Affordable Housing Community Development Corporation
Guaranty balance:	\$1,372,346

Partnership:	Beacon Place, L.P.
Investor limited partner:	Wells Fargo Affordable Housing Community Development Corporation
Guaranty balance:	\$1,617,800

Partnership:	Beacon Pointe, L.P.
Investor limited partner:	Wells Fargo Community Investment Holdings, LLC Corporation
Guaranty balance:	\$3,985,972

Partnership:	Century Beachwood Apartments 2, L.P.
Investor limited partner:	Wells Fargo Affordable Housing Community Development Corporation
Guaranty balance:	\$4,883,054

Partnership:	Florence Morehouse, L.P.
Investor limited partner:	Wells Fargo Affordable Housing Community Development Corporation
Guaranty balance:	\$183,260

Partnership:	Casa Rita, L.P.
Investor limited partner:	Wells Fargo Affordable Housing Community Development Corporation
Guaranty balance:	\$6,999,931

CENTURY HOUSING CORPORATION AND AFFILIATES
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16. Commitments and contingencies (continued)

Century has entered into a guaranty with Wells Fargo Bank, N.A. to guarantee the debt of principal and interest on the bonds of a third party limited partnership. The assets owned by the limited partnership are the collateral for the underlying loan being guaranteed. If at any time the limited partnerships or their partners are unable to fund their agreed upon principal and interest payments, Century is obligated to make funds available to the respective trustee immediately. Century's maximum exposure under the guarantee would be equal to the difference between the fair market value of collateral held and the outstanding loan amount. The loan guaranteed by Century has a maturity date of February 20, 2036. While it is reasonably possible that a loss could occur, such losses are not anticipated.

The following is a summary of outstanding guarantees that Century has entered into as of December 31, 2019:

<u>Description</u>	<u>Amount</u>	<u>Borrower</u>
California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (River Run Senior Apartment Project) Series 2003	\$ 1,000,000	Steadfast River Run, L.P.

Order of Dismissal

On May 8, 2018, the Honorable United States District Judge Virginia A. Phillips entered on order dismissing, with prejudice, Century from the *Keith v. Volpe* litigation, Case No. CV 72-355-HP in the United States District Court for the Central District of California and terminating the Consent Decree approved by the Court's order dated July 31, 1995, as amended by further orders of the Court. The court determined that Century had conducted itself in accordance with the requirements of the 1995 Consent Decree, as amended, from the time of its incorporation until the entry of the dismissal.

Legal proceedings

The Corporation is involved in various legal proceedings associated with its normal operations. While the ultimate disposition of each proceeding is not determinable, management believes that such proceedings will not have a materially adverse effect on its financial condition or results of operations.

17. Deferred income

Community Development Commission of the County of Los Angeles

During 2011, CVC received a \$500,000 grant from CDC for the construction of the Family Shelter I and II projects. According to the terms of the grant agreement, CVC must remain in compliance with the terms of the grant agreement for a period of seven years after initial occupancy of the Family Shelter I and II projects. In the event of default, CDC may request repayment of the grant in an amount that is reduced ratably on a straight-line basis over the grant term. During 2019 and 2018, \$11,904 and \$71,429, respectively, has been recognized as grant income. As of December 31, 2019 and 2018, the total deferred income was \$0 and \$11,904, respectively.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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17. Deferred income (continued)

Deferred development fee ("DDF") income

Deferred development fee income was \$1,426,742 and \$1,139,688, net of accumulated amortization of \$32,542 and \$10,625, respectively, related to the 10% profit portion of development fees as of December 31, 2019 and 2018, respectively. During the years ended December 31, 2019 and 2018, amortization of development fees capitalized as real property totaled \$21,917 and \$6,250, respectively. The deferred income is amortized using the straight-line method over the estimated useful life of the underlying asset.

	DDF Income 12/31/18	Developer fee income	Eliminated against salaries expense	Amortization of DDF income	DDF Income 12/31/19
Cabrillo Gateway	\$ 45,625	\$ -	\$ -	\$ (1,250)	\$ 44,375
Anchor Place	193,750	-	-	(5,000)	188,750
Century Beachwood 2	213,347	-	-	(5,334)	208,013
Florence Morehouse	115,296	1,961,713	(1,765,542)	-	311,467
Beacon Pointe	118,334	528,000	(475,200)	-	171,134
Beacon Place	140,000	600,000	(540,000)	(2,500)	197,500
Casa Rita	313,336	-	-	(7,833)	305,503
Total	<u>\$ 1,139,688</u>	<u>\$ 3,089,713</u>	<u>\$ (2,780,742)</u>	<u>\$ (21,917)</u>	<u>\$ 1,426,742</u>

	DDF Income 12/31/17	Developer fee income	Eliminated against salaries expense	Amortization of DDF income	DDF Income 12/31/18
Cabrillo Gateway	\$ 46,875	\$ -	\$ -	\$ (1,250)	\$ 45,625
Anchor Place	198,750	-	-	(5,000)	193,750
Century Beachwood 2	65,397	1,479,500	(1,331,550)	-	213,347
Florence Morehouse	84,000	312,962	(281,666)	-	115,296
Beacon Pointe	58,334	600,000	(540,000)	-	118,334
Beacon Place	80,000	600,000	(540,000)	-	140,000
Casa Rita	-	3,133,364	(2,820,028)	-	313,336
Total	<u>\$ 533,356</u>	<u>\$ 6,125,826</u>	<u>\$ (5,513,244)</u>	<u>\$ (6,250)</u>	<u>\$ 1,139,688</u>

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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18. Net assets with donor restriction – Century Housing Corporation

Net assets with donor restriction at December 31, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
CDFI Funds	\$ 1,386,500	\$ 2,686,500
Capital Magnet Funds	<u>14,000,000</u>	<u>6,500,000</u>
Total	<u>\$ 15,386,500</u>	<u>\$ 9,186,500</u>

During 2019 and 2018, the Corporation was awarded \$700,000 and \$686,500, respectively, of CDFI Funds and must be committed for use by December 2021 and December 2020, respectively, in a manner prescribed in the grant agreement. The CDFI Funds must be used to finance loans, equity investments, and similar financing activities, including the purchase of loans and the provision of loan guarantees, which service low-income families. The Corporation loans these funds on a short term basis generally for periods not to exceed 12 months. During 2019 and 2018, the Corporation disbursed \$936,500 and \$2,336,788, respectively, of the CDFI Funds to eligible recipients.

During 2019 and 2018, the Corporation was awarded \$7,500,000 and \$6,500,000, respectively, of Capital Magnet Funds from the U.S. Treasury Community Development Financial Institutions Fund. Capital Magnet Funds must be used to finance affordable housing projects for low-income, very-low income, and extremely-low income families, or located in High Housing Need areas. The funds must be committed for use by 2 years after Effective Date, as defined in the grant agreements, and the projects receiving the funds must be placed in service by the Completion Date, as defined in the grant agreements. The Corporation loans these funds on a short term basis generally for periods not to exceed 12 months. As of December 31, 2019 and 2018, the Corporation disbursed Capital Magnet funds of \$8,000,000 and \$1,620,000, respectively, to eligible recipients. The entire award will remain as net assets with donor restriction until after the Completion Date, after which the funds will become net assets without donor restriction to the Corporation. If the Corporation meets certain benchmarks as described in the agreement prior to the Completion Date, the funds will become net assets without donor restriction to the Corporation.

CENTURY HOUSING CORPORATION AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

19. Reconciliation of net assets without donor restriction

Following is a reconciliation of the beginning and ending balances of net assets without donor restriction attributable to the Corporation and to the non-controlling interest:

	Total	Controlling Interest	Non-controlling Interest
Net assets without donor restriction, January 1, 2018	\$ 240,667,855	197,651,254	43,016,601
Contributions	29,375,640	-	29,375,640
Distributions	(12,221)	-	(12,221)
Syndication costs	(167,069)	-	(167,069)
Change in net assets from continuing operations	<u>1,809,961</u>	<u>6,536,406</u>	<u>(4,726,445)</u>
Net assets without donor restriction, December 31, 2018	271,674,166	204,187,660	67,486,506
Contributions	17,122,573	-	17,122,573
Distributions	(12,423)	-	(12,423)
Syndication costs	(65,074)	-	(65,074)
Change in net assets from continuing operations	<u>11,849,926</u>	<u>19,823,493</u>	<u>(7,973,567)</u>
Net assets without donor restriction, December 31, 2019	<u>\$ 300,569,168</u>	<u>\$ 224,011,153</u>	<u>\$ 76,558,015</u>

20. Liquidity and availability of financial assets

As of December 31, 2019 and 2018, the Corporation has \$210,483,489 and \$220,475,996, respectively, of financial assets available for general expenditure within one year of the statement of financial position date. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. In addition to operating the Corporation in a manner to ensure compliance with the approved budget, the Corporation has various other sources of liquidity.

SUPPLEMENTARY INFORMATION

CENTURY HOUSING CORPORATION AND AFFILIATES
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019

	Century and wholly controlled affiliates before Operating Partnerships	Operating Partnerships	Eliminations	Consolidated Total
ASSETS				
Cash and cash equivalents	\$ 15,343,534	\$ 1,333,823	\$ -	\$ 16,677,357
Restricted cash	16,295,617	10,532,013	(2,948,554)	23,879,076
Accounts receivable, net	3,554,407	339,842	(3,384,465)	509,784
Investments	110,272,577	-	(442,207)	109,830,370
Interest receivable	4,988,437	-	(3,096,352)	1,892,085
Notes receivable, net	301,187,386	-	(16,667,408)	284,519,978
Deferred charges, net	-	431,379	-	431,379
Prepaid expenses and other assets	262,265	285,087	-	547,352
Real estate held for investment, net	30,765,768	251,632,560	(5,908,230)	276,490,098
Furniture, fixtures and equipment, net	760,298	3,496,571	(123,093)	4,133,776
Total assets	<u>\$ 483,430,289</u>	<u>\$ 268,051,275</u>	<u>\$ (32,570,309)</u>	<u>\$ 718,911,255</u>
LIABILITIES AND NET ASSETS				
Accounts payable and accrued liabilities	\$ 3,606,084	\$ 12,434,045	\$ (3,384,465)	\$ 12,655,664
Accrued interest	759,618	5,518,790	(3,096,352)	3,182,056
Security deposits	111,930	1,063,774	-	1,175,704
Deferred income	1,717,126	25,000	-	1,742,126
Fair value of interest rate swap liability	2,561,082	716,464	-	3,277,546
Bonds payable, net of unamortized debt issuance costs	99,400,035	-	-	99,400,035
Notes payable and lines of credit, net of unamortized debt issuance costs	128,738,110	170,209,864	(19,615,962)	279,332,012
Other liabilities	1,757,110	-	-	1,757,110
Forgivable loans	433,334	-	-	433,334
Total liabilities	<u>239,084,429</u>	<u>189,967,937</u>	<u>(26,096,779)</u>	<u>402,955,587</u>
Net assets:				
Without donor restriction				
Controlling interest	228,959,360	1,525,323	(6,473,530)	224,011,153
Non-controlling interest	-	76,558,015	-	76,558,015
With donor restriction - controlling interest	<u>15,386,500</u>	<u>-</u>	<u>-</u>	<u>15,386,500</u>
Total net assets	<u>244,345,860</u>	<u>78,083,338</u>	<u>(6,473,530)</u>	<u>315,955,668</u>
Total liabilities and net assets	<u>\$ 483,430,289</u>	<u>\$ 268,051,275</u>	<u>\$ (32,570,309)</u>	<u>\$ 718,911,255</u>

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CENTURY HOUSING CORPORATION AND AFFILIATES
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DECEMBER 31, 2018

	Century and wholly controlled affiliates before Operating Partnerships	Operating Partnerships	Eliminations	Consolidated Total
ASSETS				
Cash and cash equivalents	\$ 13,457,495	\$ 2,990,178	\$ -	\$ 16,447,673
Restricted cash	8,840,833	7,896,826	(2,948,554)	13,789,105
Accounts receivable, net	2,977,855	173,676	(2,841,471)	310,060
Investments	99,235,338	-	(1,961,427)	97,273,911
Interest receivable	4,369,777	-	(2,867,502)	1,502,275
Notes receivable, net	258,927,480	-	(16,688,747)	242,238,733
Deferred charges, net	-	436,326	-	436,326
Prepaid expenses and other assets	130,118	303,902	-	434,020
Real estate held for investment, net	21,580,737	226,492,080	(5,670,848)	242,401,969
Furniture, fixtures and equipment, net	596,620	4,114,383	(123,093)	4,587,910
Total assets	<u>\$ 410,116,253</u>	<u>\$ 242,407,371</u>	<u>\$ (33,101,642)</u>	<u>\$ 619,421,982</u>
LIABILITIES AND NET ASSETS				
Accounts payable and accrued liabilities	\$ 1,901,014	\$ 12,029,406	\$ (2,841,471)	\$ 11,088,949
Accrued interest	928,032	4,033,458	(2,867,502)	2,093,988
Security deposits	63,939	934,942	-	998,881
Deferred income	1,344,026	-	-	1,344,026
Fair value of interest rate swap liability	415,943	-	-	415,943
Notes payable and lines of credit net of unamortized debt issuance costs	185,446,484	155,540,521	(19,637,301)	321,349,704
Other liabilities	509,254	-	-	509,254
Forgivable loans	760,571	-	-	760,571
Total liabilities	<u>191,369,263</u>	<u>172,538,327</u>	<u>(25,346,274)</u>	<u>338,561,316</u>
Net assets:				
Without donor restriction				
Controlling interest	209,560,490	2,382,538	(7,755,368)	204,187,660
Non-controlling interest	-	67,486,506	-	67,486,506
With donor restriction - controlling interest	9,186,500	-	-	9,186,500
Total net assets	<u>218,746,990</u>	<u>69,869,044</u>	<u>(7,755,368)</u>	<u>280,860,666</u>
Total liabilities and net assets	<u>\$ 410,116,253</u>	<u>\$ 242,407,371</u>	<u>\$ (33,101,642)</u>	<u>\$ 619,421,982</u>

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CENTURY HOUSING CORPORATION AND AFFILIATES
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CONSOLIDATING STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Century and wholly controlled affiliates before Operating Partnerships	Operating Partnerships	Eliminations	Consolidated Total
LENDING AND CORPORATE REVENUE				
Investment interest and dividends	\$ 2,173,521	\$ 274,688	\$ -	\$ 2,448,209
Income from notes receivable	25,704,348	-	(709,832)	24,994,516
Residual receipts and contingent asset income	698,224	-	-	698,224
Other income	72,258	-	-	72,258
Net assets released from restrictions	2,000,000	-	-	2,000,000
Total lending and corporate revenue	30,648,351	274,688	(709,832)	30,213,207
HOUSING REVENUE AND SUPPORT				
CVC, CADI and other real estate operations				
Rental property income	5,022,363	11,959,080	(1,668,787)	15,312,656
Debt forgiveness income	327,237	-	-	327,237
Other real estate income	19,150	-	-	19,150
Loss on equity investments	(737)	-	737	-
Contributions and fundraising income	607,483	-	-	607,483
Total housing revenue and support	5,975,496	11,959,080	(1,668,050)	16,266,526
Total revenue	36,623,847	12,233,768	(2,377,882)	46,479,733
LENDING AND CORPORATE EXPENSES				
Allocation for loan losses	871,858	-	-	871,858
Borrowing fees	305,252	-	-	305,252
Interest expense	10,030,007	-	-	10,030,007
Salaries and employee benefits	4,905,091	-	-	4,905,091
Professional fees	323,032	-	-	323,032
Business development expenses	399,309	-	-	399,309
General and administrative expenses	911,835	-	-	911,835
Depreciation and amortization expense	76,036	-	-	76,036
Total lending and corporate expenses	17,822,420	-	-	17,822,420
HOUSING EXPENSES				
CVC, CADI and other real estate operations				
Rental property expenses	(894)	10,065,579	(2,729,530)	7,335,155
Property depreciation and amortization	803,949	6,830,284	(11,000)	7,623,233
Interest expense	-	3,300,516	(892,468)	2,408,048
Other real estate expenses	328,177	-	-	328,177
Housing salaries and employee benefits	5,708,979	-	-	5,708,979
Total housing expenses	6,840,211	20,196,379	(3,632,998)	23,403,592
Total expenses	24,662,631	20,196,379	(3,632,998)	41,226,012

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CENTURY HOUSING CORPORATION AND AFFILIATES
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENTS OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2019

	Century and wholly controlled affiliates before Operating Partnerships	Operating Partnerships	Eliminations	Consolidated Total
Change in net assets without donor restriction before other income and expenses	11,961,216	(7,962,611)	1,255,116	5,253,721
OTHER INCOME AND (EXPENSES)				
Realized and unrealized gain on financial investments	9,604,527	-	-	9,604,527
Unrealized loss on interest rate swap	(2,145,139)	(716,464)	-	(2,861,603)
Income tax expense	(4,000)	(11,300)	-	(15,300)
Bad debt expense	(17,734)	(113,685)	-	(131,419)
Net other income and (expenses)	7,437,654	(841,449)	-	6,596,205
Change in net assets without donor restriction from operations	19,398,870	(8,804,060)	1,255,116	11,849,926
Contributions from non-controlling interest	-	17,122,573	-	17,122,573
Distributions to non-controlling interest	-	(12,423)	-	(12,423)
Distributions to controlling interest	-	(26,722)	26,722	-
Syndication costs paid by non-controlling interest	-	(65,074)	-	(65,074)
Change in net assets without donor restriction	19,398,870	8,214,294	1,281,838	28,895,002
Net assets with donor restriction				
Contributions	8,200,000	-	-	8,200,000
Release from net assets with donor restriction	(2,000,000)	-	-	(2,000,000)
Change in net assets with donor restriction	6,200,000	-	-	6,200,000
Total change in net assets	25,598,870	8,214,294	1,281,838	35,095,002
Net assets at beginning of year	218,746,990	69,869,044	(7,755,368)	280,860,666
Net assets at end of year	\$ 244,345,860	\$ 78,083,338	\$ (6,473,530)	\$ 315,955,668

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CENTURY HOUSING CORPORATION AND AFFILIATES
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Century and wholly controlled affiliates before Operating Partnerships	Operating Partnerships	Eliminations	Consolidated Total
LENDING AND CORPORATE REVENUE				
Investment interest and dividends	\$ 2,082,061	\$ 7,331	\$ -	\$ 2,089,392
Income from notes receivable	20,088,592	-	(796,197)	19,292,395
Residual receipts and contingent asset income	2,149,523	-	-	2,149,523
Other income	99,585	-	-	99,585
Net assets released from restrictions	-	-	-	-
Total lending and corporate revenue	24,419,761	7,331	(796,197)	23,630,895
HOUSING REVENUE AND SUPPORT				
CVC, CADI and other real estate operations				
Rental property income	3,722,639	11,240,114	(1,546,850)	13,415,903
Debt forgiveness income	405,429	-	-	405,429
Other real estate income	17,880	-	-	17,880
Loss on equity investments	(638)	-	638	-
Contributions and fundraising income	620,255	-	-	620,255
Total housing revenue and support	4,765,565	11,240,114	(1,546,212)	14,459,467
Total revenue	29,185,326	11,247,445	(2,342,409)	38,090,362
LENDING AND CORPORATE EXPENSES				
Allocation for loan losses	1,139,304	-	-	1,139,304
Borrowing fees	113,723	-	-	113,723
Interest expense	7,386,845	-	-	7,386,845
Salaries and employee benefits	2,051,644	-	-	2,051,644
Professional fees	390,529	-	-	390,529
Business development expenses	358,342	-	-	358,342
General and administrative expenses	868,706	-	-	868,706
Depreciation and amortization expense	58,375	-	-	58,375
Total lending and corporate expenses	12,367,468	-	-	12,367,468
HOUSING EXPENSES				
CVC, CADI and other real estate operations				
Rental property expenses	-	8,572,005	(2,279,592)	6,292,413
Property depreciation and amortization	817,103	5,661,574	(11,000)	6,467,677
Interest expense	-	2,377,081	(966,150)	1,410,931
Other real estate expenses	261,031	-	-	261,031
Housing salaries and employee benefits	3,964,536	-	-	3,964,536
Total housing expenses	5,042,670	16,610,660	(3,256,742)	18,396,588
Total expenses	17,410,138	16,610,660	(3,256,742)	30,764,056

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CENTURY HOUSING CORPORATION AND AFFILIATES
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENTS OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2018

	Century and wholly controlled affiliates before Operating Partnerships	Operating Partnerships	Eliminations	Consolidated Total
Change in net assets without donor restriction before other income and expenses	11,775,188	(5,363,215)	914,333	7,326,306
OTHER INCOME AND (EXPENSES)				
Realized and unrealized loss on financial investments	(4,941,621)	-	-	(4,941,621)
Unrealized loss on interest rate swap	(415,943)	-	-	(415,943)
Income tax expense	(15,490)	-	-	(15,490)
Bad debt expense	(23,747)	(119,544)	-	(143,291)
Total other income and (expenses)	(5,396,801)	(119,544)	-	(5,516,345)
Change in net assets without donor restriction from operations	6,378,387	(5,482,759)	914,333	1,809,961
Contributions from non-controlling interest	-	29,375,640	-	29,375,640
Contributions from controlling interest	-	476,600	(476,600)	-
Distributions to non-controlling interest	-	(12,221)	-	(12,221)
Distributions to controlling interest	-	(26,722)	26,722	-
Syndication costs paid by non-controlling interest	-	(167,069)	-	(167,069)
Capital adjustment from intercompany real estate sale	-	(9,342,428)	9,342,428	-
Change in net assets without donor restriction	6,378,387	14,821,041	9,806,883	31,006,311
Net assets with donor restriction				
Contributions	7,186,500	-	-	7,186,500
Change in net assets with donor restriction	7,186,500	-	-	7,186,500
Total change in net assets	13,564,887	14,821,041	9,806,883	38,192,811
Net assets at beginning of year	205,182,103	55,048,003	(17,562,251)	242,667,855
Net assets at end of year	\$ 218,746,990	\$ 69,869,044	\$ (7,755,368)	\$ 280,860,666

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CENTURY HOUSING CORPORATION AND AFFILIATES
SUPPLEMENTARY INFORMATION
STATEMENTS OF FINANCIAL POSITION - CENTURY HOUSING CORPORATION
DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 14,575,083	\$ 11,902,284
Restricted cash	13,053,228	5,566,500
Accounts receivable, net	468,187	134,314
Accounts receivable from affiliates	-	48,340
Investments	109,830,370	97,273,911
Investments in affiliates	2,944,724	2,941,324
Interest receivable	1,892,991	1,503,181
Interest receivable from affiliates	3,184,494	2,658,520
Notes receivable, net	284,519,978	242,238,733
Notes receivable from affiliates	37,862,609	28,682,652
Prepaid expenses and other assets	132,352	72,150
Real estate held for investment, net	6,500,747	6,677,811
Furniture, fixtures and equipment, net	<u>224,171</u>	<u>172,019</u>
Total assets	<u>\$ 475,188,934</u>	<u>\$ 399,871,739</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	\$ 1,515,143	\$ 1,572,088
Accrued interest	1,053,420	673,486
Fair value of interest rate swap liability	2,561,082	415,943
Security deposits	9,674	674
Deferred income	290,384	192,434
Other liabilities	1,349,441	509,254
Bonds payable, net of unamortized debt issuance costs	99,400,035	-
Notes payable and lines of credit	<u>147,729,675</u>	<u>201,947,877</u>
Total liabilities	253,908,854	205,311,756
Net assets:		
Net assets without donor restriction	205,893,580	185,373,483
Net assets with donor restriction	<u>15,386,500</u>	<u>9,186,500</u>
Total net assets	<u>221,280,080</u>	<u>194,559,983</u>
Total liabilities and net assets	<u>\$ 475,188,934</u>	<u>\$ 399,871,739</u>

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CENTURY HOUSING CORPORATION AND AFFILIATES
SUPPLEMENTARY INFORMATION
STATEMENTS OF ACTIVITIES - CENTURY HOUSING CORPORATION
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
LENDING AND CORPORATE REVENUE		
Investment interest and dividends	\$ 2,173,521	\$ 1,978,729
Income from notes receivable	26,578,884	20,615,275
Residual receipts and contingent asset income	698,224	2,149,523
Other income	80,987	88,103
Net assets released from restrictions	<u>2,000,000</u>	<u>-</u>
Total lending and corporate revenue	31,531,616	24,831,630
HOUSING REVENUE AND SUPPORT		
Other real estate operations		
Rental property income	109,500	35,118
Contributions and fundraising income	<u>274,401</u>	<u>980,285</u>
Total housing revenue and support	<u>383,901</u>	<u>1,015,403</u>
Total revenue	31,915,517	25,847,033
LENDING EXPENSES		
Allocation for loan losses	871,858	1,139,304
Borrowing fees	305,252	102,241
Interest expense	<u>10,030,007</u>	<u>7,386,845</u>
Total lending expenses	11,207,117	8,628,390
HOUSING EXPENSES		
Other real estate operations		
Rental property expenses	24,319	11,167
Property depreciation and amortization	<u>86,956</u>	<u>8,364</u>
Total housing expenses	111,275	19,531
MANAGEMENT AND GENERAL EXPENSES		
Salaries and employee benefits	5,829,131	5,673,849
Professional fees	323,032	389,029
Bad debt expense	-	16,490
Business development expenses	399,309	358,342
General and administrative expenses	908,908	840,825
Depreciation and amortization expense	<u>76,036</u>	<u>58,375</u>
Total management and general expenses	<u>7,536,416</u>	<u>7,336,910</u>
Total expenses	<u>18,854,808</u>	<u>15,984,831</u>

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CENTURY HOUSING CORPORATION AND AFFILIATES
SUPPLEMENTARY INFORMATION
STATEMENTS OF ACTIVITIES - CENTURY HOUSING CORPORATION - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Change in net assets without donor restriction before other income and expenses	13,060,709	9,862,202
OTHER INCOME AND (EXPENSES)		
Realized and unrealized gains (losses) on financial investments	9,604,527	(4,941,621)
Unrealized loss on interest rate swap	(2,145,139)	(415,943)
Income tax expense	-	(800)
Net other income and (expenses)	<u>7,459,388</u>	<u>(5,358,364)</u>
Change in net assets from continuing operations	20,520,097	4,503,838
Change in net assets with donor restriction		
Contributions	8,200,000	7,186,500
Release from net assets with donor restriction	(2,000,000)	-
Change in net assets with donor restriction	<u>6,200,000</u>	<u>7,186,500</u>
Change in net assets	26,720,097	11,690,338
Net assets at beginning of year	<u>194,559,983</u>	<u>182,869,645</u>
Net assets at end of year	<u>\$ 221,280,080</u>	<u>\$ 194,559,983</u>

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APPENDIX II

UNAUDITED INTERIM FINANCIAL STATEMENTS OF CENTURY HOUSING CORPORATION AND AFFILIATES AS OF AND FOR THE SIX MONTHS ENDED JUNE 30, 2020



Century Housing Corporation

Statement of Financial Position

(Consolidated and Unaudited)

	June 30, 2020
Assets	
Cash and cash equivalents	15,738,545
Cash equivalents (restricted)	32,130,415
Accounts receivable, net	487,725
Investments	110,381,401
Interest receivable	1,785,829
Prepaid expenses and other assets	4,361,714
Notes receivable, net	322,949,400
Furniture, fixtures and equipment, net	2,222,688
Real estate held for investment, net	280,877,424
Total assets	770,935,142
Liabilities	
Accounts payable and accrued liabilities	2,888,243
Accrued interest	3,090,840
Tenant security deposits	1,323,579
Deferred income	1,478,525
Fair value of interest rate swap liability	5,900,197
Bonds payable	185,000,000
Notes payable	226,353,869
Forgivable loans	333,334
Other liabilities	3,046,116
Total liabilities	429,414,703
Net Assets	
Unrestricted Controlling interest	233,797,756
Unrestricted Non-controlling interest	87,546,061
Temporarily restricted - Controlling Interest	20,176,622
Total Net Assets	341,520,439
Total Liabilities and Net Assets	770,935,142



Century Housing Corporation

Statement of Activities

(Consolidated and Unaudited)

For the Six Months ended June 30, 2020

Lending & Corporate Revenue:

Investment interest and dividends	468,670
Income from notes receivable	12,006,300
Residual receipts and contingent asset income	8,077,721
Restricted Grant Revenue	4,790,122
Other income	24,639
Total lending & corporate revenue	<u>25,367,452</u>

Housing Revenue and support:

CVC and Other Real Estate Operations	
Rental property income	8,398,574
Other real estate income	871,386
Contributions & Fundraising	310,815
Total program revenue and support	<u>9,580,776</u>

Total Revenue 34,948,228

Lending & Corporate expenses:

Allocation for Loan Losses	573,949
Borrowing Fees	34,100
Bond Issuance Fees	195,641
Interest Expense	4,134,623
Salaries and employee benefits	2,663,526
Professional fees	188,796
Business development expenses	55,292
General and administrative expenses	444,878
Depreciation	45,492
Total lending & corporate expenses	<u>8,336,296</u>

Housing expenses:

CVC, CADI and Other Real Estate Operations	
Rental property expenses	2,967,930
Property depreciation and amortization	4,008,062
Interest Expense	769,716
Other real estate expenses	54,426
Housing salaries and employee benefits	3,126,228
Total housing expenses	<u>10,926,362</u>

Total Expenses 19,262,658

Change in net assets without donor restriction before
other income and expenses 15,685,570

OTHER INCOME AND (EXPENSES)

Realized and unrealized gains (losses) on financial investments	295,329
Unrealized loss on interest rate swap	(3,339,115)
Income tax expense	(800)
Net other income and (expenses)	<u>(3,044,586)</u>

Change in net assets without donor restriction
from operations 12,640,984

Contributions from non-controlling interest 12,923,787
Change in net assets without donor restriction 12,923,787

Change in net assets with donor restriction
Contributions -
Release from net assets with donor restriction -
Change in net assets with donor restriction -

Change in net assets 25,564,771

Net assets at beginning of year 315,955,668

Net assets at end of year 341,520,439



Century Housing Corporation
(Consolidated and Unaudited)
Cash Flow Statement
For the Six Months Ending June 30, 2020

Operating Activities	
Net Income	14,576,725
Adjustments to Net Income	
Depreciation	4,053,554
Amortization	218,616
Accounts and Note Receivable	(38,301,107)
Other Current Liabilities	1,515,145
Accounts Payable	(11,034,341)
Bond and Note Payable	32,740,438
Total Adjustments to Net Income	(10,807,695)
Total Operating Activities	3,769,029
Financing Activities	
Interest Rate Swap	5,900,197
Total Financing Activities	5,900,197
Investing Activities	
Fixed Asset	1,577,315
Other Asset	(3,382,984)
Total Investing Activities	(1,805,669)
Net Change in Cash for Period	7,863,557
Cash at Beginning of Period	150,386,804
Cash at End of Period	158,250,361