LENDING MATTERS
Financing Affordable Housing Is Our Mission

CENTURY
LENDING MATTERS EVEN MORE

Responsive. Reliable. Flexible. These qualities are rarely associated with a lender, but they have been central values at Century from the start. With the help of our partners and clients, we are proud to report that in 2013 Century financed the creation of 1,948 affordable homes for families, seniors, and veterans throughout California.

Century’s growing contribution to California’s housing stock could not come at a better time. The effects of the housing crash have continued to add upward pressure on rental pricing while keeping home ownership out of reach for low-income residents—in 12 years’ time, median rents have risen 20% while median income dropped by 8% over the same period.1

Increased rent burden on California’s poorest residents coupled by cuts in state and federal programs have driven Century to take bold steps to assure maximum impact from available resources. Century took a leading role in California’s Department of Housing and Community Development’s newly launched Golden State Acquisition Fund, originating 89% of the programs output through January of 2014. One of GSAF’s biggest success stories, Skid Row Housing Trust’s The Six, focuses on veterans with special needs and is featured in this report.

In addition, Century continued to seek opportunities in Northern California where our expertise helped Preservation Partners secure HUD assistance for 67 senior apartments in Coffax. Finally, our initiative to explore ways to build affordable housing without government subsidy has resulted in an increase in infill construction loans, helping developers like Gary Kleinman whose 2013 activity in the San Fernando Valley has added 28 apartments.

We welcome you to read more about these three developments, and encourage you to continue to call on Century for your financing needs. At the dawn of our 20th year of service, we’re eager to work with you in addressing California’s critical housing deficit and ensuring a more secure future for us all.

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Chair, Board of Directors

William G. Brennan
Vice Chair, Board of Directors

Ron Griffith
President & CEO

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Darroch F. Young, Chancellor Emeritus, Los Angeles Community Colleges

1 California Housing Partnership Corporation, “How California’s Housing Market Is Failing To Meet The Needs Of Low-Income Families”
2013 Century Lending

- **2013 Century Loan Originations**: $99,348,390
- **Golden State Acquisition Fund Loans Closed Through January 2014**: $84,660,947

- **Construction Loans**: $21,583,000
- **Bridge Loans**: $49,942,500
- **Acquisition Loans**: $15,588,745
- **Other Loans**: $12,234,145
- **Other CDFIs**: $9,710,000
- **Century GSAF Loans**: $74,950,947

- **1,948 Homes Created**
- **23,232 Cumulative Homes Created**
- **1,793 FTE Construction Jobs Created**
- **41% of Century loans closed in 30 days or less**
# Financial Matters

## Select Financial Data (Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>$218,438</td>
<td>$244,927</td>
</tr>
<tr>
<td>Loans receivable (net)</td>
<td>$76,853</td>
<td>$88,963</td>
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<tr>
<td>Cash &amp; marketable securities</td>
<td>$61,898</td>
<td>$71,791</td>
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<tr>
<td>Real estate (net)</td>
<td>$77,063</td>
<td>$81,423</td>
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<tr>
<td>Draws on lending credit lines</td>
<td>$32,209</td>
<td>$50,597</td>
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<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted net assets</td>
<td>$134,478</td>
<td>$141,688</td>
</tr>
<tr>
<td>Temporarily restricted net assets</td>
<td>$5,000</td>
<td>$5,000</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>$139,478</td>
<td>$146,688</td>
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</tbody>
</table>

## Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>New loans originated</td>
<td>74,209</td>
<td>78,979</td>
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<tr>
<td>Gross loan income</td>
<td>9,506</td>
<td>10,585</td>
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<tr>
<td>Financial investment income</td>
<td>5,824</td>
<td>4,364</td>
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<tr>
<td>Grants and contributions</td>
<td>476</td>
<td>340</td>
</tr>
<tr>
<td>Net loan loss ratio</td>
<td>0.6%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

$840 Million Cumulatively Invested

![Financial Position Diagram](image)
VETERAN HOUSING? WE HAVE YOUR SIX

Century is no stranger to veteran housing. In 1994 we financed Phase I of Westside Residence Hall in Inglewood, a college dormitory converted into one of the largest veteran communities in the country. Century Villages at Cabrillo, a former Navy base transformed into a 27-acre campus housing hundreds of veterans and wrap-around service providers, was financed and developed by our team over the course of 17 years. In total, Century has invested more than $104 million to create 1,395 homes for veterans.

But we have never seen anything quite like The Six, being developed by Skid Row Housing Trust in the Westlake/MacArthur Park community just west of Downtown Los Angeles. The four-story 52-unit development will sit atop a one-story podium structure with open spaces, community rooms, and an edible community garden, all designed to provide a therapeutic atmosphere for recovering veterans.

Century provided Skid Row Housing a $1,125,000 acquisition loan, our sixth loan to them, using the Golden State Acquisition Fund. The GSAF program, introduced by California’s Department of Housing and Community Development in 2013, is a $93 million revolving fund offering high LTV and low-cost financing which has been an indispensable tool for our clients.

“Century is a great partner for permanent supportive housing and in particular veteran housing. They have a clear understanding of the nuances of serving this population. We are very fortunate to have had them as an acquisition lender to utilize the Golden State Acquisition Fund. Century is extremely familiar with the programs and policies for this fund and our loan transactions with Century have been seamless.”

—Dana Trujillo Housing Development Director, Skid Row Housing Trust
PRESERVING CANYON VIEW

Century’s reach into Northern California was expanded with the help of Preservation Partners and their rehabilitation of a charming senior community in Colfax, half-way between Sacramento and Reno, and it happened just in time thanks to our in-house loan administration and legal teams.

The property was built in 1977 with the senior demographic already in mind. Nine single-story buildings are spread across 6.5 acres of majestic pines, with scenic views of the canyon and mountains from each of the 67 homes’ private patios, or front- and backyard common areas. A Century bridge loan totaling $4,845,000 helped Preservation Partners keep this property operating at rents affordable to low-income seniors.

“Century was very knowledgeable when it came to underwriting HUD assisted properties and their excellent service and expedited closing process enabled us to acquire and preserve the long-term affordability of Canyon View, as well as on three other recently acquired HUD properties.”

—William Szymczak
Managing Partner, Preservation Partners

Century moved quickly to assure Canyon View received the support needed to preserve the Housing and Urban Development rental assistance to the tax-exempts bonds that accompany the project’s low-income tax credits. The HUD program provides a favorable loan structure for affordable properties which are already subsidized by project based Section 8 vouchers. With Century’s quick execution and guidance, the financing was secured and Colfax seniors will continue to enjoy spectacular views of the canyons for at least another 55 years.
LENDING MATTERS TO...

...our investors
The Ahmanson Foundation
Bank of America
Calvert Social Investment Foundation
Charles Schwab Bank
Chase
CDFI Fund
Citibank
City National Bank
EastWest Bank
Fannie Mae
Federal Home Loan Bank of San Francisco
GE Foundation
HSBC Bank USA
Housing Partnership Network
Hudson Housing Capital
John Hancock Realty Advisors
Los Angeles County Community Development Commission
Low Income Investment Fund
Northrop Grumman
RSF Social Finance
San Luis Obispo Housing Trust
The Weingart Foundation
Wells Fargo Bank

...our developers
A Community of Friends
Abode Communities
Access Community Housing
Affirmed Housing Group
Al Leibovic
Alliance Property Group
Alternative Living For the Aging
AMCAL Multi-Housing, Inc.
American Communities
AMG & Associates, LLC
ANR Industries, Inc.
APEC
Bogdan Zeljkovic
BRIDGE Housing Corporation
Chelsea Investment Corporation
City Heights Community
Corporation for Better Housing
David Kleinman
DDCM, Inc.
The Danco Group
East LA Community Corporation
Foundation for Affordable Housing
Frank Shabestari
GAPA, LLC
Gary Braverman
Gary Kleinman
The Hampstead Companies
Hermadad Los Angeles EDC
Hollywood Community Housing Company
Irvine Housing Opportunities
Jamboree Housing Corporation
Jonathan Lee
Jovenes, Inc.
KDF Communities
LA Family Housing
The Lee Group
Lennar Affordable Communities
The Life Group, Inc.
LINC Housing
Little Tokyo Service Center CDC
LOMCO
Many Mansions
Mayans Development
Menorah Housing Foundation
Meta Housing Corporation
Michael Heslov & Michael Roletti
NMS Properties, Inc.
Ocean Development
Operation Safe House, Inc.
Pacific Companies
Pacific Development Consultants
Pacific West Communities, Inc.
Palm Communities
Para Los Niños
PATH
PAY Ventures
Payne Ventures, LLC
Phoenix Realty Group
Pico Union Housing Corporation
Prakash Chandran
Preservation Partners
The Related Companies
ROEM Development Corporation
RSS Development, Inc.
Severyn & Martha Aszkenazy
Shlomi Asiss
Skid Row Housing Trust
South County Housing Corporation
Spector Development Company, Inc.
SRO Housing Corp
Standard Development
Steadfast Companies
Thomas Safran & Associates
Urban Town, Inc.
Uzi Levy
Vitus Group
Wakeland Housing
WNC Investment Partners
WORKS
Wyman Dunford
Yoram Hassid

...and to more than 20,000 families, seniors, and youth living in Century financed homes.

GARY KLEINMAN CLAIMING THE SAN FERNANDO VALLEY

Extraordinary demand for construction financing has allowed Century to target an increasing number of affordable developments which don’t qualify for low-income tax-credits.

Our fourth construction loan with Gary Kleinman supported the development of 28 apartment homes in Panorama City. “Century is how I got started,” Gary said while touring the immediately leased-up project he completed in a short 11 months. “I couldn’t have done it without Century, banks wouldn’t help.”
MISSION
Century invests in homes and communities so that low-income individuals and families may have a dignified living environment, achieve economic independence, and enjoy healthful and vital places to live and work.

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

See centuryhousing.org for a detailed map and additional loan information.