



California Community
Reinvestment Corporation

Building on Trust: CCRC and Affordable Housing

The California Community Reinvestment Corporation (CCRC) is a nonprofit, multi-bank lending consortium founded in 1989 to respond to the state's affordable housing shortage. Funded by more than 45 member banks operating in California, CCRC serves as an intermediary between builders and financial institutions, providing access to capital so that individuals can live, work and raise their families in California communities. Since inception, CCRC has approved more than \$887 million in affordable housing loans.

Priming the Production Pipeline

CCRC is now striving to meet the demand in the development community for a high-leverage, front-end acquisition product with its new Mezzanine Loan Fund. Often, developers do not have the capital to obtain land, and such a product would enable them to acquire it quickly for affordable housing projects.

A CCRC Mezzanine Loan, coupled with a senior acquisition loan from CCRC or a qualified lender, will create a loan-to-value (LTV) ratio of up to 95%. This will increase the likelihood that builders can cover the remaining gap, leading to a larger pipeline of affordable housing developments moving into construction statewide.

The fundraising goal for the Mezzanine Loan Fund is \$18 million, and in recognition of the higher risk CCRC will invest up to \$2.75 million of its own funds, in conjunction with the new funds being raised from investors. CCRC will make a 15% "top loss" investment of its own capital in each and every project funded by a Mezzanine Loan. Your investment will help increase the stock of affordable housing, while earning a solid return from a well run, wisely managed Fund.



If you can't
get the land,
nothing else
matters.



The affordable housing partnership between CCRC and its financial partners is based on CCRC's powerful points of differentiation, the qualities that make it unique and effective. The "five P's" are:

- **People** – an experienced staff with long-term tenure, with people who "get" real estate and community development
- **Products** – facilitated through a member bank-led blind statewide pool
- **Participation** – involving the investors in real, productive ways
- **Productivity** – superior loan review because of excellent organization, quality of data and streamlined decision-making process
- **Profit Sharing** – adequate sharing of transaction profits



MEZZANINE LOAN FUND

Building on Two Decades of Trust

With the new Mezzanine Loan Fund, CCRC offers a funding source that is secured, short-term and set up as a revolving line of credit (LOC) on the bank's books. CCRC has 18 years of experience building relationships with the very developers that will utilize Mezzanine Fund loans, while its banking partners view the organization as being especially qualified to successfully administer a fund of this type. CCRC qualifications include:

- **Flexibility** – *able to go where a single bank may not be able to go*
- **Knowledge** – *about market needs and the products to serve those needs*
- **Credibility**– *a sterling reputation throughout the State of California*
- **Experience** – *organized, innovative and recognized as leaders*
- **Efficiency** – *smooth operations from underwriting through approvals*
- **Transparency** – *strong oversight practices and an “open door” policy*
- **Sophistication** – *a strategic outlook, and professionalism – as demonstrated through high-quality people and products*

Solid Ground, Fertile Fields

The solid qualities of the Mezzanine Loan Fund product, like the characteristics of CCRC, precisely meet the needs of affordable housing developers and CCRC's lending partners as they look toward new, fertile fields for affordable home construction. Transparency, a commitment to excellence, a top-flight reputation, strong working relationships with non-profit developers – CCRC has what it takes to serve this important sector. And entering such a partnership with CCRC also creates a pipeline of future construction loans for investor banks, strengthening the overall effort even more.

CCRC's role is ensuring a continuous flow of funds to finance home construction in California. To our natural partners in this enterprise, our friends in the banking community, we are both extending an invitation and making a promise. We invite you to join us in making affordable housing available to every Californian who needs it, and we promise to put our vast experience and expertise to work for you, for new homeowners and, indeed, for the future of our great state.

Contact CCRC today for more information on the Mezzanine Loan Fund.



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