

MERRITT

messenger

Citrus Grove Apartments *Refinancing Affordable Housing*

When the owner of Citrus Grove Apartments in Fontana wanted to sell this property he ran into a potential roadblock. The affordable housing project was originally financed with a loan from California Housing Finance Agency (CalHFA), and that loan was not prepayable. According to Augusto Sasso, a partner in Preservation Partners Development, it was then that negotiations started to determine how this project could be acquired, rehabilitated and preserved as affordable housing.

“We went back to CalHFA and brainstormed how we could make this preservation project work. We discovered that even though it was against their policy to allow prepayment of the

earlier loan, they were interested in participating in the preservation financing,” Sasso explains. “By offering to provide a new loan for Citrus Grove’s preservation, CalHFA gave us the opportunity to pay off the original loan and provide financing for the rehabilitation of the project. This was only the first or second time that CalHFA entered into a refinancing structure, but the result was something that benefited everyone. The owner was able to sell, CalHFA was able to participate in the rehabilitation financing, and we were able to preserve the property as affordable housing.”

Finding creative ways to preserve affordable housing has been the hallmark of Preservation Partners Development since its creation in 1999.

CONTINUED ON PAGE 5

CITRUS GROVE APARTMENTS HAS 50 UNITS OF AFFORDABLE FAMILY HOUSING WHERE RESIDENTS PAY 30 PERCENT OF THEIR INCOME ON RENT. THE COMPLEX IS COMPRISED OF THREE- AND FOUR-BEDROOM APARTMENTS.



Founded in 1990, Jamboree Housing Corporation is a broad-based nonprofit housing development company that develops, acquires, renovates and manages permanently affordable rental and ownership housing for lower-income families and seniors throughout California. Housing with HEART

(Helping Educate, Activate and Respond Together) is a 501 (c)(3) nonprofit organization and an affiliate of Jamboree Housing Corporation. Jamboree Housing Corporation was one of the first nonprofit housing providers to recognize, and integrate into its program, the vital link between housing and on-site resident services.

Jamboree Housing Corporation was one of six winners nationwide in Fannie Mae’s 15th Annual Maxwell Awards of Excellence; it was named 2004 Developer of the Year by the Southern California Association of Nonprofit Housing (SCANPH), and won the 2004 Communities of Quality Award by the Affordable Housing Management Association (AHMA). Jamboree Housing Corporation is Orange County’s leading nonprofit developer with an ownership interest in more than 3,700 affordable rental apartment homes throughout California. More information is available on the company’s Web site at www.jamboreehousing.com.



INSIDE THIS ISSUE

BOARD MEMBER PROFILE: RICK YEE

PRESIDENT’S MESSAGE: SECTION 8 REFORM

BOARD CHAIRPERSON’S REPORT: PROGRAM TRANSFERS, CUTS & OPPORTUNITIES

COMMUNITY PROFILE: CALIFORNIA HOUSING FINANCE AGENCY

Community Profile: CalHFA

The California Housing Finance Agency (CalHFA) was created as the state's affordable housing bank by the California legislature in 1975. The agency's mission is to finance below market rate loans to create safe, decent and affordable rental housing and to assist first-time homebuyers in achieving the dream of homeownership.

CalHFA's HOMEOWNERSHIP PROGRAM

Since 1976, over 130,000 Californians have become first-time homebuyers, using \$12.1 billion in CalHFA loans. There are currently 37,621 home mortgage loans in the CalHFA portfolio with a total value of \$4.19 billion.

There are three homeownership programs administered by CalHFA. The first is the **Homeownership Mortgage Loan Program** which was designed to enhance affordability and homeownership opportunities by providing 30-year below market fixed rate loans with up to a 100 percent loan-to-value ratio. The second program, **interest only PLUS**, allows borrowers to pay only the interest on their loan for a fixed period of time. After that, borrowers pay principal and interest at the same low interest rate. The third homeownership program is the **Self-Help Builder Assistance Program**, which provides mortgage loans at three percent interest for single-family homes built by owner-builders through the mutual self-help construction method.

CalHFA also provides down payment assistance to borrowers through five mortgage loans programs. The **Affordable Housing Partnership Program** is a joint effort by CalHFA and cities, counties, redevelopment agencies and housing authorities where a deferred payment subordinate loan from a locality is utilized by the first-time homebuyer to assist them with down payment or closing costs. The **CalHFA Housing Assistance Program** offers a deferred payment junior loan of an amount up to the lesser of three percent of the purchase price or appraised value. The **Extra Credit Teacher Home Purchase Program** provides a below market interest rate CalHFA first loan, together with a forgivable interest CalHFA junior loan to assist eligible teachers, administrators, staff members and classified employees to purchase their first home. CalHFA's **High Cost Area Home Purchase Assistance Program** assists first-time homebuyers in the highest housing cost areas of the state. The **HomeChoice Program Information** assists low and moderate income borrowers who are disabled, or have family members with disabilities living with them, in purchasing their first home.

CalHFA also administers stand-alone down payment assistance programs. Its **California Homebuyer's Downpayment Assistance Program** offers a deferred-payment junior loan of an amount up to the lesser of three percent of the purchase price or appraised value. The



agency also administers the **Homeownership in Revitalization Areas Program** which provides a deferred payment, simple interest rate second loan of an amount not to exceed six percent of the home sales price. Finally, the **School Facility Fee Down Payment Assistance Program** is a conditional grant program that provides assistance to buyers of newly constructed homes throughout California. This program provides homebuyers with a partial or full rebate of the school facility fees paid by the home builder that can be used for the borrower's down payment or closing costs.

CalHFA's MULTIFAMILY PROGRAM

In the Multifamily arena, CalHFA is a direct lender. The agency encourages the developers and sponsors of the projects it finances to actively seek the participation of redevelopment agencies and local housing authorities in their projects, with the goal of making the projects as affordable as possible. To date, CalHFA has made \$1.65 billion in these Multifamily loans, financing 415 projects with a total of 33,371 units.

CalHFA provides **Permanent Loans** for new and existing multifamily construction projects that are available to for-profit, non-profit and public agency sponsors. These loans require a minimum of a 110 percent debt service ratio. Loans amounts are provided up to 80 percent of a project's economic value or 90 percent of the total development costs.

There are two special programs under CalHFA's Multifamily Special Needs Financing department. They are the **Small Business Development Division (SBD)** and the **Housing Enabled by Local Partnerships (HELP)** program. SBD works to increase the participation of small developers in its single family and multifamily mortgage loan programs. HELP is an award-winning program that has awarded \$100 million to 88 separate housing entities to facilitate affordable housing development. The HELP Program provides three percent interest rate loans with repayment terms of up to ten years to local governments for locally determined affordable housing priorities.

CalHFA offers tax-exempt bridge loans to projects receiving four percent tax credits at an amount necessary to ensure the award of tax credits. This program is available to for-profit, non-profit and public agency sponsors. Non-profit housing entities are eligible for predevelopment loans from CalHFA. These

loans provide low-cost funding to cover the predevelopment costs associated with affordable rental projects that will have permanent CalHFA financing. Another agency program, **Preservation Acquisition Program (Prop 46)**, is designed to preserve at-risk affordable housing developments by providing low-cost acquisition financing. The fund is comprised of monies authorized by Proposition 46 (bond funds) and funds from CalHFA (agency funds). Combined funds are to be repaid from permanent financing sources and recycled for new acquisition loans. This program is open to for-profit, nonprofit and public agency sponsors and loan amounts can cover up to 100% of the acquisition cost.

CalHFA's **HUD Section 202 Refinancing Program** offers owners of existing Section 202 properties the opportunity to refinance their direct HUD loans through CalHFA under more favorable terms and conditions. Owners must agree to maintain affordable occupancy restrictions to comply with HUD and to undertake appropriate rehabilitation. This program is only available only to nonprofit sponsors. Finally, CalHFA's **Construction Loan Program** is designed to provide construction loans at commercially competitive rates and terms to developments approved for CalHFA permanent financing and otherwise subject to state prevailing wage requirements. Funds may be provided on a taxable or tax-exempt basis.

CalHFA's MORTGAGE INSURANCE SERVICES PROGRAM

CalHFA's Mortgage Insurance Division enables more Californians to buy a home by providing primary mortgage insurance to hard-to-serve borrowers at favorable rates. This Division fosters business partnerships with government sponsored enterprises, mortgage bankers, lenders, local government agencies, and nonprofit affordable housing providers who are committed to expanding affordable housing opportunities.

All CalHFA conventional loans that are mortgage insured by the agency include HomeOpeners*SM, a Mortgage Protection program that makes up to six monthly mortgage payments if the borrower becomes involuntarily unemployed, receiving unemployment compensation or seeking reemployment. This coverage is provided at no additional cost to borrower or lender. CalHFA also administers six special mortgage insurance programs for specific borrowers. These include employees of the California Public Employees Retirement System, California State Teachers Retirement System, a lease-purchase program sponsored by the Association of Bay Area Governments, a Freddie Mac sponsored program targeted to California high-cost counties and Economic Opportunity Mortgage developed by Union Bank of California targeting low income borrowers and buyers in targeted census tract areas.

CONTINUED ON PAGE 5

President's Message

by Bernard T. Deasy

Once again the battle over Section 8 and the HUD budget is underway in Washington D.C. This year, as in every year before, the looming deficits, the ongoing call for program reform, the high cost of the program and the critical need for more affordable housing are clashing concepts that draw the battle lines and set the stage for yet another reduction in Section 8 funding. The Section 8 program was enacted in the mid 1970's and has served a small fraction of those in need of affordable housing very well. However, if you are not now in the program, good luck. With shrinking resources and rising costs, the scope of the overall program can only decline in the foreseeable future.

Perhaps it is time to take another look at this program and see if we cannot embrace some significant adjustments that may both enhance the operation of the program and increase the reach of benefits to more families and individuals in need of affordable housing. Since 1999, over 35 Housing Authorities around the country have been involved in an experimental program called "Move to Work." In spite of the annoying slogan created by some PR guru, the



income. To date, the results in one jurisdiction using the fixed rent option have been very impressive.

In the central valley of California, the Tulare County Housing Authority implemented the Move to Work program in 1999 for roughly half of their current and all new tenants admitted to both the Section 8 and conventional Public Housing programs. Program participants seem to be uniformly pleased with the program and the staff of the PHA is very happy with the fixed rent structure. Significantly, over the period between 1999 and 2004, the incomes of families with fixed rents increased from 45

have created a strong inclination among the relatively few beneficiaries to remain in the program for multiple generations, much like the fabled Manhattan rent controlled apartment. Under the Tulare County Housing Authority Move to Work Program, not only are rents fixed, but they expire after five years, thus providing strong incentives for families to plan on eventually leaving subsidized housing and giving them time to carry out their plans. Thus far, there have been far more successful move outs than anyone had previously thought possible.

The first move away from government assisted housing where rents float with income was the Low Income Housing Tax Credit Program, which is clearly the most successful affordable housing program enacted to date. With increasing budget and regulatory challenges now facing all HUD based housing assistance programs, maybe now is the time to take an in depth look at the Section 8 Program and apply some of the knowledge and experience that has been gained in the LIHTC and Move to Work programs. We have developed sophisticated models for setting rents to reach specific segments of those in need of housing assistance and we should consider using those models for Section 8 and Public Housing tenants. Based on many years of experience in both HUD and Public Housing Authority administration, I firmly believe that creating rents that float with annual incomes place huge administrative burdens on the property management function, encourage tenants to under state or, worse, under earn income, engender a total disconnect with the real rental housing and home ownership markets and encourage multi generation participation in subsidized housing programs. Establishing a fixed rent option for Section 8 will not solve all the issues currently facing the proponents of affordable housing, but the significant success of the rent structures used in the LIHTC and Move to Work programs clearly indicate the need for further study and experimentation.

The budget crisis of 2005 is not going away and will most likely become more acute in future years. It is time to ask who and how many are being served under the current affordable housing programs and how can we effectively reach more in need even as the resources available from the federal government recede. This is a tough issue, but another losing battle around the same set of issues is not what is needed today. We need a fresh look and we need it now!

Under the Tulare County Housing Authority Move to Work Program, not only are rents fixed, but they expire after five years, thus providing strong incentives for families to plan on eventually leaving subsidized housing and giving them time to carry out their plans.

program itself is worth a closer look.

Under the Move to Work program, Housing Authorities have been encouraged to redesign and experiment with both the Section 8 and Low Rent Public Housing programs. Almost all housing Authorities participating in the program have implemented a modification to the current rent setting system. Some have continued to set rents at a fixed percentage of family income, but have increased the percentage over time. Others have experimented with fixed rents that are set to meet the housing needs of families at appropriate Area Median Income levels. These rents do not float with family income, but are set by unit size for the duration of the experiment. Under the fixed rent model, there is no incentive to hide increases in family income nor are there any disincentives to actually increasing family

percent to 60 percent, while the incomes of families that remained in the traditional Section 8 and public housing programs rose less than 10 percent.

The 1969 the Brooke Amendment to the National Housing Act required rents in HUD assisted programs to be tied to the annual, certified income of the participating tenants. Rents were to be set at 25 to 30 percent of adjusted gross income, which has evolved over the years into a very complex calculation. The administrative costs of annual income and rent determinations plus the clear benefit of understating or, worse, not having increased income has created a group of tenants that have no real links to the general rental housing market, much less to the goal of home ownership. The current Section 8 and Public Housing Programs

MERRITT MESSENGER

DESIGNER AND EDITOR, MARK BALDWIN
CONTRIBUTING PHOTOGRAPHERS: MARK BALDWIN, BOB HSIANG, CARIN SCHMIDT
PRINTER, COAST LITHO

PRINTED ON RECYCLED PAPER WITH SOY-BASED INKS

Board MEMBER Profile

Rick Yee learned how to make

the most of what he had growing up in Guangdong, a village in South China. After his family left for the

United States in 1962, they landed in a housing project in Oakland's Chinatown where they paid \$50 a month in rent. There Yee and his family struggled to make ends meet working low paying jobs. Today, Yee heads Bank of the West's Community Development Finance Division and his responsibilities include making investments in affordable housing projects, working to promote community development in low income communities and providing construction loans to develop low income ownership and rental projects. Yee's investment and lending activities cover the bank's operations in sixteen states.

"I have a special appreciation for the needs of these low-income communities," says Yee. "It's really exciting to finance the development of affordable housing which can lift people out of poverty and allow families to have a clean, safe, stable and affordable place to live. I find it very rewarding to serve the community through my work at Bank of the West."

Yee began his career with a degree in Business Administration-Finance from San Francisco State University. That led to a two-year stint as an appraiser for the Alameda County Assessor's office, and five years as a Senior Appraiser for Home Federal Savings and Loan Association in Walnut Creek. Yee's next position was Vice President/Manager of the Commercial/Construction Loan Department at Gateway Savings Bank in Oakland. According to Yee "In addition to serving as Chief Appraiser for the department, I managed the disposition of non-performing major loans and repossessed properties, recommended debt reorganization and the underwriting of major loans."

Prior to his work at Bank of the West, Yee secured additional loan underwriting experience at California Federal Savings and Loan.

Yee started as Vice President and Con-



RICK YEE

struction Loan Administration Manager at Bank of the West in July 1987. "My responsibilities were to manage the documentation process, administer permanent and construction loans within the Real Estate Industries Division and other departments within the bank. I was also involved in loan workouts and managed the construction loan portfolio."

In November 1999, Yee was appointed Vice President and Manager of Bank of the West's Community Development Finance Division. "I basically started the division from scratch with one person. I went out into the community to assess needs, learned more about the Community Reinvestment Act and began establishing relationships with nonprofit organizations. There are lots of players involved in this kind of development—government people, local community leaders, other lenders, and nonprofit organizations. The partnerships and collaborations are often complex, and these deals require a great deal of patience. It takes a lot of time for these projects to come to fruition." Nevertheless, Yee's work resulted in the bank earning an outstanding rating from the FDIC's 2002 CRA review in the area of lending and investment.

Today, Yee manages a large CRA-qualified residential loan portfolio, a \$25 million, and growing, Federal Home Loan Bank Affordable Housing grant portfolio, and a multi-million dollar portfolio of CRA-qualified low income housing tax credit investments, tax-exempted bonds, and taxable partnerships. "I created a Bank of the West Investment Committee to review and approve these kinds of investments," Yee adds.

Yee's work has included purchasing permanent low-income apartment loans from organizations such as the Nevada Community Reinvestment Corporation and the California Community Reinvestment Corporation (CCRC). He also manages a \$18 million lending relationship and \$7 million tax-exempt bond investment portfolio with CCRC, serves on its Loan Committee, and is currently chairman of the committee. "I also serve on the loan committees of Lenders for Community Development, the Idaho Community Reinvestment Corporation, Washington Community Reinvestment Association, and I review California Environmental Reinvestment Fund loan requests," Yee

CONTINUED ON PAGE 6

Board Chair's Report

by Margaret Schrand

The budget proposed for

2006 by President Bush transfers 18 community development programs housed in different agencies into one

program called "Strengthening America's Community Initiative." These programs include Community Development Block Grants, Community Development Financial Institutions, Health and Human Services Office of Community Services discretionary grants and Section 4 capacity building into a single block grant to be administered by the Department of Commerce. The proposal sets funding at \$3.7 billion which is almost \$2 billion less than the current level of funding for these programs.

According to HUD, in 2004 over 23 million people were assisted by the CDBG program, most of whom were of low and moderate incomes. The Housing Affairs Letter, an independent weekly report on housing, notes that housing rehabilitation comprises nearly half of the annual community development block appropriation. This priority is expected to diminish or disappear if the program moves from HUD to the Commerce Department. Commerce Department Secretary Carlos Gutierrez has hinted that this money will be directed to the "poorest of the poor." It is unclear whether this shift in focus will occur because resolutions approved by the Senate and House Budget Committee call for fully restoring CDBG funding. The overall HUD budget is also under attack with cuts slated for Housing Choice Vouchers, HOME, 202/811 program, Shelter Plus Care, and McKinney-Vento funds. It is vitally important to communicate the importance of these programs to our Congressional representatives and advocate for restoration of funding cuts.

In California, work continues to establish a permanent dedicated revenue source for affordable housing. Housing California, the California Housing Consortium and NPH are spearheading efforts to create a permanent revenue source at the state level to avoid annual appropriations battles and periodic bond campaigns. Merritt supports the efforts to place this issue on the November 2006 ballot through a statewide initiative. This initiative would require a statewide affordable housing trust fund of at least \$1 billion annually.

Merritt Capital will continue to monitor these issues and others that would have a dramatic impact on the way housing funds are prioritized and allocated on a federal, state, and local level. We encourage you to take an active role in communicating your support for affordable housing funding, legislation, and public policy initiatives.



Citrus Grove Apartments: *Refinancing Affordable Housing*

CONTINUED FROM PAGE 1

Over the past six years it has used tax credits and tax-exempt bond financing to preserve 15 affordable housing properties totaling 2,115 rental units in California, Washington and Virginia. Sasso, and Preservation Partner's other managing partner, William Szymczak, have extensive finance, management and development experience garnered through years at the Department of Housing and Urban Development and employment in large private sector real estate, finance and accounting firms.

Although Preservation Partners is a relatively new firm, it has collaborated with experienced nonprofit housing developers on most of its preservation projects. In the case of Citrus Grove Apartments, Preservation Partners teamed with Jamboree Housing Corporation to preserve 50 units of family housing.

According to Sasso, "We started doing deals with Jamboree four years ago. We have closed ten deals with them during that time. It's a great fit. We serve as developer and co-general partner and Jamboree serves as managing general partner providing on-site resident services," he explains. "Jamboree provides an on-site resident service coordinator that conducts extensive interviews with the residents to determine their needs and create programs and services to meet those needs."

Carolyn Hudson, Jamboree's Community Relations Specialist, reports that Housing with Heart, an affiliate that provides on-site services to Jamboree properties, recently became a separate nonprofit corporation. "Jamboree was one of the first nonprofit housing providers to recognize the vital link between housing and on-site resident services and Housing with Heart assists residents in maintaining their self-sufficiency," says Hudson. "The type of services provided include health and safety classes, after-school tutoring, parenting classes, English as a Second Language, access to computer learning centers and the Internet and referrals to local resident service providers," she notes. A part-time activities coordinator is also onsite at Citrus Grove to work with residents.

The Citrus Grove property consists of 42 three-bedroom units and eight four-bedroom townhouses in ten two-story buildings. All tenant rents are subsidized by a project-based Section 8 contract. Tenants pay 30 percent of their income in rent. Each unit contains central air conditioning and heating, refrigerator, garbage disposal, gas range, washer/dryer hookups, fenced patios, carpet and vinyl flooring in kitchen and baths. Prior to its rehabilitation, Citrus Grove was 100 percent occupied with a two-to-three-year waiting list for the three-bedroom units and a five-year waiting period for four-bedroom units. The project, located just 40 miles east of Los Angeles, offers a prime location, subsidized units, and hard to find three and four bedroom apartments. Amenities include a playground, basketball court, office, community building, tot-lot and 115 parking spaces.

According to Sasso, the biggest challenge of

rehabilitating the property was coordinating the involvement of all the players. "You had the original lender, the new lender, CalHFA's participation, the city of Fontana, the residents, and Merritt's participation as equity investor," he notes. "Luckily, everyone wanted to get the deal done and worked hard to make it a reality." Another challenge was relocating the residents while the interior rehabilitation work was done in their apartments. "No one had to spend more than three or four nights out of their units while the work was done."

That interior work included replacing kitchen cabinets, sinks, garbage disposals and range vent hoods. In the bathrooms, cabinets, countertops and lavatories were replaced. Vinyl flooring was replaced, new water heaters were added as well as hard-wired smoke detectors and new carpeting where needed. "Exterior work included removing and replacing wood siding, reroofing and painting all buildings," says Sasso. "We also put in a new playground, built a larger community center, and a new manager's apartment."

"This project has been incredibly rewarding. The property is in great shape. The tenants are thrilled with the improvements. I think it is rare that all these things come together as smoothly as they did here at Citrus Grove," Sasso adds.

Citrus Grove was financed with tax-exempt construction and permanent loans from CalHFA, a loan from the city of Fontana, and an equity investment from Merritt Capital's Fund IX Partnership. Fund IX investors are Bank of America, Bank of the West, Fannie Mae, Freddie Mac, Union Bank of CalHFA, Washington Mutual and Wells Fargo Bank.

For more information on Citrus Grove Apartments contact Augusto Sasso, Preservation Partners Development, at (310) 802-6672 or Carolyn Hudson, Jamboree Housing Corporation, at (949) 263-8676.

PICTURED BELOW ARE THE REFURBISHED CITRUS GROVE APARTMENTS IN FONTANA. IN ADDITION TO REHABILITATING THE PROPERTY, PRESERVATION PARTNERS ADOPTED SEVEN RESIDENT FAMILIES, PARTICIPATING IN AN ANNUAL CHRISTMAS GIFT PROGRAM. A GRAND RE-OPENING CELEBRATION IS SCHEDULED FOR MAY 2005.



Community Profile: *CalHFA*

CONTINUED FROM PAGE 2

For 30 years, California Housing Finance Agency has supported the needs of renters and first-time homebuyers by providing financing and programs that create safe, decent and affordable housing opportunities for individuals within specified income ranges. A completely self-supporting state agency, bonds are repaid by revenues generated through mortgage loans, not taxpayer dollars. CalHFA's programs are available statewide and are partnered with a number of lenders, stakeholders, and redevelopment agencies. For more information see the California Housing Finance Agency's website at www.calhfa.ca.gov.

*HomeOpeners is a service mark of GE Mortgage Holdings, LLC.

California Housing Finance Agency

Sacramento Headquarters

P.O. Box 4034
Sacramento, CA 95812-4034
(916) 322-3991

Los Angeles Office

100 Corporate Point, Suite 250
Culver City, CA 90230
(310) 342-1250

Homeownership Program

(916) 324-8088

Mortgage Insurance Services

(916) 322-8936

Multifamily Program

(916) 322-5123

Board MEMBER Profile

CONTINUED FROM PAGE 4

explains. This is in addition to originating CRA-qualified construction and permanent loans for affordable housing, community services, and community economic development.

"I've had my eye on Merritt for the longest time," Yee admits. "Bank of the West's Vice Chairman Stephen Glenn, my CRA mentor, served on Merritt's board for a long time, which he had a lot of impact and respect for the organization. When Steve retired from the board, he recommended that I take his place." According to Barney Deasy, Merritt's President, "We are extremely pleased that Rick has joined our board. His extensive experience as a residential loan officer, appraiser and affordable housing lender and investor provide a broad perspective that is particularly useful when charting Merritt's policy and operations. Merritt's original mission was to secure capital for housing development in Oakland. We are proud to welcome someone who grew up in public housing in Oakland's Chinatown to serve in a leadership role on Merritt's board as we

continue to expand our operations throughout the state of California," Deasy concludes.

Rick Yee is married and lives with his wife Lynne in Walnut Creek. They have two sons, Blandon and Sydney, a daughter Jessica, and a grandson Jacob.

Merritt Capital is Moving

Effective May 16, 2005, Merritt's new address is:

Merritt Community Capital Corporation
1970 Broadway, Suite 250
Oakland, CA 94612

Merritt's telephone and fax numbers remain the same:

510-444-7870
510-444-7874 (fax)

www.merrittcap.org

Notre Dame Grand Re-Opening



THE GRAND RE-OPENING OF NOTRE DAME APARTMENTS WAS HELD FEBRUARY 3, 2005 IN SAN FRANCISCO. THIS HISTORIC PROPERTY WAS THE CITY'S LARGEST EXPIRING USE PROJECT AT RISK FOR CONVERSION TO MARKET-RATE HOUSING. IT WAS ACQUIRED AND REHABILITATED BY CHINATOWN COMMUNITY DEVELOPMENT CENTER PRESERVING ITS AFFORDABILITY FOR OVER 200 ELDERLY AND DISABLED RESIDENTS.



BOARD OF DIRECTORS

Margaret Schrand, Chairperson
Senior Vice President, Wells Fargo Bank

John Sheldon, Vice Chairperson
Executive Director, Morgan Stanley Co. Inc.

Jones Castro, Secretary
Senior Vice President, Union Bank of California, N.A.

Jeanine Catalano, Treasurer
Director of Strategic Compliance, Wells Fargo Bank

John Chan
Vice President, Bank of America Community Development Bank

William M. Lofton, Esq.
Lofton & Jennings, LLP

Roy Schweyer
Director of Housing & Community Development City of Oakland

Ilene Weinreb
Former Mayor of Hayward

Rick Yee
Vice President & Manager of Community Development Lending Bank of the West

Margaret Yung
First Vice President & Manager of Tax Credit Investments Washington Mutual Bank

STAFF

Bernard T. Deasy
President

Julie Sonntag Newquist
Administration & Human Resources Manager

Karen Smyda
Director of Acquisitions

Kristy Ball
Asset Manager

Daniel Kiernan
Chief Financial Officer

Birute Skurdenis
Asset Manager

Mark Baldwin
Director of Communications

Denise Taplin
Administrative Assistant

Maria Duarte
Director of Asset Management

Merritt Community Capital Corporation
1970 Broadway, Suite 250
Oakland, CA 94612
tel 510 444-7870
fax 510 444-7874

RETURN SERVICE REQUESTED

Nonprofit Org.
U.S. Postage
PAID
Oakland, CA
Permit No. 1724