



## **CENTURY HOUSING CORPORATION**

1000 Corporate Pointe  
Culver City, CA 90230  
(310) 642-2000  
[www.century.org](http://www.century.org)

<b>Offering of Century Sustainable Impact Notes</b>	
<b>Total Aggregate Offering</b>	\$150,000,000 in aggregate principal amount outstanding of Century Sustainable Impact Notes.
<b>Term/Maturity</b>	Various terms of between six months and 20 years, as set forth in the relevant pricing supplement.
<b>Interest Rates</b>	Interest rates for the Century Sustainable Impact Notes are set forth in the relevant pricing supplement.
<b>Minimum Investment Requirement</b>	\$1,000
<b>Status</b>	Unsecured debt obligations

*Lead Agent*

InspereX

**Prospectus dated August 10, 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 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.

## 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, which you should review carefully before making an investment decision. 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”).

As of June 30, 2021, the aggregate principal amount of Notes outstanding was \$34,905,000. Accordingly, as of June 30, 2021 an aggregate principal amount of \$115,095,000 of Notes remained available for purchase. The amount of Notes available for purchase will vary from time to time depending on the amount of Notes sold and the amount of Notes that mature and are repaid during the offering period.

Century will offer the Notes through registered broker-dealers. The Notes may be offered through InspereX LLC (“InspereX”) as Lead Agent for resale to other registered broker-dealers. InspereX, 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 InspereX, Century expects to receive net proceeds from sales after sales compensation to InspereX 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 for the 2021-2022 offering period, the approximately 12-month period beginning on the date of this Prospectus, excluding sales compensation will be approximately \$300,000, or less than 1% of the total aggregate offering. Century estimates that, based on the aggregate principal amount of Notes outstanding of \$115,095,000 as of June 30, 2021, it will receive net proceeds ranging from approximately \$114,449,715 to \$111,342,150 if the total aggregate principal amount of Notes outstanding 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 InspereX. 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. 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 IN WHICH THEY ARE OFFERED OR SOLD. THIS PROSPECTUS HAS BEEN FILED WITH THE SECURITIES ADMINISTRATORS IN SUCH STATES THAT REQUIRE IT FOR REGISTRATION OR EXEMPTION.

THE NOTES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE 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.

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](http://WWW.CENTURY.ORG).

CENTURY HAS NOT SET A DATE FOR THE TERMINATION OF THIS OFFERING, THOUGH THE AVAILABILITY OF THE NOTES IN EACH STATE IS DEPENDENT UPON THE EFFECTIVENESS OF ITS SECURITIES REGISTRATION OR EXEMPTION IN THAT STATE 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. INSPEREX 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. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFERING BY A BROKER-DEALER IN ANY STATE 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, 2020, 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, 2020, 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.*

## TABLE OF CONTENTS

PRELIMINARY STATEMENTS .....	ii
STATEMENT REGARDING “PARENT-ONLY” FINANCIAL INFORMATION.....	iv
STATE-SPECIFIC DISCLOSURES .....	vi
FORWARD-LOOKING STATEMENTS.....	ix
OFFERING SUMMARY .....	1
SUMMARY FINANCIAL INFORMATION .....	4
RISK FACTORS .....	17
USE OF PROCEEDS.....	30
DESCRIPTION OF THE ISSUER.....	31
SELECTED FINANCIAL INFORMATION.....	35
FINANCING AND OPERATIONAL ACTIVITIES .....	50
LENDING ACTIVITIES .....	57
DEVELOPMENT ACTIVITIES.....	67
INVESTING ACTIVITIES.....	73
BOARD OF DIRECTORS.....	75
MANAGEMENT TEAM AND KEY EMPLOYEES .....	79
RELATED PARTY TRANSACTIONS .....	82
LEGAL PROCEEDINGS .....	82
DESCRIPTION OF THE NOTES.....	83
HOW TO INVEST/PLAN OF DISTRIBUTION.....	90
FINANCIAL REPORTING .....	91
APPENDIX I AUDITED FINANCIAL STATEMENTS OF CENTURY HOUSING CORPORATION AND AFFILIATES AS OF AND FOR THE FISCAL YEARS ENDED DECEMBER 31, 2020 AND 2019 .....	92
APPENDIX II UNAUDITED INTERIM FINANCIAL STATEMENTS OF CENTURY HOUSING CORPORATION AND AFFILIATES AS OF AND FOR THE THREE MONTHS ENDED MARCH 31, 2021 .....	93

## 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 83. 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

<b>Issuer</b>	Century Housing Corporation, a California nonprofit public benefit corporation and certified CDFI.
<b>Securities Offered</b>	Up to \$150,000,000 in aggregate principal amount outstanding of Century Sustainable Impact Notes. As of June 30, 2021, the aggregate principal amount of Notes outstanding was \$34,905,000, meaning that an aggregate principal amount of \$115,095,000 of Notes remained available for purchase. The amount of Notes available for purchase will vary from time to time depending on the amount of Notes sold and the amount of Notes that mature and are repaid during the offering period.
<b>Authorized Denominations</b>	Minimum investment of \$1,000.
<b>Term of Investments</b>	Notes may be purchased for terms of between six months and 20 years, as set forth in the relevant pricing supplement.
<b>Interest Rates and Payment Options</b>	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.
<b>Interest Accrual and Interest Periods</b>	<p>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.</p> <p>The interest payment dates for Notes will be the 15<sup>th</sup> 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.</p> <p>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</p>

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 August 10, 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 in which Century offers the Notes, which typically is 12 months from the date of effectiveness of the registration or exemption in the applicable state.

**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 InspereX 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 InspereX as Lead Agent. InspereX 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, Century's consolidated affiliates are separate and distinct legal entities with no obligation to pay any amounts due on the Notes or to make funds available to Century to do so, 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 56.

**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 85.

**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 85.

**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 87.

**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 three-month period ended March 31, 2021 and the year ended December 31, 2020 on a consolidated and parent-only basis. The consolidated and parent-only financial information as of and for the three-month period ended March 31, 2021 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, 2020 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, 2020, 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.

**CONSOLIDATED  
STATEMENT OF FINANCIAL POSITION  
As of March 31, 2021**

**ASSETS**

Cash and cash equivalents	11,110,520
Restricted cash	21,217,635
Accounts receivable, net	616,022
Investments	120,275,733
Interest receivable	1,981,300
Notes receivable, net	352,029,184
Prepaid expenses and other assets	1,103,325
Real estate held for investment, net	293,220,922
Furniture, fixtures and equipment, net	1,786,678
Total assets	<u>\$ 803,341,319</u>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued liabilities	1,925,455
Accrued interest	4,286,684
Security deposits	1,340,013
Deferred income	4,496,279
Fair value of interest rate swap liability	1,794,575
Bonds payable, net of unamortized debt issuance costs	150,017,708
Notes payable and lines of credit, net of unamortized debt issuance costs	232,501,321
Other liabilities	183,334
Forgivable loans	7,430,251
Total liabilities	<u>\$ 403,975,621</u>
Net assets:	
Without donor restriction	
Controlling interest	265,860,118
Non-controlling interest	112,771,958
Total net assets without donor restriction	<u>378,632,076</u>
With donor restriction - controlling interest	20,733,622
Total net assets	<u>399,365,698</u>
Total liabilities and net assets	<u>\$ 803,341,319</u>

**PARENT-ONLY**  
**STATEMENT OF FINANCIAL POSITION**  
**As of March 31, 2021**

**ASSETS**

Cash and cash equivalents	4,582,417
Restricted cash	13,073,672
Accounts receivable, net	128,132
Investments	120,275,733
Interest receivable	5,656,127
Notes receivable, net	380,732,827
Prepaid expenses and other assets	68,731
Real estate held for investment, net	6,423,524
Furniture, fixtures and equipment, net	264,751
Total assets	<u>\$531,205,914</u>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued liabilities	121,127
Accrued interest	1,833,989
Fair value of interest rate swap liability	1,794,575
Bonds payable, net of unamortized debt issuance costs	150,017,708
Notes payable and lines of credit, net of unamortized debt issuance costs	122,485,942
Other liabilities	5,665,471
Total liabilities	<u>281,918,811</u>

Net assets:

Without donor restriction	
Controlling interest	228,553,480
Total net assets without donor restriction	<u>228,553,480</u>
With donor restriction - controlling interest	20,733,622
Total net assets	<u>249,287,102</u>

Total liabilities and net assets	<u>\$ 531,205,914</u>
----------------------------------	-----------------------



**CONSOLIDATED  
STATEMENT OF FINANCIAL POSITION  
As of December 31, 2020**

**ASSETS**

Cash and cash equivalents	\$15,452,068
Restricted cash	19,895,360
Accounts receivable, net	606,414
Investments	119,806,458
Interest receivable	2,040,893
Notes receivable, net	366,592,660
Deferred charges, net	619,048
Prepaid expenses and other assets	865,216
Real estate held for investment, net	286,024,435
Furniture, fixtures and equipment, net	4,630,888
	<hr/>
Total assets	<u>\$816,533,440</u>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued liabilities	\$4,860,737
Accrued interest	3,830,284
Security deposits	1,347,539
Deferred income	2,113,934
Fair value of interest rate swap liability	5,174,684
Bonds payable, net of unamortized debt issuance costs	133,538,292
Notes payable and lines of credit, net of unamortized debt issuance costs	269,892,127
Other liabilities	4,072,389
Forgivable loans	233,334
	<hr/>
Total liabilities	<u>\$425,063,320</u>

Net assets:

Without donor restriction	
Controlling interest	258,421,540
Non-controlling interest	112,771,958
	<hr/>
Total net assets without donor restriction	371,193,498
With donor restriction - controlling interest	20,276,622
	<hr/>
Total net assets	<u>391,470,120</u>
	<hr/>
Total liabilities and net assets	<u>\$816,533,440</u>

**PARENT-ONLY**  
**STATEMENT OF FINANCIAL POSITION**  
**As of December 31, 2020**

**ASSETS**

Cash and cash equivalents	\$ 9,604,080
Restricted cash	11,897,293
Accounts receivable, net	680,085
Investments	119,806,458
Interest receivable	2,003,276
Interest receivable from affiliates	3,518,209
Notes receivable, net	363,844,036
Notes receivable from affiliates	31,508,431
Prepaid expenses and other assets	140,544
Real estate held for investment, net	6,446,580
Furniture, fixtures and equipment, net	289,328
	<hr/>
Total assets	\$ 549,738,320
	<hr/>

**LIABILITIES AND NET ASSETS**

Investments in affiliates	\$ 2,124,591
Accounts payable and accrued liabilities	1,502,794
Accrued interest	945,432
Fair value of interest rate swap liability	3,906,746
Security deposits	9,674
Deferred income	345,923
Other liabilities	2,836,873
Bonds payable, net of unamortized debt issuance costs	133,538,292
Notes payable and lines of credit	161,535,442
	<hr/>
Total liabilities	306,745,767
Net assets:	
Net assets without donor restriction	222,815,931
Net assets with donor restriction	20,176,622
	<hr/>
Total net assets	242,992,553
	<hr/>
Total liabilities and net assets	\$ 549,738,320
	<hr/>

**CONSOLIDATED**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**For the three months ended March 31, 2021**

**LENDING AND CORPORATE REVENUE**

Investment interest and dividends	\$ 386,593
Income from notes receivable	6,511,994
Residual receipts and contingent asset income	162,040
Other income	25,851
Total lending and corporate revenue	<u>7,086,478</u>

**HOUSING REVENUE AND SUPPORT**

CVC, CADI and other real estate operations	
Rental property income	4,471,037
Other real estate income	12,643
Real Estate Sold	570,000
Contributions and fundraising income	290,396
Total housing revenue and support	<u>5,344,076</u>
Total revenue	<u>12,430,554</u>

**LENDING AND CORPORATE EXPENSES**

Allocation for loan losses	102,824
Borrowing fees	16,900
Bond issuance fees	149,867
Interest expense	1,699,647
Salaries and employee benefits	497,281
Professional fees	104,576
Business development expenses	33,384
General and administrative expenses	196,777
Depreciation expense	25,118
Total lending and corporate expenses	<u>2,826,374</u>

**HOUSING EXPENSES**

CVC, CADI and other real estate operations	
Rental property expenses	2,043,593
Property depreciation and amortization	2,521,206
Interest expense	553,703
Other real estate expenses	44,757
Housing salaries and employee benefits	1,052,100
Cost of real estate sold	8,165
Other program support	16,000
Total housing expenses	<u>6,239,524</u>
Total expenses	<u>9,065,899</u>

Change in net assets without donor restriction before other income and expenses	3,364,656
---	-----------

OTHER INCOME AND (EXPENSES)

Realized and unrealized gains (losses) on financial investments	205,423
Unrealized gain on interest rate swap	2,112,174
Income tax expense	(12,106)
Net other income and (expenses)	<u>2,305,488</u>
Change in net assets without donor restriction from operations	5,670,144
Contributions from non-controlling interest	<u>1,668,434</u>
Change in net assets without donor restriction	7,338,578
Change in net assets with donor restriction	
Contributions	557,000
Release from net assets with donor restriction	-
Change in net assets with donor restriction	<u>557,000</u>
Change in net assets	7,895,578
Net assets at beginning of year	<u>391,470,120</u>
Net assets at end of year	<u>\$ 399,365,698</u>

**PARENT-ONLY**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**For the three months ended March 31, 2021**

**LENDING AND CORPORATE REVENUE**

Investment interest and dividends	\$ 386,550
Income from notes receivable	6,594,265
Residual receipts and contingent asset income	162,040
Rental property income	33,000
Other income	25,851
Total lending and corporate revenue	<u>7,201,706</u>

**LENDING AND CORPORATE EXPENSES**

Allocation for loan losses	88,613
Borrowing fees	166,768
Interest expense	1,699,647
Salaries and employee benefits	1,395,243
Professional fees	104,576
Business development expenses	49,384
General and administrative expenses	196,777
Rental Property expenses	55,628
Depreciation expense	25,118
Total lending and corporate expenses	<u>3,781,753</u>

Change in net assets without donor restriction before other income and expenses	3,419,953
---	-----------

**OTHER INCOME AND (EXPENSES)**

Realized and unrealized gains (losses) on financial investments	205,423
Unrealized gain on interest rate swap	2,112,171
Net other income and (expenses)	<u>2,317,594</u>

Change in net assets without donor restriction from operations	5,737,547
--	-----------

Change in net assets with donor restriction	
Contributions (Grants)	<u>557,000</u>
Change in net assets with donor restriction	<u>557,000</u>
Change in net assets	<u>6,294,547</u>
Net assets at beginning of year	<u>242,992,553</u>
Net assets at end of year	<u>\$ 249,287,102</u>

**CONSOLIDATED**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**For the year ended December 31, 2020**

**LENDING AND CORPORATE REVENUE**

Investment interest and dividends	\$ 2,236,768
Income from notes receivable	25,762,576
Residual receipts and contingent asset income	8,449,864
Other income	287,355
Net assets released from restrictions	-
Total lending and corporate revenue	<u>36,736,563</u>

**HOUSING REVENUE AND SUPPORT**

CVC, CADI and other real estate operations	
Rental property income	17,953,697
Debt forgiveness income	200,000
Other real estate income	42,766
Grant income	1,555,952
Income from certificated state credits	8,259,796
Contributions and fundraising income	735,363
Total housing revenue and support	<u>28,747,574</u>
Total revenue	<u>65,484,137</u>

**LENDING AND CORPORATE EXPENSES**

Allocation for loan losses	1,089,739
Borrowing fees	129,499
Interest expense	8,334,641
Salaries and employee benefits	5,110,557
Professional fees	380,122
Business development expenses	291,987
General and administrative expenses	914,118
Depreciation and amortization expense	185,756
Total lending and corporate expenses	<u>16,436,419</u>

**HOUSING EXPENSES**

CVC, CADI and other real estate operations	
Rental property expenses	7,717,110
Property depreciation and amortization	9,629,100
Interest expense	3,349,818
Other real estate expenses	413,650
Housing salaries and employee benefits	6,075,623
Rental property expenses	7,717,110
Total housing expenses	<u>27,185,301</u>
Total expenses	<u>43,621,720</u>

Change in net assets without donor restriction before other income and expenses	\$ 21,862,417
---	---------------

OTHER INCOME AND (EXPENSES)

Realized and unrealized gains on financial investments	7,981,299
Unrealized loss on interest rate swap	(1,897,138)
Loss on interest rate swap termination	(2,332,570)
Income tax expense	(21,367)
Bad debt expense	(175,657)
Net other income and (expenses)	<u>3,554,567</u>
Change in net assets without donor restriction from operations	25,416,984
Contributions from non-controlling interest	45,271,977
Distributions to non-controlling interest	(7,131)
Syndication costs paid by non-controlling interest	<u>(57,500)</u>
Change in net assets without donor restriction	70,624,330
Change in net assets with donor restriction	
Contributions (Grants)	4,890,122
Change in net assets with donor restriction	<u>4,890,122</u>
Change in net assets	75,514,452
Net assets at beginning of year	<u>315,955,668</u>
Net assets at end of year	<u>\$ 391,470,120</u>

**PARENT-ONLY**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**For the year ended December 31, 2020**

**LENDING AND CORPORATE REVENUE**

Investment interest and dividends	\$2,219,489
Income from notes receivable	27,009,043
Residual receipts and contingent asset income	768,149
Other income	84,355
	<hr/>
Total lending and corporate revenue	30,081,036

**HOUSING REVENUE AND SUPPORT**

Other real estate operations	
Rental property income	121,500
Contributions and fundraising income	10,000
	<hr/>
Total housing revenue and support	131,500
	<hr/>
Total revenue	30,212,536

**LENDING EXPENSES**

Allocation for loan losses	903,048
Borrowing fees	129,499
Interest expense	8,334,641
	<hr/>
Total lending expenses	9,367,188

**HOUSING EXPENSES**

Other real estate operations	
Rental property expenses	140,529
Property depreciation and amortization	90,063
	<hr/>
Total housing expenses	230,592

**MANAGEMENT AND GENERAL EXPENSES**

Salaries and employee benefits	6,309,448
Professional fees	380,122
Business development expenses	437,368
General and administrative expenses	772,839
Depreciation and amortization expense	95,693
	<hr/>
Total management and general expenses	7,995,470
	<hr/>
Total expenses	17,593,250



Change in net assets without donor restriction before other income and expenses	12,619,286
---	------------

OTHER INCOME AND (EXPENSES)

Realized and unrealized gains on financial investments	7,981,299
Unrealized loss on interest rate swap	(1,345,664)
Loss on interest rate swap termination	(2,332,570)
Net other income and (expenses)	4,303,065
Change in net assets from continuing operations	16,922,351
Change in net assets with donor restriction	
Contributions	4,790,122
Change in net assets with donor restrictions	4,790,122
Change in net assets	21,712,473
Net assets at beginning of year	221,280,080
Net assets at end of year	\$242,992,553

**SUPPLEMENTAL FINANCIAL INFORMATION**  
**As of March 31, 2021**

	<b>Consolidated</b>	<b>Parent-Only</b>
Unsecured Loans Receivable	\$ 2,541,070	\$ 2,541,070
Unsecured Loans Receivable as a Percentage of Total Loans	0.7%	0.6%
Loans Delinquent 90 Days or More	4,303,542	4,180,642
Loans Delinquent 90 Days or More as a Percentage of Total Loans	1.2%	1.0%
Notes Payable <sup>(1)</sup>	16,453,000	16,453,000
Notes Redeemed <sup>(1)</sup>	-	-
Long-Term Debt	317,560,527	220,802,650
Net Assets without Donor Restrictions	378,632,076	228,553,480
Net Assets without Donor Restrictions as a Percentage of Net Assets	94.8%	91.7%
Net Assets	\$ 399,365,698	\$ 249,287,102
Total Loans Receivable	\$ 373,465,608	\$ 401,981,550

(1) In separate unrelated offerings, Century issued \$100 million of Impact Investment Bonds in 2019 and \$85 million of California Municipal Finance Authority Taxable Bonds in 2020. See “2019 Bonds” and “2020 Bonds” under “Financing and Operational Activities – Capitalization” beginning on page 55 for more information.

**SUPPLEMENTAL FINANCIAL INFORMATION**  
**As of December 31, 2020**

	<b>Consolidated</b>	<b>Parent-Only</b>
Unsecured Loans Receivable	\$ 1,625,344	\$ 1,625,344
Unsecured Loans Receivable as a Percentage of Total Loans	0.4%	0.4%
Loans Delinquent 90 Days or More	4,303,542	4,180,642
Loans Delinquent 90 Days or More as a Percentage of Total Loans	1.1%	1.0%
Notes Payable <sup>(1)</sup>	-	-
Notes Redeemed <sup>(1)</sup>	-	-
Long-Term Debt	349,424,098	251,524,234
Net Assets without Donor Restrictions	371,193,498	222,815,931
Net Assets without Donor Restrictions as a Percentage of Net Assets	94.8%	91.7%
Net Assets	\$ 391,470,120	\$ 242,992,553
Total Loans Receivable	\$ 389,540,933	\$ 418,114,049

(1) In separate unrelated offerings, Century issued \$100 million of Impact Investment Bonds in 2019 and \$85 million of California Municipal Finance Authority Taxable Bonds in 2020. See “2019 Bonds” and “2020 Bonds” under “Financing and Operational Activities – Capitalization” beginning on page 55 for more information.

## **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 56.

***Century's consolidated affiliates have no obligation, contingent or otherwise, to pay any amounts due on the Notes or to make funds available to Century to do so.***

Century's consolidated affiliates are separate and distinct legal entities with assets and liabilities of their own. The claims of creditors of those consolidated affiliates will have priority as to the assets and cash flows of those consolidated affiliates before such assets and cash flows may be made available to Century. Century's consolidated affiliates have no obligation, contingent or otherwise, to pay any amounts due on the Notes or to make funds available to Century to do so. 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 56.

***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 85.

***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 InspereX 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 and/or state 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 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 or state authorities, the sale of the Notes will be deemed to have been made in violation of the

applicable laws requiring registration. In the event of 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. 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 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 91.

***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 or that a secondary market in the Notes will develop. 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 \$5.3 million, or approximately 35%, of Century's consolidated revenue of \$15.3 million for the three-month period ended March 31, 2021 and \$28.6 million, or approximately 37%, of Century's consolidated revenue of \$78.4 million for the year ended December 31, 2020. CVC and CADI's controlled affiliates also held real estate held for investment, net of \$286.8 million and \$280 million as of March 31, 2021 and December 31, 2020, respectively, which was approximately 36% and 34% of Century's consolidated assets of \$803.3 million and \$816.5 million as of the same periods. The assets and revenues of these consolidated affiliates, although significant, should not be considered as 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 \$10 million and \$531.2 million, respectively, as of and for the three-month period ended March 31, 2021 and \$42.9 million and \$549.7 million, respectively, as of and for the year ended December 31, 2020. 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, 2020, 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 and 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 \$20.7 million, or approximately 4% of Century's total net assets of \$249.3 million as of March 31, 2021 and \$20.2 million, or approximately 8.3% of Century's total net assets of \$243 million as of December 31, 2020. 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 March 31, 2021, 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 57. 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, including affordable housing and the Low Income Housing Tax Credit program. 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 that 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 government 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.

***The planned discontinuance of LIBOR and transition to alternative reference rates 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 ("FCA"), which regulates LIBOR, announced that it will stop compelling banks to submit rates for the calculation of LIBOR after 2021. On March 5, 2021, the FCA and the ICE Benchmark Administration (the "IBA") announced that the IBA will cease publication in their current form for (i) 1-week and 2-month U.S. Dollar LIBOR rates immediately following the publication on December 31, 2021 and (ii) overnight, 1-month, 3-month, 6-month and 12-month LIBOR rates immediately following the publication on June 30, 2023. While there is still no consensus on what rate or rates may become accepted alternatives to LIBOR, the Alternative Reference Rates Committee, a steering committee comprised of U.S. financial market participants, selected the Secured Overnight Finance Rate ("SOFR") as a recommended alternative to LIBOR. SOFR is a broad measure of the cost of borrowing cash in the overnight U.S. treasury repo market and has been published since April of 2018. At this time, it is impossible to predict whether SOFR or another reference rate will become an accepted alternative to LIBOR and 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," as defined in the respective master agreements, 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 numerous affordable housing developments which receive or have received allocations of LIHTC and State tax credits. 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 compliance rules at the federal, state, or municipal level. The application of these tax credit rules is complex 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 March 31, 2021, the balance of Century's guarantees of its consolidated affiliates' tax credit delivery obligations and repayment obligations were \$92.8 million and \$13.3 million, respectively. As of December

31, 2020, the balance of Century's guarantees of its consolidated affiliates' tax credit delivery obligations and repayment obligations were \$95.7 million and \$11.7 million, respectively. For additional information these Century's guarantees, see "Development Activities – Tax Credit Investors; Guarantees" on page 69.

***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

Century is offering up to \$150,000,000 in aggregate principal amount of outstanding Notes. As of June 30, 2021, the aggregate principal amount of Notes outstanding was \$34,905,000, meaning that an aggregate principal amount of \$115,095,000 of Notes remained available for purchase as of that date. The amount of Notes available for purchase will vary from time to time depending on the amount of Notes sold and the amount of Notes that mature and are repaid during the offering period. 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.

<b>Expected Proceeds<sup>(1)</sup></b>	<b>Proceeds Used for Each Purpose (%)<sup>(2)</sup></b>		<b>Proceeds Used for Each Purpose (\$)<sup>(2)</sup></b>	
	<b>Support Purpose</b>	<b>Refinance Purpose</b>	<b>Support Purpose</b>	<b>Refinance Purpose</b>
Minimum: \$111,342,150	50%	50%	\$55,671,075.00	\$55,671,075.00
Maximum: \$114,449,715	50%	50%	\$57,224,857.50	\$57,224,857.50

(1) Figures are estimated based on the assumption that Notes in the aggregate principal amount of \$115,095,000 are sold. Century expects to receive net proceeds, after sales compensation to InspereX 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 \$300,000.

(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. 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. These Notes as well as bonds issued by Century in a separate offering to finance its affordable housing lending operations benefit from a second party opinion from Sustainalytics designating them as sustainable 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 2,000 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 \$2.1 billion in loans and, along with its predecessor CFHP, has developed and/or financed more than 46,500 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 2020, Century deployed \$208.8 million in financing creating or preserving 4,544 homes affordable to households earning just 46.5% of Area Median Income ("AMI") while creating 4,421 new jobs. In the affordable housing developments owned and managed by its affiliates, Century provides quality affordable housing approximately 3,241 residents in 1,685 units across 39 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 March 31, 2021.

## **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. 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 March 31, 2021, Century has closed 48 loans totaling \$205.3 million in aggregate principal balance since March 16, 2020.

As of March 31, 2021, 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 March 31, 2021, for more information regarding Century's indebtedness.

### *Loan Portfolio*

As of March 31, 2021, 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 63, which references information as of March 31, 2021. There have been no additional loan delinquencies or loan losses since March 31, 2021.

As of March 31, 2021, 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 March 31, 2021, 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 69.

### *COVID-19 Government Assistance Programs*

During 2020, a Century affiliate, the CVC, applied for the Paycheck Protection Program as authorized by the CARES Act and received \$1,138,500 in loan proceeds. The loan was also forgiven in full in 2020. In addition, this Century affiliate has an open application to FEMA for reimbursements on expenditures made in response to the COVID-19 pandemic. As of March 31, 2021, no Century affiliate has applied for any additional COVID-19 related government assistance programs. As of the date of this prospectus, all Century affiliates believes they have sufficient cash on hand to continue to fund their 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 March 31, 2021, on a consolidated basis, Century had cash and cash equivalents on hand of \$11.1 million. As of March 31, 2021, on a parent-only basis, Century had cash and cash equivalents on hand of \$6.4 million. Including its portfolio of marketable securities that can be monetized in 5 to 7 days, Century had sufficient liquid assets to fund operations for 4.8 years.

### *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 March 31, 2021, Century's parent-only portfolio of marketable securities consisted of seven asset classes and was allocated 29.2% in equity assets and 70.8% 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 three-month period ended March 31, 2021 and as of and for the years ended December 31, 2016 through 2020. The consolidated and parent-only financial information provided as of and for the three-month period ended March 31, 2021 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, 2016 through 2020 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, 2020, 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.

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 March 31, 2021**

**ASSETS**

Cash and cash equivalents	11,110,520
Restricted cash	21,217,635
Accounts receivable, net	616,022
Investments	120,275,733
Interest receivable	1,981,300
Notes receivable, net	352,029,184
Prepaid expenses and other assets	1,103,325
Real estate held for investment, net	293,220,922
Furniture, fixtures and equipment, net	1,786,678
Total assets	<u>\$ 803,341,319</u>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued liabilities	1,925,455
Accrued interest	4,286,684
Security deposits	1,340,013
Deferred income	4,496,279
Fair value of interest rate swap liability	1,794,575
Bonds payable, net of unamortized debt issuance costs	150,017,708
Notes payable and lines of credit, net of unamortized debt issuance costs	232,501,321
Other liabilities	183,334
Forgivable loans	7,430,251
Total liabilities	<u>\$ 403,975,621</u>
Net assets:	
Without donor restriction	
Controlling interest	265,860,118
Non-controlling interest	112,771,958
Total net assets without donor restriction	<u>378,632,076</u>
With donor restriction - controlling interest	20,733,622
Total net assets	<u>399,365,698</u>
Total liabilities and net assets	<u>\$ 803,341,319</u>

**PARENT-ONLY**  
**STATEMENT OF FINANCIAL POSITION**  
**As of March 31, 2021**

**ASSETS**

Cash and cash equivalents	4,582,417
Restricted cash	13,073,672
Accounts receivable, net	128,132
Investments	120,275,733
Interest receivable	5,656,127
Notes receivable, net	380,732,827
Prepaid expenses and other assets	68,731
Real estate held for investment, net	6,423,524
Furniture, fixtures and equipment, net	264,751
Total assets	<u>531,205,914</u>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued liabilities	121,127
Accrued interest	1,833,989
Fair value of interest rate swap liability	1,794,575
Bonds payable, net of unamortized debt issuance costs	150,017,708
Notes payable and lines of credit, net of unamortized debt issuance costs	122,485,942
Other liabilities	5,665,471
Total liabilities	<u>281,918,811</u>

Net assets:

Without donor restriction	
Controlling interest	228,553,480
Total net assets without donor restriction	<u>228,553,480</u>
With donor restriction - controlling interest	20,733,622
Total net assets	<u>249,287,102</u>

Total liabilities and net assets	<u>\$ 531,205,914</u>
----------------------------------	-----------------------

**CONSOLIDATED  
STATEMENT OF FINANCIAL POSITION**

As of the years ended December 31,

	2020	2019	2018	2017	2016
<b><u>ASSETS</u></b>					
Cash and cash equivalents	\$15,452,068	\$ 16,677,357	\$ 16,447,673	\$ 17,056,076	\$ 10,962,247
Restricted cash	19,895,360	23,879,076	13,789,105	29,003,359	7,514,578
Accounts receivable, net	606,414	509,784	310,060	368,899	307,103
Investments	119,806,458	109,830,370	97,273,911	92,002,299	80,146,548
Interest receivable	2,040,893	1,892,085	1,502,275	1,158,415	686,207
Notes receivable, net	366,592,660	284,519,978	242,238,733	185,652,569	143,140,393
Deferred charges, net	619,048	431,379	436,326	458,722	296,484
Prepaid expenses and other assets	865,216	547,352	434,020	364,278	781,975
Real estate held for investment, net	286,024,435	276,490,098	242,401,969	201,077,766	157,612,170
Furniture, fixtures and equipment, net	4,630,888	4,133,776	4,587,910	3,722,541	1,920,188
Total assets	816,533,440	718,911,255	619,421,982	530,864,924	403,367,893
<b><u>LIABILITIES AND NET ASSETS</u></b>					
Accounts payable and accrued liabilities	4,860,737	12,655,664	11,088,949	7,154,410	7,037,272
Accrued interest	3,830,284	3,182,056	2,093,988	1,191,744	1,762,564
Security deposits	1,347,539	1,175,704	998,881	948,465	724,827
Deferred income	2,113,934	1,742,126	1,344,026	616,689	302,887
Fair value of interest rate swap liability	5,174,684	3,277,546	415,943	-	-
Bonds payable, net of unamortized debt issuance costs	133,538,292	99,400,035	-	-	-
Notes payable and lines of credit, net of unamortized debt issuance costs	269,892,127	279,332,012	321,349,704	277,119,761	172,781,861
Other liabilities	4,072,389	1,757,110	509,254	-	-
Forgivable loans	233,334	433,334	760,571	1,166,000	1,571,429
Total liabilities	425,063,320	402,955,587	338,561,316	288,197,069	184,180,840
Net assets:					
Without donor restriction					
Controlling interest	258,421,540	224,011,153	204,187,660	197,651,254	176,167,868
Non-controlling interest	112,771,958	76,558,015	67,486,506	43,016,601	41,019,185
Total net assets without donor restriction	371,193,498	300,569,168	271,674,166	240,667,855	217,187,053
With donor restriction – controlling interest	20,276,622	15,386,500	9,186,500	2,000,000	2,000,000
Total net assets	391,470,120	315,955,668	280,860,666	242,667,855	219,187,053
Total liabilities and net assets	\$ 816,533,440	\$ 718,911,255	\$ 619,421,982	\$ 530,864,924	\$ 403,367,893



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

	2020	2019	2018	2017	2016
<b><u>ASSETS</u></b>					
Cash and cash equivalents	\$ 9,604,080	\$ 14,575,083	\$ 11,902,284	\$ 10,940,774	\$ 5,615,620
Restricted cash	11,897,293	13,053,228	5,566,500	520,425	1,682,675
Accounts receivable, net	680,085	468,187	182,654	713,693	573,985
Investments	119,806,458	112,775,094	100,215,235	100,467,359	93,142,975
Interest receivable	5,521,485	5,077,485	4,161,701	3,848,252	2,901,161
Notes receivable, net	395,352,467	322,382,587	270,921,385	230,603,463	172,327,689
Prepaid expenses and other assets	140,544	132,352	72,150	93,916	2,159,264
Real estate held for investment, net	6,446,580	6,500,747	6,677,811	178,563	187,290
Furniture, fixtures and equipment, net	289,328	224,171	172,019	163,662	187,890
Total assets	\$ 549,738,320	\$ 475,188,934	\$ 399,871,739	\$ 347,530,107	\$ 278,778,549
<b><u>LIABILITIES AND NET ASSETS</u></b>					
Accounts payable and accrued liabilities	\$ 1,502,794	\$ 1,515,143	\$ 1,572,088	\$ 1,442,695	\$ 1,163,928
Accrued interest	945,432	1,053,420	673,486	495,950	274,008
Security deposits	9,674	9,674	674	674	674
Deferred income	345,923	290,384	192,434	-	-
Fair value of interest rate swap liability	3,906,746	2,561,082	415,943	-	-
Bonds payable, net of unamortized debt issuance costs	133,538,292	99,400,035	-	-	-
Notes payable and lines of credit	161,535,442	147,729,675	201,947,877	162,721,143	114,278,686
Investments in affiliates	2,124,591	-	-	-	-
Other liabilities	2,836,873	1,349,441	509,254	-	-
Total liabilities	306,745,767	253,908,854	205,311,756	164,660,462	115,717,296
Net assets:					
Net assets without donor restriction	222,815,931	205,893,580	185,373,483	180,869,645	161,061,253
Net assets with donor restriction	20,176,622	15,386,500	9,186,500	2,000,000	2,000,000
Total net assets	242,992,553	221,280,080	194,559,983	182,869,645	163,061,253
Total liabilities and net assets	\$ 549,738,320	\$ 475,188,934	\$ 399,871,739	\$ 347,530,107	\$ 278,778,549

**CONSOLIDATED**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**For the three months ended March 31, 2021**

**LENDING AND CORPORATE REVENUE**

Investment interest and dividends	\$ 386,593
Income from notes receivable	6,511,994
Residual receipts and contingent asset income	162,040
Other income	25,851
Total lending and corporate revenue	<u>7,086,478</u>

**HOUSING REVENUE AND SUPPORT**

CVC, CADI and other real estate operations	
Rental property income	4,471,037
Other real estate income	12,643
Real Estate Sold	570,000
Contributions and fundraising income	290,396
Total housing revenue and support	<u>5,344,076</u>
Total revenue	<u>12,430,554</u>

**LENDING AND CORPORATE EXPENSES**

Allocation for loan losses	102,824
Borrowing fees	16,900
Bond issuance fees	149,867
Interest expense	1,699,647
Salaries and employee benefits	497,281
Professional fees	104,576
Business development expenses	33,384
General and administrative expenses	196,777
Depreciation expense	25,118
Total lending and corporate expenses	<u>2,826,374</u>

**HOUSING EXPENSES**

CVC, CADI and other real estate operations	
Rental property expenses	2,043,593
Property depreciation and amortization	2,521,206
Interest expense	553,703
Other real estate expenses	44,757
Housing salaries and employee benefits	1,052,100
Cost of real estate sold	8,165
Other program support	16,000
Total housing expenses	<u>6,239,524</u>
Total expenses	<u>9,065,899</u>

Change in net assets without donor restriction before other income and expenses	3,364,656
---	-----------

OTHER INCOME AND (EXPENSES)

Realized and unrealized gains (losses) on financial investments	205,423
Unrealized gain on interest rate swap	2,112,174
Income tax expense	(12,106)
Net other income and (expenses)	<u>2,305,488</u>
Change in net assets without donor restriction from operations	5,670,144
Contributions from non-controlling interest	<u>1,668,434</u>
Change in net assets without donor restriction	7,338,578
Change in net assets with donor restriction	
Contributions	557,000
Release from net assets with donor restriction	-
Change in net assets with donor restriction	<u>557,000</u>
Change in net assets	7,895,578
Net assets at beginning of year	<u>391,470,120</u>
Net assets at end of year	<u>\$ 399,365,698</u>

**PARENT-ONLY**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**For the three months ended March 31, 2021**

**LENDING AND CORPORATE REVENUE**

Investment interest and dividends	\$ 386,550
Income from notes receivable	6,594,265
Residual receipts and contingent asset income	162,040
Rental property income	33,000
Other income	25,851
Total lending and corporate revenue	<u>7,201,706</u>

**LENDING AND CORPORATE EXPENSES**

Allocation for loan losses	88,613
Borrowing fees	166,768
Interest expense	1,699,647
Salaries and employee benefits	1,395,243
Professional fees	104,576
Business development expenses	49,384
General and administrative expenses	196,777
Rental Property expenses	55,628
Depreciation expense	25,118
Total lending and corporate expenses	<u>3,781,753</u>

Change in net assets without donor restriction before other income and expenses	3,419,953
---	-----------

**OTHER INCOME AND (EXPENSES)**

Realized and unrealized gains (losses) on financial investments	205,423
Unrealized gain on interest rate swap	2,112,171
Net other income and (expenses)	<u>2,317,594</u>

Change in net assets without donor restriction from operations	5,737,547
--	-----------

Change in net assets with donor restriction

Contributions (Grants)	<u>557,000</u>
------------------------	----------------

Change in net assets with donor restriction	<u>557,000</u>
---	----------------

Change in net assets	<u>6,294,547</u>
----------------------	------------------

Net assets at beginning of year	<u>242,992,553</u>
---------------------------------	--------------------

Net assets at end of year	<u>\$ 249,287,102</u>
---------------------------	-----------------------

**CONSOLIDATED**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
For the years ended December 31,

	2020	2019	2018	2017	2016
<b><u>LENDING AND CORPORATE REVENUE</u></b>					
Investment interest and dividends	\$ 2,236,768	\$ 2,448,209	\$ 2,089,392	\$ 2,551,656	\$ 2,503,704
Income from notes receivable	25,762,576	24,994,516	19,292,395	12,817,741	12,160,307
Residual receipts and contingent asset income	8,449,864	698,224	2,149,523	8,927,215	2,541,980
Other income	287,355	72,258	99,585	285,217	105,065
Net assets released from restrictions	-	2,000,000	-	-	5,000,000
Total lending and corporate revenue	36,736,563	30,213,207	23,630,895	24,581,829	22,311,056
<b><u>HOUSING REVENUE AND SUPPORT</u></b>					
CVC, CADI and other real estate operations					
Rental property income	17,953,697	15,312,656	13,415,903	11,701,614	8,931,701
Real estate sold	-	-	-	-	1,512,500
Debt forgiveness income	200,000	327,237	405,429	405,429	405,429
Other real estate income	42,766	19,150	17,880	12,399	23,873
Contributions and fundraising income	735,363	607,483	620,255	631,507	1,182,149
Grant Income	1,555,952	-	-	-	-
Contributions and fundraising	8,259,796	-	-	-	-
Net assets released from restrictions	-	-	-	-	500,000
Total housing revenue and support	28,747,574	16,266,526	14,459,467	12,750,949	12,555,652
Total revenue	65,484,137	46,479,733	38,090,362	37,332,778	34,866,708
<b><u>LENDING AND CORPORATE EXPENSES</u></b>					
Allocation for loan losses	1,089,739	871,858	1,139,304	931,700	374,661
Borrowing fees	129,499	305,252	113,723	79,784	166,371
Interest expense	8,334,641	10,030,007	7,386,845	4,672,222	3,711,163
Salaries and employee benefits	5,110,557	4,905,091	2,051,644	3,077,186	4,680,953
Professional fees	380,122	323,032	390,529	225,655	262,287
Business development expenses	291,987	399,309	358,342	322,152	266,134
General and administrative expenses	914,118	911,835	868,706	729,436	927,985
Depreciation and amortization expense	185,756	76,036	58,375	66,116	54,414
Total lending and corporate expenses	16,436,419	17,822,420	12,367,468	10,104,251	10,443,968
<b><u>HOUSING EXPENSES</u></b>					
CVC, CADI and other real estate operations					
Rental property expenses	7,717,110	7,335,155	6,292,413	5,131,415	4,304,192

Property depreciation and amortization	9,629,100	7,623,233	6,467,677	4,882,268	3,764,200
Cost of real estate sold		-	-	-	1,231,270
Interest expense	3,349,818	2,408,048	1,410,931	1,174,955	627,492
Other real estate expenses	413,650	328,177	261,031	187,790	79,301
Housing salaries and employee benefits	6,075,623	5,708,979	3,964,536	3,036,749	3,063,028
Total housing expenses	27,185,301	23,403,592	18,396,588	14,413,177	13,069,483
Total expenses	43,621,720	41,226,012	30,764,056	24,517,428	23,513,451
Change in net assets without donor restriction before other income and expenses	21,862,417	5,253,721	7,326,306	2,815,350	11,353,257
<b><u>OTHER INCOME AND (EXPENSES)</u></b>					
Realized and unrealized gains (losses) on financial investments	7,981,299	9,604,527	(4,941,621)	6,338,644	3,484,558
Unrealized loss on interest rate swap	(1,897,138)	(2,861,603)	(415,943)	(86,249)	-
Loss on interest rate swap termination	(2,332,570)	-	-	-	-
Income tax expense	(21,367)	(15,300)	(15,490)	(12,063)	(20,600)
Bad debt expense	(175,657)	(131,419)	(143,291)	(79,360)	(76,643)
Other Expenses	-	-	-	-	(92,861)
Net other income (expenses)	3,554,567	6,596,205	(5,516,345)	6,160,972	3,294,454
Change in net assets without donor restriction from operations	25,416,984	11,849,926	1,809,961	18,976,322	14,647,711
Contributions from non-controlling interest	45,271,977	17,122,573	29,375,640	5,276,263	19,564,344
Distributions to non-controlling interest	(7,131)	(12,423)	(12,221)	(771,783)	(25,678)
Syndication costs paid by non-controlling interest	(57,500)	(65,074)	(167,069)	-	-
Change in net assets without donor restriction	70,624,330	28,895,002	31,006,311	23,480,802	34,186,377
Change in net assets with donor restriction					
Contributions (Grants)	4,890,122	8,200,000	7,186,500	-	2,000,000
Release from net assets with donor restriction	-	(2,000,000)	-	-	(5,500,000)
Change in net assets with donor restriction	4,890,122	6,200,000	7,186,500	-	(3,500,000)
Change in net assets	75,514,452	35,095,002	38,192,811	23,480,802	30,686,377
Net assets at beginning of year	315,955,668	280,860,666	242,667,855	219,187,053	188,500,676
Net assets at end of year	\$ 391,470,120	\$ 315,955,668	\$ 280,860,666	\$ 242,667,855	\$ 219,187,053

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

	2020	2019	2018	2017	2016
<u>LENDING AND CORPORATE REVENUE</u>					
Investment interest and dividends	\$ 2,221,489	\$ 2,173,521	\$ 1,978,729	\$ 2,539,807	\$ 2,495,596
Income from notes receivable	27,009,043	26,578,884	20,615,275	13,840,084	10,624,936
Residual receipts and contingent asset income	768,149	698,224	2,149,523	8,927,215	2,541,980
Other income	84,355	80,987	88,103	694,659	370,285
Net assets released from restrictions	-	2,000,000	-	-	5,000,000
Total lending and corporate revenue	30,081,036	31,531,616	24,831,630	26,001,765	21,032,797
<u>HOUSING REVENUE AND SUPPORT</u>					
Other real estate operations					
Rental property income	121,500	109,500	35,118	32,088	33,091
Real estate sold	-	-	-	-	1,512,500
Contributions and fundraising income	10,000	274,401	980,285	10,000	5,000
Total housing revenue and support	131,500	383,901	1,015,403	42,088	1,550,591
Total revenue		31,915,517	25,847,033	26,043,853	22,583,388
<u>LENDING EXPENSES</u>					
Allocation for loan losses	903,048	871,858	1,139,304	931,700	258,095
Borrowing fees	129,499	305,252	102,241	79,784	166,371
Interest expense	8,334,641	10,030,007	7,386,845	4,531,328	2,415,059
Total lending expenses	9,367,188	11,207,117	8,628,390	5,542,812	2,839,525
<u>HOUSING EXPENSES</u>					
Other real estate operations					
Rental property expenses	140,529	24,319	11,167	12,178	14,769
Property depreciation and amortization	90,063	86,956	8,364	8,727	10,470
Cost of real estate sold	-	-	-	-	1,231,270
Other real estate expenses	-	-	-	7,887	14,552
Total housing expenses	230,592	111,275	19,531	28,792	1,271,061

MANAGEMENT AND GENERAL EXPENSES

Salaries and employee benefits	6,309,448	5,829,131	5,678,849	5,666,761	5,120,171
Professional fees	380,122	323,032	389,029	214,155	241,537
Business development expenses	437,368	399,309	358,342	321,652	266,134
General and administrative expenses	772,839	908,908	857,315	725,471	924,969
Depreciation and amortization expense	95,693	76,036	58,375	66,116	54,414
Total management and general expenses	7,995,470	7,536,416	7,341,910	6,994,155	6,607,225
Total expenses	17,593,250	18,854,808	15,989,831	12,565,759	10,717,811

Change in net assets without donor restriction before other income and expenses	12,619,286	13,060,709	9,857,202	13,478,094	11,865,577
---	------------	------------	-----------	------------	------------

OTHER INCOME AND (EXPENSES)

Realized and unrealized gains (losses) on financial investments	7,981,299	9,604,527	(4,941,621)	6,332,828	3,484,558
Unrealized loss on interest rate swap	(1,345,664)	(2,145,139)	(415,943)	(2,530)	-
Loss on interest rate swap termination	(2,332,570)				
Other expenses	-	-	(800)		(94,461)
Net other income and (expenses)	4,303,065	7,459,388	(5,358,364)	6,330,298	3,390,097

Change in net assets from continuing operations	16,922,351	20,520,097	4,498,838	19,808,392	15,255,674
---	------------	------------	-----------	------------	------------

Change in net assets with donor restriction					
Contributions	4,790,122	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	4,790,122	6,200,000	7,186,500	-	(3,000,000)
Change in net assets	21,712,473	26,720,097	11,685,338	19,808,392	12,255,674
Net assets at beginning of year	221,280,080	194,559,983	182,869,645	163,061,253	150,805,579
Net assets at end of year	\$ 242,992,553	\$ 221,280,080	\$ 194,554,983	\$ 182,869,645	\$ 163,061,253



**SUPPLEMENTAL FINANCIAL INFORMATION**  
**As of March 31, 2021**

	<b>Consolidated</b>	<b>Parent-Only</b>
Unsecured Loans Receivable	\$ 2,541,070	\$ 2,541,070
Unsecured Loans Receivable as a Percentage of Total Loans	0.7%	0.6%
Loans Delinquent 90 Days or More	4,303,542	4,180,642
Loans Delinquent 90 Days or More as a Percentage of Total Loans	1.2%	1.0%
Notes Payable <sup>(1)</sup>	16,453,000	16,453,000
Notes Redeemed <sup>(1)</sup>	-	-
Long-Term Debt	317,560,527	220,802,650
Net Assets without Donor Restrictions	378,632,076	228,553,480
Net Assets without Donor Restrictions as a Percentage of Net Assets	94.8%	91.7%
Net Assets	\$ 399,365,698	\$ 249,287,102
Total Loans Receivable	\$ 373,465,608	\$ 401,981,550

- (1) In separate unrelated offerings, Century issued \$100 million of Impact Investment Bonds in 2019 and \$85 million of California Municipal Finance Authority Taxable Bonds in 2020. See “2019 Bonds” and “2020 Bonds” under “Financing and Operational Activities – Capitalization” beginning on page 55 for more information.

# SUPPLEMENTAL FINANCIAL INFORMATION

As of December 31,

	2020		2019		2018	
	Consolidated	Parent-Only	Consolidated	Parent-Only	Consolidated	Parent-Only
Unsecured Loans Receivable	\$ 1,625,344	\$ 1,625,344	\$ 3,498,320	\$ 6,053,658	\$ 5,311,826	\$ 6,266,666
Unsecured Loans Receivable as a Percentage of Total Loans	0.4%	0.4%	1.2%	1.8%	2.1%	2.2%
Loans Delinquent 90 Days or More	\$ 4,303,542	\$ 4,180,642	\$ 14,825,563	\$ 14,825,563	\$ 384,920	\$ 384,920
Loans Delinquent 90 Days or More as a Percentage of Total Loans	1.1%	1.0%	4.9%	4.4%	0.2%	0.1%
Notes Payable <sup>(1)</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes Redeemed <sup>(1)</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Long-Term Debt	\$ 349,424,098	\$ 251,524,234	\$ 259,967,035	\$ 172,980,175	\$ 280,308,495	\$ 183,698,377
Net Assets without Donor Restrictions	\$ 371,193,498	\$ 222,815,931	\$ 300,569,168	\$ 205,893,580	\$ 271,674,166	\$ 185,373,483
Net Assets without Donor Restrictions as a Percentage of Net Assets	94.8%	91.7%	95.1%	93.0%	96.7%	95.3%
Net Assets	<u>391,470,120</u>	<u>242,992,553</u>	<u>315,955,668</u>	<u>221,280,080</u>	<u>280,860,666</u>	<u>194,559,983</u>
Total Loans Receivable	\$ 389,540,933	\$ 418,114,049	\$ 299,513,325	\$ 337,375,934	\$ 252,330,062	\$ 281,012,713

(1) In separate unrelated offerings, Century issued \$100 million of Impact Investment Bonds in 2019 and \$85 million of California Municipal Finance Authority Taxable Bonds in 2020. See “2019 Bonds” and “2020 Bonds” under “Financing and Operational Activities – Capitalization” beginning on page 55 for more information.

# SUPPLEMENTAL FINANCIAL INFORMATION

As of December 31,

	2017		2016	
	Consolidated	Parent-Only	Consolidated	Parent-Only
Unsecured Loans Receivable	\$ 4,220,316	\$ 7,720,316	\$ 4,194,658	\$ 4,194,658
Unsecured Loans Receivable as a Percentage of Total Loans	2.2%	3.2%	2.8 %	2.3%
Loans Delinquent 90 Days or More	\$ 6,044,416	\$ 6,044,416	\$ 384,920	\$ 384,920
Loans Delinquent 90 Days or More as a Percentage of Total Loans	3.1%	2.5%	0.3 %	0.2%
Notes Payable <sup>(1)</sup>	\$ -	\$ -	\$ -	\$ -
Notes Redeemed <sup>(1)</sup>	\$ -	\$ -	\$ -	\$ -
Long-Term Debt	\$ 230,206,275	\$ 148,907,143	\$ 166,002,369	\$ 113,138,212
Net Assets without Donor Restrictions	\$ 240,667,855	\$ 180,869,645	\$ 217,187,053	\$ 161,061,253
Net Assets without Donor Restrictions as a Percentage of Net Assets	99.2%	98.9%	99.1 %	98.8%
Net Assets	<u>242,667,855</u>	<u>182,869,645</u>	<u>219,187,053</u>	<u>163,061,253</u>
Total Loans Receivable	\$ 194,598,394	\$ 239,549,287	\$ 151,808,145	\$ 180,633,419

(1) In separate unrelated offerings, Century issued \$100 million of Impact Investment Bonds in 2019 and \$85 million of California Municipal Finance Authority Taxable Bonds in 2020. See “2019 Bonds” and “2020 Bonds” under “Financing and Operational Activities – Capitalization” beginning on page 55 for more information.

## 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. Century’s debt was then, and is now, 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 also began accessing the public capital markets for fixed rate debt. As of March 31, 2021, 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 has accepted some grants from the CDFI Fund, but it does not rely on grant funding or contributions for any of its operating costs. Under the terms of these CDFI Fund grants, and consistent with its mission, Century has deployed all grant amounts in the form of additional loans to developers of affordable housing projects.

As of and for the three-month period ended March 31, 2021, Century had assets of \$803.3 million, net assets of \$399.4 million, and revenue of \$15.3 million on a consolidated basis, and assets of \$531.2 million, net assets of \$249.3 million, and revenue of \$10.1 million on a parent-only basis. As of and for the year ended December 31, 2020, Century had assets of \$816.5 million, net assets of \$391.5 million, and total revenue, gains and contributions of \$78.4 million on a consolidated basis, and assets of \$549.7 million, net assets of \$242.9 million, and total revenue, gains and contributions of \$42.9 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 March 31, 2021	As of December 31, 2020
Controlling interest without donor restrictions <sup>(1)</sup>	\$ 265,860,118	\$ 258,421,540
Noncontrolling interest without donor restrictions <sup>(1)</sup>	112,771,958	112,771,958
With Temporary Donor Restrictions <sup>(2)</sup>	20,733,622	20,276,622
<b>Total Net Assets</b>	<b>399,365,698</b>	<b>391,470,120</b>
<b>Total Debt</b>	<b>382,702,363</b>	<b>403,663,753</b>
<b>Total Capitalization</b>	<b>\$ 782,068,061</b>	<b>\$ 795,133,873</b>

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

<sup>(2)</sup> 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, 2020, attached to this prospectus as Appendix I.

### *Consolidated Net Assets*

Consolidated net assets without donor restrictions totaled \$378.6 million as of March 31, 2021 and \$371.2 million as of December 31, 2020. Consolidated net assets with temporary donor restrictions totaled \$20.7 million as of March 31, 2021 and \$20.3 million as of December 31, 2020, with a restricted term of three to five years for each. These temporarily restricted net assets are the proceeds of Capital Magnet Fund and 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 March 31, 2021, Century had no net assets with permanent donor restrictions.

Additional information on Century's consolidated net assets as of March 31, 2021 is shown below:

<b>Purpose</b>	<b>Portion of Net Assets</b>	<b>Restriction(s) and Possible Uses</b>
Without Donor Restrictions	94.8%	Unrestricted
With Temporary Donor Restrictions	5.2%	Restricted as to making loans to finance affordable housing developments meeting certain requirements.
<b>Total</b>	<b>100%</b>	

Additional information on Century's consolidated net assets as of December 31, 2020 is shown below:

<b>Purpose</b>	<b>Portion of Net Assets</b>	<b>Restriction(s) and Possible Uses</b>
Without Donor Restrictions	94.8%	Unrestricted
With Temporary Donor Restrictions	5.2%	Restricted as to making loans to finance affordable housing developments meeting certain requirements.
<b>Total</b>	<b>100%</b>	

### *Consolidated Sources of Debt*

Historically, Century's borrowings have been made on terms to match Century's loan assets. At March 31, 2021 and December 31, 2020, approximately 42% and 43% of Century's loan assets had terms of less than two years, and approximately 6% and 6% had terms less than one year, respectively. Approximately 83% and 86% of Century's loan assets were priced at a spread to 1-month LIBOR at March 31, 2021 and December 31, 2020, respectively, with the remainder at fixed rates. As of March 31, 2021 and December 31, 2020, Century's net debt liabilities payable totaled \$273.9 million and \$296.5 million with a weighted average interest rate of 2.70% 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).

Century periodically issues new debt to fund the repayment of maturing debt, and its access to new debt is enabled by its strong public credit ratings and long term banking relationships. Century has access to significant funds in the form a \$150 million unsecured revolving line of credit, a \$20 million secured credit facility, and a \$50 million borrowing authorization with the Federal Home Loan Bank of San Francisco, all of which may be employed by Century to finance debt repayments.

<b>As of March 31, 2021</b>	<b>Maturities</b>	<b>Interest rates</b>	<b>Amount</b>	<b>% of Total</b>
<b>Century</b>				
Impact Investment Bonds, Series 2019 <sup>(1)</sup>	11/1/2021-11/1/2023	3.99%-4.15%	\$50,000,000	13%
Series 2020 Sustainability Bonds <sup>(2)</sup>	11/1/2022-11/1/2035	1.49%-2.88%	85,000,000	22%
Century Sustainable Impact Notes	2/15/2022-3/15/2031	0.4%-2%	16,453,000	4%
US Bank (Syndicated Bank Line) <sup>(3)</sup>	7/30/2021	1-month LIBOR plus 180 BP	69,743,442	18%
Cedars-Sinai	12/4/2022	1.15%	5,000,000	1%
Federal Home Loan Bank San Francisco	11/3/2027-			7%
L.A. County Housing Innovation Fund (LACHIF)	10/10/2036	2.82%-3.81%	25,000,000	
US Bank – Perm Loan	9/9/2027	2%	6,742,500	2%
Wells Fargo EQ2	7/31/2021	1.52%	15,000,000	4%
	6/20/2024	2%	1,000,000	0%
<b>Subtotal</b>			<b>\$273,938,942</b>	<b>71%</b>
<b>CVC</b>				
Federal Home Loan Bank of SF	11/1/2023	0%	972,000	0%
Department of Housing and Community Development	3/1/2022	0%	183,334	0%
US Bank (SBA PPP loan)	5/4/2022	1%	-	0%
Wells Fargo			1,025,276	0%
	3/1/2022	1-month LIBOR		
Long Beach Community Investment Company				3%
California Community Reinvestment Corporation	11/1/2063	0%	11,753,554	
California Housing Finance Agency	3/1/2031	5.95%	2,228,770	1%
Wells Fargo (AHP loan) <sup>(4)</sup>	11/1/2068	3.00%	1,600,000	0%
California Community Reinvestment Corporation	6/1/2070	0.00%	800,000	0%
California Housing Finance Agency	6/1/2033			1%
City of Long Beach		5.25%	2,182,553	
Wells Fargo (AHP loan) <sup>(4)</sup>	11/1/2070	3.00%	1,710,000	0%
Department of Housing and Community Development	10/1/2072	1.00%	4,000,000	1%
	12/31/2072	0.00%	1,500,000	0%
	6/1/2073	3.00%	2,191,616	1%
<b>Subtotal</b>			<b>\$31,156,931</b>	<b>8%</b>
<b>CADI</b>				
City of Long Beach	4/1/2085	3%	1,500,000	0%
The Bank of New York Mellon	11/1/2040	6.25%	2,015,000	1%
PNC Bank	3/1/2049	3.94%	2,101,923	1%
Goodwill Housing of the Inland Counties, Inc.				0%
California Community Reinvestment Corporation	4/1/2049	4.05%	200,000	
	4/1/2055	5.34%	1,521,212	0%

Department of Housing and Community Development	3/20/2075	3%	5,198,428	1%
Wells Fargo (AHP loan) <sup>(4)</sup>	5/1/2072	0%	760,000	0%
California Community Reinvestment Corporation	11/1/2036	5.41%	9,976,309	3%
Long Beach Community Investment Company	5/15/2075	3%	10,000,000	3%
Long Beach Community Investment Company	5/15/2075	0%	2,276,000	1%
Wells Fargo (AHP loan) <sup>(4)</sup>	12/1/2072	0%	1,500,000	0%
California Housing Finance Agency	10/1/2075	3%	1,000,000	0%
Union Bank	2/1/2036	4.32%	7,914,379	2%
City of Long Beach	9/1/2071	3%	2,100,000	1%
Union Bank	12/1/2072	0%	440,000	0%
California Community Reinvestment Corporation	11/1/2037	5.15%	2,160,072	1%
City of Los Angeles Housing Community Investment (Restated)	12/31/2074	2.75%	2,287,080	1%
City of Los Angeles Housing Community Investment (NSP)	12/31/2074	3%	1,759,758	0%
Wells Fargo (AHP loan)	6/1/2074	0%	590,000	0%
City of Los Angeles Housing Community Investment (AcHP)	12/31/2074	4%	2,014,663	1%
Wells Fargo Bank	2/1/2033	4.19%	10,918,518	3%
Wells Fargo	10/15/2021	1-month LIBOR	11,222,398	3%
City of Long Beach	3/31/2075	3%	1,100,000	0%
<b>Subtotal</b>			<b>\$80,555,740</b>	<b>21%</b>
<b>Total</b>			<b>\$385,651,613</b>	

<b>As of December 31, 2020</b>	<b>Maturities</b>	<b>Interest rates</b>	<b>Amount</b>	<b>% of Total</b>
<b>Century</b>				
Impact Investment Bonds, Series 2019 <sup>(1)</sup>	11/1/2021-11/1/2023	3.99%-4.15%	50,000,000	12%
Series 2020 Sustainability Bonds <sup>(2)</sup>	11/1/2022-11/1/2035	1.49%-2.88%	85,000,000	21%
US Bank (Syndicated Bank Line) <sup>(3)</sup>	7/31/2021	1-month LIBOR plus 180 BP	120,243,442	30%
Cedars-Sinai	12/4/2022	1.15%	5,000,000	1%
Federal Home Loan Bank San Francisco	2/21/2021-10/10/2036	0.20%-3.81%	28,549,500	7%
L.A. County Housing Innovation Fund (LACHIF)	9/9/2027	2%	6,742,500	2%
Wells Fargo EQ2	6/20/2024	2%	1,000,000	0%
<b>Subtotal</b>			<b>\$296,535,442</b>	<b>73%</b>
<b>CVC</b>				
Federal Home Loan Bank of SF	11/1/2023	0%	972,000	0%

Department of Housing and Community Development	3/1/2022	0%	233,334	0%
Wells Fargo	3/1/2022	1-month LIBOR	1,025,276	0%
Long Beach Community Investment Company	11/1/2063	0%	11,753,554	3%
California Community Reinvestment Corporation	3/1/2031	5.95%	2,269,278	1%
California Housing Finance Agency	11/1/2068	3%	1,600,000	0%
Wells Fargo (AHP loan)(3)	6/1/2070	0%	800,000	0%
California Community Reinvestment Corporation	6/1/2033	5.25%	2,214,115	1%
California Housing Finance Agency	11/1/2070	3%	1,710,000	0%
City of Long Beach	10/1/2072	1%	4,000,000	1%
Wells Fargo (AHP loan)(3)	12/1/2072	0%	1,500,000	0%
Department of Housing and Community Development	6/1/2073	3%	2,191,616	1%
<b>Subtotal</b>			<b>\$30,269,173</b>	<b>8%</b>
<b>CADI</b>				
City of Long Beach	4/1/2085	3%	1,500,000	0%
The Bank of New York Mellon	11/1/2040	6.25%	2,020,000	1%
PNC Bank	3/1/2049	3.94%	2,112,115	1%
Goodwill Housing of the Inland Counties, Inc.	4/1/2049	4.05%	200,000	0%
California Community Reinvestment Corporation	4/1/2055	5.34%	1,525,123	0%
Department of Housing and Community Development	3/20/2075	3%	5,198,428	1%
Wells Fargo (AHP loan)(4)	5/1/2072	0%	760,000	0%
California Community Reinvestment Corporation	11/1/2036	5.41%	9,994,117	2%
Long Beach Community Investment Company	11/15/2075	3%	10,000,000	2%
Long Beach Community Investment Company	11/15/2075	0%	2,276,000	1%
Wells Fargo (AHP loan)(4)	12/1/2072	0%	1,500,000	0%
California Housing Finance Agency	10/1/2075	%	1,000,000	0%
Union Bank	2/1/2036	4.32%	7,941,450	2%
City of Long Beach	9/1/2071	3%	2,100,000	1%
Union Bank	12/1/2072	0%	440,000	0%
California Community Reinvestment Corporation	11/1/2037	5.15%	2,165,655	1%
City of Los Angeles Housing Community Investment (Restated)	12/31/2074	2.75%	2,287,080	1%
City of Los Angeles Housing Community Investment (NSP)	12/31/2074	3%	1,759,758	0%
Wells Fargo (AHP loan)	6/1/2074	0%	590,000	0%
City of Los Angeles Housing Community Investment (AcHP)	12/31/2074	4%	2,014,663	0%
Wells Fargo Bank	2/1/2033	4.19%	10,956,123	3%
Wells Fargo	10/15/2021	1-month LIBOR	10,690,155	3%



City of Long Beach	3/31/2075	3%	1,100,000	0%
	<b>Subtotal</b>		<b>\$80,130,667</b>	<b>20%</b>
<b>Total</b>			<b>\$406,935,282</b>	<b>100%</b>

- (1) The Series 2019 bonds have maturities of \$40 million due November 2021, and \$10 million due November 2023.
- (2) The Series 2020 bonds have maturities of \$30 million due November 2022, \$35 million due November 2023, and \$20 million due November 2035.
- (3) Century may, at its option, extend the term of the U.S. Bank term loan by two years.
- (4) 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. The bonds were issued in tranches, wherein \$50 million, \$40 million, and \$10 million, bear interest rates of 3.824%, 3.995%, and 4.148%, respectively, and mature on November 1, 2020, November 1, 2021, and November 1, 2023, respectively. Century repaid \$50 million to bondholders for the bonds that matured on November 1, 2020. As of March 31, 2021, and December 31, 2020, accrued interest on the bonds was \$838,667 and \$335,467, respectively. Total interest incurred on the bonds during 2020 was \$3.6 million. For more information on Century's ability to pay these bonds and its other obligations as they come due, see "Financing and Operational Activities – Capitalization – Consolidated Sources of Debt," beginning on page 51."

### *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 March 31, 2021 and December 31, 2020, accrued interest on the bonds was \$659,563 and \$263,825, respectively. Total interest incurred on the bonds during 2020 was \$795,872. For more information on Century's ability to pay these bonds and its other obligations as they come due, see "Financing and Operational Activities – Capitalization – Consolidated Sources of Debt," beginning on page 51."

### *Remaining Term on Consolidated Debt*

Year of Debt Maturity	As of March 31, 2021		As of December 31, 2020	
	Total Debt Maturing	% of Total Debt	Total Debt Maturing	% of Total Debt
2021	\$135,965,840	36%	\$175,966,597	44%
2023	55,661,938	15%	43,001,110	11%
2023	45,972,000	12%	44,521,500	11%
2024	5,000,000	1%	1,000,000	0%
2025	-	0%	-	0%
Thereafter	140,051,835	37%	142,479,075	35%
	<b>\$385,651,613</b>	<b>100%</b>	<b>\$406,935,282</b>	<b>100%</b>

*Largest Debt Investors as of December 31, 2020*

<b>Five Largest Investors</b>	<b>Amount Outstanding</b>	<b>% of Total Debt</b>	<b>Maturity</b>	<b>Secured or Unsecured</b>	<b>Entity Responsible</b>
US Bank (Syndicated Bank Line)	\$120,243,442	41%	11/1/2020-11/1/2023	Unsecured	Century
Series 2020 Sustainability Bonds <sup>(2)</sup>	85,000,000	29%	11/1/2022-11/1/2035	Unsecured	Century
Impact Investment Bonds, Series 2019	50,000,000	17%	11/1/2020-11/1/2023	Unsecured	Century
Federal Home Loan Bank San Francisco	28,549,500	10%	1/10/2020-10/10/2036	Secured	Century
City of Long Beach	12,276,000	4%	5/15/2075	Secured	CADI
	<b>\$296,068,942</b>	100%			

*Schedule of Liabilities*

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

<b>Type of Liability</b>	<b>As of March 31, 2021</b>	<b>As of December 31, 2020</b>
Secured Liabilities of Century	\$25,000,000	\$28,549,500
Total Liabilities of Consolidated Affiliates	\$385,651,613	\$406,935,282
Unsecured Liabilities of Century	\$248,938,942	\$267,985,942

## **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, 2020, two Legacy loans remained on balance sheet totaling \$588,000. 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 March 31, 2021 and December 31, 2020, respectively, Century’s loans outstanding totaled \$357.5 million and \$371.9 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 6.10% for the three-month period ended March 31, 2021 and 6.17% for the year ended December 31, 2020. At December 31, 2020, Century’s developer loans outstanding had various maturities through 2037, including permanent loans, but the weighted average maturity of loans receivable was only 3.8 years due to Century’s specialization in short-term early stage loans. Century has grown its affordable housing loan origination volume by approximately 10.6% since 2016.

### **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 March 31, 2021, approximately 74% of Century’s loans, representing approximately 80% of its loan portfolio, were made to repeat borrowers and as of December 31, 2020, approximately 74% of Century’s loans, representing approximately 80% 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, 2020, Century had \$31.5 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, 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”), which was dissolved in 2012, Century Community Lending Company (“CCLC”), which was closed in 2016, Century California Fund, LLC (“CCF”), Century Metropolitan Fund, LLC (“CMF”) and Century Long Term Value Fund, LLC (“CLTV”). CCF was active as of March 31, 2021. The remaining special purpose entities were inactive as of March 31, 2021, 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 \$208.8 million at December 31, 2020 and grew the size of its loan portfolio from \$50.1 million to \$371.9 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 62.2% to 57.7% with an average of 61.7% over the five years ended December 31, 2020. 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 March 31, 2021 and December 31, 2020:

	March 31, 2021		December 31, 2020	
	Aggregate Loan Amount	Number of Loans	Aggregate Loan Amounts	Number of Loans
\$20,000,000 - \$50,000,000	\$ -	-	\$ -	-
\$5,000,000 - \$20,000,000	213,122,857	30	224,908,076	31
\$1,000,000 - \$5,000,000	140,491,550	53	145,716,446	54
Less than \$1,000,000	19,851,201	40	18,916,412	43
<b>Total</b>	<b>\$ 373,465,608</b>	<b>123</b>	<b>\$ 389,540,934</b>	<b>128</b>

Below is a breakdown by loan product on a consolidated basis as of March 31, 2021 and December 31, 2020, 2019, and 2018:

	March 31, 2021	December 31,		
		2020	2019	2018
Acquisition – Rental	\$ 234,038,387	\$ 254,887,380	\$ 178,637,745	\$ 142,552,566
Bridge	44,551,152	44,091,296	47,215,874	42,011,784
Construction – Rental	47,892,911	49,011,503	43,033,046	39,794,371
Line of Credit	7,397,937	8,423,403	9,060,933	9,840,513
Permanent	24,741,419	19,545,095	12,240,620	11,950,173
Predevelopment	7,463,475	6,201,932	5,872,763	5,556,307
Other	7,380,326	7,380,326	3,452,347	624,347
	373,465,608	389,540,934	299,513,326	252,330,061
Allowance for Loan Losses	(5,428,262)	(5,325,438)	(4,616,120)	(3,744,262)
Participations <sup>(1)</sup>	(16,008,161)	(17,622,835)	(10,377,227)	(6,347,067)
<b>Total</b>	<b>\$ 352,029,184</b>	<b>\$ 366,592,660</b>	<b>\$ 284,519,978</b>	<b>\$ 242,238,733</b>

(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 March 31, 2021 and December 31, 2020, Century's loan portfolio was approximately 99.3% and 99.6% secured by collateral, respectively. Unsecured loans comprised only approximately 0.7% and 0.4% of Century's total loan portfolio at March 31, 2021 and December 31, 2020, respectively. Approximately 97.6% of loans in Century's portfolio at March 31, 2021 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 99.3% and 99.6% of Century's loans by dollar value collateralized by a mortgage in fee-simple real estate or leasehold estate as of March 31, 2021 and December 31, 2020, respectively.

	<b>As of March 31, 2021</b>		<b>As of December 31, 2020</b>	
	<b>Total</b>	<b>% of Total</b>	<b>Total</b>	<b>% of Total</b>
Secured by Real Property (1 <sup>st</sup> position)	\$ 364,526,103	97.6%	\$ 381,732,177	98.0%
Secured by Real Property (Subordinated)	6,393,454	1.7%	6,178,432	1.6%
Unsecured	2,541,070	0.7%	1,625,344	0.4%
<b>Total</b>	<b>\$ 373,460,627</b>	<b>100%</b>	<b>\$ 389,535,953</b>	<b>100%</b>

Below is a summary of the approximate annual maturities of loans receivable in Century's consolidated loan portfolio as of March 31, 2021

<b>Maturity Schedule</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Thereafter</b>
Loans Receivable	\$230,279,489	\$90,824,869	\$18,545,889	\$1,693,616	\$1,308	\$32,120,437

Below is a summary of the approximate annual maturities of loans receivable in Century's consolidated loan portfolio as of December 31, 2020:

<b>Maturity Schedule</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Thereafter</b>
Loans Receivable	\$264,386,743	\$85,138,603	\$11,427,174	\$1,662,993	\$1,308	\$26,924,112

## **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 March 31, 2021, Century had three cash settled, forward closing interest rate swaps under contract. One of the swaps is with BBVA-Compass Bank, hedging the 15-year swap rate, with a notional amount of \$5 million, maturing October 2021 at a rate of 1.895%. As of March 31, 2021 and December 31, 2020, the mark to market value of this swap was \$14,291 and \$491,557, respectively, in favor of Century and BBVA-Compass respectively. Century 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 March 31, 2021 and December 31, 2020, the mark to market value of these swaps were \$1.8 million and \$3.4 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, 2020, \$4.7 million of collateral is being held by BBVA-Compass Bank and Wells Fargo Bank, collectively, to cover the three 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 two loan losses over the five years ended December 31, 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, California. Century initiated foreclosure proceedings on that loan in 2019 and in January 2020 Century sold the loan to a third party. Delinquencies were approximately 1.9% of the average total loan portfolio over the same five-year period. Century’s allowance for loan losses was 1.5% and 1.4% of loans outstanding as of March 31, 2021 and December 31, 2020, respectively.

The following table sets forth information regarding delinquencies of loans outstanding on a consolidated basis at March 31, 2021:

	<b>March 31, 2021</b>	
	<b>Loan Amount</b>	<b>% of Loans</b>
Days Past Due		
Current	\$ 362,560,456	97.1%
1-30 Days	6,601,610	1.8%
31-60 Days	-	0.0%
61-90 Days	-	0.0%
90+ Days	4,303,542	1.2%
<b>Total</b>	<b>\$ 373,465,608</b>	<b>100.0%</b>

At March 31, 2021, Century had two loans that were over 90 days delinquent: one fully reserved Legacy loan for \$122,900 and 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 loan was paid off in full on May 5, 2021 including all accrued interest.

The following table sets forth information regarding delinquencies of loans outstanding on a consolidated basis at December 31, 2020, 2019, and 2018:

	<b>2020</b>		<b>2019</b>		<b>2018</b>	
	<b>Loan Amount</b>	<b>% of Loans</b>	<b>Loan Amount</b>	<b>% of Loans</b>	<b>Loan Amount</b>	<b>% of Loans</b>
Days Past Due						
Current	\$ 385,237,392	98.9%	\$ 273,417,385	91.3%	\$ 240,292,896	95.2%
1-30 Days	-	0.0%	3,911,806	1.3%	1,392,245	0.6%
31-60 Days	-	0.0%	4,217,922	1.4%	-	0.0%
61-90 Days	-	0.0%	3,140,650	1.0%	10,260,000	4.1%
90+ Days	4,303,542	1.1%	14,825,563	4.9%	384,920	0.2%
<b>Total</b>	<b>\$ 389,540,934</b>	<b>100.0%</b>	<b>\$ 299,513,326</b>	<b>100.0%</b>	<b>\$ 252,330,061</b>	<b>100.0%</b>

At December 31, 2020, Century had two loans that were over 90 days delinquent (both are mentioned above).

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 March 31, 2021 was as follows:

	<b>March 31, 2021</b>
Allowance for loan losses as of the beginning of the quarter	\$ 5,325,438
Write-offs	-
Recoveries	-
Provision	102,824
Allowance for loan losses as of the end of the quarter	\$ 5,428,262

The activity in Century's allowance for loan losses on a consolidated basis as of December 31, 2020, 2019, and 2018 was as follows:

	<b>2020</b>	<b>2019</b>	<b>2018</b>
Allowance for loan losses as of the beginning of the year	\$ 4,616,120	\$ 3,744,262	\$ 2,765,124
Write-offs	(380,421)	-	-
Recoveries	-	-	-
Provision	1,089,739	871,858	979,138
Allowance for loan losses as of the end of the year	\$ 5,325,438	\$ 4,616,120	\$ 3,744,262

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 March 31, 2021, 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.

<b>March 31, 2021</b>		
<b>Rating</b>	<b>Total</b>	<b>% of Total</b>
1 Pass Excellent	\$ 361,903,332	98.8%
2 Watch	4,181,950	1.1%
3 Special Mention	-	-
4 Substandard	-	-
5 Doubtful	-	-
6 Loss	122,899	0.0%
Total	\$ 366,208,181	100.0%

<b>December 31,</b>						
<b>Rating</b>	<b>2020</b>		<b>2019</b>		<b>2018</b>	
	<b>Total</b>	<b>% of Total</b>	<b>Total</b>	<b>% of Total</b>	<b>Total</b>	<b>% of Total</b>
1 Pass Excellent	\$ 377,978,658	98.9%	\$ 281,619,029	95.0%	\$ 251,704,407	99.8%
2 Watch	4,181,950	1.1%	14,441,950	4.9%	1,308	0.0%
3 Special Mention	-	-	-	-	-	-
4 Substandard	-	-	-	-	-	-
5 Doubtful	-	-	-	-	-	-
6 Loss	122,899	0.0%	384,920	0.1%	384,920	0.2%
Total	\$ 382,283,507	100%	\$ 296,445,899	100%	\$ 252,090,635	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 March 31, 2021, CVC and CADI and their controlled affiliates housed approximately 3,241 residents in 1,685 units across 39 owned multifamily and single-family affordable housing developments. They provided property management services to 871 of these units and had 249 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, the Master Developer for the 21-acre, 478 unit Rancho San Pedro public housing complex, which includes up to 1,390 planned homes, and the Master Developer for an 11-acre site owned by the County of Los Angeles and Compton Unified School District which will be transformed into a mixed use, mixed income multi-family and educational community tied to Charles Drew University. Including the master planned developments noted above, Century and its consolidated affiliates have approximately 2,597 units in its pipeline with 389 of these under active predevelopment.

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, should not be considered as 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, 2020 in the Supplementary Information to Century's audited financial statements, beginning on pg. 47 of the audited financial statements, attached to this prospectus as Appendix I and the risk factor on page 21.

### **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 II, LLC, CVC Phase IV, LLC and CVC Phase V, LLC, which are the sole general partner and nominal owner of Plaza de Cabrillo, L.P., Cabrillo Gateway, L.P. and Anchor Place, L.P., respectively. 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, and CADI Eleven, 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., and Casa Rita, L.P., respectively. CADI is also the sole member of CADI XII, LLC, which is the sole general partner and 51% owner of Woodbridge Apartments, L.P.. 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 serves as 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 2,100 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 throughout 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 \$1.5 million and \$3.6 million for the three-month period ended March 2021 and the year ended December 31, 2020, respectively. Deferred development fee income for the three-month period ended March 31, 2021 and the year ended December 31, 2020 was as follows:

	DDF Income 12/31/20	Developer Fee Income	Eliminated Against Salary Expense	Amortization of DDF Income	DDF Income March 31, 2021
Cabrillo Gateway, L.P.	\$ 43,125	\$ -	\$ -	\$ (313)	\$ 42,812
Anchor Place, L.P.	183,750	-	-	(1,250)	182,500
Century Beachwood Apartments 2, L.P.	202,679	-	-	(1,334)	201,345

Florence Morehouse, L.P.	293,235	-	-	(1,880)	291,355
Beacon Pointe, L.P.	191,658	-	-	(1,229)	190,429
Beacon Place, L.P.	192,500	-	-	(1,250)	191,250
Woodbridge Apartments, L.P.	179,500	555,000	(499,500)	-	235,000
Plaza de Cabrillo, L.P.	163,180	970,500	(873,450)	-	260,230
Casa Rita, L.P.	297,670	-	-	(1,958)	295,712
<b>Total</b>	<b>\$ 1,747,297</b>	<b>\$1,525,500</b>	<b>\$ (1,372,950)</b>	<b>\$ (9,214)</b>	<b>\$ 1,890,633</b>

	<b>DDF Income</b>	<b>Developer</b>	<b>Eliminated</b>	<b>Amortization</b>	<b>DDF</b>
	<b>12/31/19</b>	<b>Fee</b>	<b>Against</b>	<b>of DDF</b>	<b>Income</b>
		<b>Income</b>	<b>Salary</b>	<b>Income</b>	<b>12/31/20</b>
			<b>Expense</b>		
Cabrillo Gateway, L.P.	\$ 44,375	\$ -	\$ -	\$ (1,250)	\$ 43,125
Anchor Place, L.P.	188,750	-	-	(5,000)	183,750
Century Beachwood Apartments 2, L.P.	208,013	-	-	(5,334)	202,679
Florence Morehouse, L.P.	311,467	(107,128)	96,415	(7,519)	293,235
Beacon Pointe, L.P.	171,134	254,381	(228,943)	(4,914)	191,658
Beacon Place, L.P.	197,500	-	-	(5,000)	192,500
Woodbridge Apartments, L.P.	-	1,795,000	(1,615,500)	-	179,500
Plaza de Cabrillo, L.P.	-	1,631,800	(1,468,620)	-	163,180
Casa Rita, L.P.	305,503	-	-	(7,833)	297,670
<b>Total</b>	<b>\$ 1,426,742</b>	<b>\$3,574,053</b>	<b>\$ (3,216,648)</b>	<b>\$ (36,850)</b>	<b>\$1,747,297</b>

### 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 March 31, 2021 was as follows:

<b>LIHTC Partnership</b>	<b>Tax Credit Investor</b>	<b>Guaranty Balance</b>
<b>CVC Partnerships</b>		
Anchor Place, L.P.	WFAHCDC	\$22,717,824
Cabrillo Gateway, L.P.	WFAHCDC	9,751,316
Plaza de Cabrillo, L.P.	WFAHCDC	543,692
<b>CADI Partnerships</b>		
Beacon Place, L.P.	WFAHCDC	9,773,020
Beacon Pointe, L.P.	Wells Fargo Community Investment Holdings, LLC Corporation	30,532,892
Casa Rita, L.P.	WFAHCDC	6,296,626
Century Arrowhead Vista, L.P.	WFAHCDC	943,489
Century Beachwood Apartments 2, L.P.	WFAHCDC	4,587,225
Florence Morehouse, L.P.	WFAHCDC	7,111,848
Woodbridge Apartments, L.P.	WFAHDC	500,000
<b>Total</b>		<b>\$92,757,932</b>

The balance of Century's tax credit guarantees as of December 31, 2020 was as follows:

<b>LIHTC Partnership</b>	<b>Tax Credit Investor</b>	<b>Guaranty Balance</b>
<b>CVC Partnerships</b>		
Anchor Place, L.P.	WFAHCDC	\$ 23,590,454
Cabrillo Gateway, L.P.	WFAHCDC	10,401,404
Plaza de Cabrillo, L.P.	WFAHCDC	543,692



**CADI Partnerships**

Beacon Place, L.P.	WFAHCDC	10,079,287
Beacon Pointe, L.P.	Wells Fargo Community Investment Holdings, LLC Corporation	31,405,260
Casa Rita, L.P.	WFAHCDC	6,523,680
Century Arrowhead Vista, L.P.	WFAHCDC	1,029,260
Century Beachwood Apartments 2, L.P.	WFAHCDC	4,279,279
Florence Morehouse, L.P.	WFAHCDC	7,348,317
Woodbridge Apartments, L.P.	WFAHCDC	500,000
<b>Total</b>		<b>\$ 95,700,633</b>

The balance of Century's repayment guarantees as of March 31, 2021 was as follows:

<b>LIHTC Partnership</b>	<b>Tax Credit Investor</b>	<b>Guaranty Balance</b>
<b>CVC Partnerships</b>		
Plaza de Cabrillo, L.P.	WFAHCDC	\$ 2,035,104
<b>CADI Partnerships</b>		
Woodbridge Apartments, L.P.	WFAHCDC	11,222,398
<b>Total</b>		<b>\$ 13,257,502</b>

The balance of Century's repayment guarantees as of December 31, 2020 was as follows:

<b>LIHTC Partnership</b>	<b>Tax Credit Investor</b>	<b>Guaranty Balance</b>
<b>CVC Partnerships</b>		
Plaza de Cabrillo, L.P.	WFAHCDC	\$ 1,025,276
<b>CADI Partnerships</b>		
Woodbridge Apartments, L.P.	WFAHCDC	10,690,155
<b>Total</b>		<b>\$ 11,715,431</b>

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., Plaza de Cabrillo, L.P., Cabrillo Gateway, L.P., and The Family Commons at Cabrillo, L.P. collectively owned six affordable housing developments totaling \$112.2 million and \$111 million in real estate held for investment, net as of March 31, 2021 and December 31, 2020, 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 \$174.6 million and \$169 million in real estate held for investment, net as of March 31, 2021 and December 31, 2020, respectively.

Century's consolidated real estate held for investment, net real estate owned by Century's consolidated affiliates, at March 31, 2021 and December 31, 2020 was as follows:

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Century Housing Corporation	\$ 6,423,524	\$ 6,446,580
CVC	112,214,132	111,384,661
CADI	174,583,266	168,193,194
Total real estate held for investment, net	<u>\$ 293,220,922</u>	<u>\$ 286,024,435</u>

## INVESTING ACTIVITIES

The purpose of Century's investment portfolio is to provide Century with cash flow and capital appreciation to support its programs and services, finance capital investments, and to build liquid capital reserves. 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 its 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 \$120.3 and \$119.8 at March 31, 2021 and December 31, 2020, respectively, relative to Century's consolidated assets of \$803.3 million and \$816.5 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 is 29.2% equities and 70.8% fixed income, the policy is adjusted as needed 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 29.2% decrease in the Dow Jones Industrial Average and a 27.4% decrease in the S&P 500 stock indices, Century's portfolio suffered a maximum impairment of 10.8%. As of June 30, 2020, Century's portfolio had fully recovered and showed a positive result of \$10 million for the full year 2020. 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.

<b>Investments<sup>(1)</sup></b>	<b>March 31, 2021</b>	
	<b>Amount</b>	<b>%</b>
US Equities	\$ 15,012,705	13%
International Equities	10,708,208	9%
Global Low Volatility Equities	6,154,012	5%
High Yield Bonds	6,954,695	6%
Bank Loans	7,002,029	6%
Core Fixed Income	43,355,758	36%
Treasury Inflation Protected Securities (TIPS)	30,004,221	25%
<b>Total</b>	<b>\$ 119,191,628</b>	<b>100%</b>

(1) Excludes FHLB stock and time deposits.

<b>Investments</b>	<b>2020</b>		<b>2019</b>		<b>2018</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
US Equities	\$ 14,104,034	12%	\$ 11,677,340	11%	\$ 12,937,512	13%
International Equities	10,300,983	9%	9,256,528	9%	11,639,692	12%
Global Low Volatility Equities	6,046,790	5%	5,871,883	5%	-	-
High Yield Bonds	6,788,844	6%	6,561,372	6%	7,803,203	8%
Bank Loans	6,842,916	6%	6,526,534	6%	7,941,979	8%
Core Fixed Income	44,551,519	38%	40,952,332	38%	28,361,895	29%
Treasury Inflation Protected Securities (TIPS)	29,978,323	25%	27,645,925	27%	27,556,564	29%
<b>Total</b>	<b>\$ 118,613,408</b>	<b>100%</b>	<b>\$ 108,491,914</b>	<b>100%</b>	<b>\$ 96,240,845</b>	<b>100%</b>

Century's investment portfolio returned approximately \$10.2 million during the period January 1, 2020, through December 31, 2020. As of December 31, 2020, Century had a total of four active investment managers and four passive investment managers managing its portfolio. As of March 31, 2021 year to date, Century's investment portfolio has returned \$600,000. 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 15.5 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:

<b>Name</b>	<b>Business Title</b>	<b>Business Affiliation</b>	<b>Original Election Date</b>	<b>Current Term End Date</b>	<b>Committee</b>
<b>Yvonne B. Burke (Vice Chair)</b>	Mediator	Alternative Resolution Centers	2009	2024	Nom. (Chair), Admin., Inv.
<b>Christopher David Ruiz Cameron</b>	Professor of Law	Southwestern Law School	2020	2023	Aud., Inv.
<b>Earl G. Fields</b>	Consultant	Housing & Community Development	1998	2021	Inv., LC
<b>Carrie Hawkins</b>	President	Carrie Hawkins & Associates	1995	2022	Inv. (Chair), LC
<b>R. Steven Lewis</b>	Principal	ZGF Architects	2013	2021	Aud. (Chair), Nom., LC
<b>Daniel B. Lopez</b>	Principal	Daniel B. Lopez & Associates	1995	2021	LC (Chair), Aud.
<b>Louise Oliver</b>	Regional Operations Officer and Director of Government Contracts	Goodwill Southern California	1997	2022	Admin., Aud.
<b>Kristina Olson</b>	Ambassador	California Technology Council	2014	2024	Aud., Inv.
<b>Darroch "Rocky" Young (Board Chair)</b>	Chancellor Emeritus	Los Angeles Community Colleges	2008	2024	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, where he teaches and writes about the law of the workplace. His published scholarship includes authorship or co-authorship of 29 legal articles, seven book chapters and two books. Professor Cameron is an Elected Member of the American Law Institute, the College of Labor and Employment Lawyers, and The Labor Law Group. He has over 25 years of experience as a labor relations neutral, including his current service as Chair of the Los Angeles County Employee Relations Board.

**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 experience in Mortgage Banking and Affordable Housing in the for-profit, non-profit and government agency sectors. Beginning in 1980 Carrie was a principal and the President of Trinity Mortgage Company (an FHA, VA, CalHFA, Fannie Mae and Freddie Mac lender and seller servicer). In 1993, Carrie was elected the first woman President of the California Mortgage Banker's Association. She served 18 years as Governors Deukmajn's and Wilson's appointee on the board of the California Housing Finance Agency and as Vice Chairman. Mrs. Hawkins has also served on the board of the California Housing Partnership Corporation; the Fannie Mae Advisory Board; the LINC Housing Corporation Board; and as President of the Southern California Mortgage Bankers Association. Mrs. Hawkins currently serves as a founding board member of Century Housing Corporation and as both Chairman and Vice Chairman and on the board of Century Villages at Cabrillo. She also is a principal of the Clarus Group LLC, which develops, owns and operates Sonic Drive-In restaurants in Washington and Idaho

**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 has served 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 serves as Chair of the Board of Operation Dignity, a nonprofit organization dedicated to housing and providing services to formerly homeless veterans and families, and Chairs the Local Advisory Board of Bay Area Local Initiatives Support Corporation.

**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. She is an Ambassador and Chief Foundation Officer for the California Technology Council. Ms. Olson serves on the Board of The Midnight Mission, Advisory Council of the Salvation Army's Bell Shelter and the Advisory Council of WE Global Studios.

**Darroch “Rocky” Young (Chair).** Mr. Young retired as Chancellor of the Los Angeles Community College District in 2007. He is currently working as a consultant for the Collegiate Brain Trust and the Community College League of California. He is also 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 Pierce 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 33 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. In addition to his work at Century, Mr. Hamilton currently serves on the Housing Commission for the City of Santa Monica.

**Rosa Menart.** *Senior Vice President, Finance & Treasury.* Ms. Menart is Senior Vice President, Finance & Treasury for Century. She has over 22 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 \$40 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 \$365 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 \$250 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 16 years of experience in affordable and urban infill lending. Ms. Burns has underwritten more than \$520 million in predevelopment, acquisition, and construction loans which resulted in more than 2,300 workforce and low-income housing units in Southern California. Prior to her employment at Century, Ms. Burns worked with Simpson Housing Solutions as the Acquisitions Specialist. 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 2020 (a) to each director and executive officer receiving in excess of \$150,000 during 2020 and (b) to Century's directors and executive officers in the aggregate.

Name	Position	Salary	Bonus and Other Compensation <sup>(1)</sup>	Health and Other Insurance	Contributions to Retirement Plan
Steve Colman	Executive Director, Century Villages at Cabrillo	\$ 197,901	\$ 60,335	\$ 18,676	\$ 19,957
Brian D'Andrea	Senior Vice President, Housing	\$ 242,677	\$ 71,651	\$ 29,957	\$ 23,389
Ronald M. Griffith	President & CEO	\$ 333,272	\$ 131,332	\$ 33,441	\$ 28,186
Josh Hamilton	Senior Vice President, Lending	\$ 242,677	\$ 59,982	\$ 26,296	\$ 23,326
Alan R. Hoffman	Senior Vice President & CFO	\$ 270,793	\$ 86,508	\$ 32,372	\$ 18,500
Rosa Menart	Senior Vice President, Finance & Treasury	\$ 207,333	\$ 59,588	\$ 25,952	\$ 21,348
Aggregate of Executive Officers and Directors		\$ 1,494,653	\$ 469,396	\$ 166,696	\$ 134,706

(1) Includes cash paid to officers in lieu of PTO.

## **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 March 31, 2021 and December 31, 2020, respectively, Century had 11 affiliate loans on its balance sheet totaling \$31.5 million and 11 affiliate loans totaling \$31.5 million. These loans accrue interest at an average of 2.95% annually, and have terms of 1.5 to 57 years maturing in April 2022 to June 2074. 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 or may enter into various loans as lender or borrower with unaffiliated third parties in the ordinary course of business. Certain directors of Century may serve as either officers or directors of such third parties. All loans and commitments included in such transactions 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 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 vi.

### **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 56.

### **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 InspereX, 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 InspereX, as Lead Agent, for resale to other registered broker-dealers. InspereX 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 88. U.S. Bank will serve as the paying agent of the global book-entry Notes. Century has appointed InspereX 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 InspereX.

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 15<sup>th</sup> 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](mailto: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, InspereX, or its agents with a correct social security number or other tax identification number, or if an investor or the IRS has informed Century, InspereX, 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 InspereX, as the Lead Agent, and InspereX 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 InspereX 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 InspereX, Century receives net proceeds from sales after sales compensation to InspereX 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](http://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, 2020 AND 2019**

# **Century Housing Corporation and Affiliates**

**Consolidated Financial Statements with Report of Independent Auditors  
December 31, 2020 and 2019**

# CENTURY HOUSING CORPORATION AND AFFILIATES

## TABLE OF CONTENTS

	PAGE
Report of Independent Auditors	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	6
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	10
Supplementary Information	
Consolidating Statements of Financial Position	45
Consolidating Statements of Activities	47
Statements of Financial Position - Century Housing Corporation	51
Statements of Activities - Century Housing Corporation	52
Schedule of Expenditures of Federal Awards	54
Notes to Schedule of Expenditures of Federal Awards	55
Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	56
Report of Independent Auditors on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	58
Schedule of Findings and Questioned Costs and Recommendations	60





## **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, 2020 and 2019, 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, 2020 and 2019, 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.

## ***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 45-53 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 27, 2021, 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.

*Novogradac & Company LLP*

Walnut Creek, California  
April 27, 2021

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 15,452,068	\$ 16,677,357
Restricted cash	19,895,360	23,879,076
Accounts receivable, net	606,414	509,784
Investments	119,806,458	109,830,370
Interest receivable	2,040,893	1,892,085
Notes receivable, net	366,592,660	284,519,978
Deferred charges, net	619,048	431,379
Prepaid expenses and other assets	865,216	547,352
Real estate held for investment, net	286,024,435	276,490,098
Furniture, fixtures and equipment, net	<u>4,630,888</u>	<u>4,133,776</u>
Total assets	<u>\$ 816,533,440</u>	<u>\$ 718,911,255</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	\$ 4,860,737	\$ 12,655,664
Accrued interest	3,830,284	3,182,056
Security deposits	1,347,539	1,175,704
Deferred income	2,113,934	1,742,126
Fair value of interest rate swap liability	5,174,684	3,277,546
Bonds payable, net of unamortized debt issuance costs	133,538,292	99,400,035
Notes payable and lines of credit, net of unamortized debt issuance costs	269,892,127	279,332,012
Other liabilities	4,072,389	1,757,110
Forgivable loans	<u>233,334</u>	<u>433,334</u>
Total liabilities	425,063,320	402,955,587
Net assets:		
Without donor restriction		
Controlling interest	258,421,540	224,011,153
Non-controlling interest	<u>112,771,958</u>	<u>76,558,015</u>
Total net assets without donor restriction	371,193,498	300,569,168
With donor restriction - controlling interest	<u>20,276,622</u>	<u>15,386,500</u>
Total net assets	<u>391,470,120</u>	<u>315,955,668</u>
Total liabilities and net assets	<u>\$ 816,533,440</u>	<u>\$ 718,911,255</u>

see accompanying notes to consolidated financial statements

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>LENDING AND CORPORATE REVENUE</b>		
Investment interest and dividends	\$ 2,236,768	\$ 2,448,209
Income from notes receivable	25,762,576	24,994,516
Residual receipts and contingent asset income	8,449,864	698,224
Other income	287,355	72,258
Net assets released from restrictions	-	2,000,000
Total lending and corporate revenue	<u>36,736,563</u>	<u>30,213,207</u>
<b>HOUSING REVENUE AND SUPPORT</b>		
CVC, CADI and other real estate operations		
Rental property income	17,953,697	15,312,656
Debt forgiveness income	200,000	327,237
Other real estate income	42,766	19,150
Grant income	1,555,952	-
Income from certificated state credits	8,259,796	-
Contributions and fundraising income	735,363	607,483
Total housing revenue and support	<u>28,747,574</u>	<u>16,266,526</u>
Total revenue	65,484,137	46,479,733
<b>LENDING AND CORPORATE EXPENSES</b>		
Allocation for loan losses	1,089,739	871,858
Borrowing fees	129,499	305,252
Interest expense	8,334,641	10,030,007
Salaries and employee benefits	5,110,557	4,905,091
Professional fees	380,122	323,032
Business development expenses	291,987	399,309
General and administrative expenses	914,118	911,835
Depreciation and amortization expense	185,756	76,036
Total lending and corporate expenses	<u>16,436,419</u>	<u>17,822,420</u>
<b>HOUSING EXPENSES</b>		
CVC, CADI and other real estate operations		
Rental property expenses	7,717,110	7,335,155
Property depreciation and amortization	9,629,100	7,623,233
Interest expense	3,349,818	2,408,048
Other real estate expenses	413,650	328,177
Housing salaries and employee benefits	6,075,623	5,708,979
Total housing expenses	<u>27,185,301</u>	<u>23,403,592</u>
Total expenses	<u>43,621,720</u>	<u>41,226,012</u>

see accompanying notes to consolidated financial statements

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES - CONTINUED**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Change in net assets without donor restriction before other income and expenses	\$ 21,862,417	\$ 5,253,721
<b>OTHER INCOME AND (EXPENSES)</b>		
Realized and unrealized gains on financial investments	7,981,299	9,604,527
Unrealized loss on interest rate swap	(1,897,138)	(2,861,603)
Loss on interest rate swap termination	(2,332,570)	-
Income tax expense	(21,367)	(15,300)
Bad debt expense	(175,657)	(131,419)
Net other income and (expenses)	<u>3,554,567</u>	<u>6,596,205</u>
Change in net assets without donor restriction from operations	25,416,984	11,849,926
Contributions from non-controlling interest	45,271,977	17,122,573
Distributions to non-controlling interest	(7,131)	(12,423)
Syndication costs paid by non-controlling interest	(57,500)	(65,074)
Change in net assets without donor restriction	<u>70,624,330</u>	<u>28,895,002</u>
Change in net assets with donor restriction		
Contributions	4,890,122	8,200,000
Release from net assets with donor restriction	-	(2,000,000)
Change in net assets with donor restriction	<u>4,890,122</u>	<u>6,200,000</u>
Change in net assets	75,514,452	35,095,002
Net assets at beginning of year	<u>315,955,668</u>	<u>280,860,666</u>
Net assets at end of year	<u>\$ 391,470,120</u>	<u>\$ 315,955,668</u>

see accompanying notes to consolidated financial statements

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program	Administrative	Fundraising	Total
<b>LENDING AND CORPORATE EXPENSES</b>				
Allocation for loan losses	\$ 1,089,739	\$ -	\$ -	\$ 1,089,739
Borrowing fees	129,499	-	-	129,499
Interest expense	8,334,641	-	-	8,334,641
Salaries and employee benefits	1,756,835	3,314,239	39,483	5,110,557
Professional fees	380,122	-	-	380,122
Business development expenses	291,987	-	-	291,987
General and administrative expenses	-	914,118	-	914,118
Depreciation and amortization expense	-	185,756	-	185,756
Total lending and corporate expenses	<u>11,982,823</u>	<u>4,414,113</u>	<u>39,483</u>	<u>16,436,419</u>
<b>HOUSING EXPENSES</b>				
CVC, CADI and other real estate operations				
Rental property expenses	7,639,639	-	77,471	7,717,110
Property depreciation and amortization	9,629,100	-	-	9,629,100
Interest expense	3,349,818	-	-	3,349,818
Other real estate expenses	413,650	-	-	413,650
Housing salaries and employee benefits	4,237,010	1,838,613	-	6,075,623
Total housing expenses	<u>25,269,217</u>	<u>1,838,613</u>	<u>77,471</u>	<u>27,185,301</u>
<b>TOTAL</b>	<b>37,252,040</b>	<b>6,252,726</b>	<b>116,954</b>	<b>43,621,720</b>
<b>OTHER EXPENSES</b>				
Unrealized loss on interest rate swap	1,897,138	-	-	1,897,138
Loss on interest rate swap termination	2,332,570	-	-	2,332,570
Income tax expense	21,367	-	-	21,367
Bad debt expense	175,657	-	-	175,657
Total other expenses	<u>4,426,732</u>	<u>-</u>	<u>-</u>	<u>4,426,732</u>
<b>TOTAL EXPENSES</b>	<b>\$ <u>41,678,772</u></b>	<b>\$ <u>6,252,726</u></b>	<b>\$ <u>116,954</u></b>	<b>\$ <u>48,048,452</u></b>

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
<b>LENDING AND CORPORATE EXPENSES</b>				
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>
<b>HOUSING EXPENSES</b>				
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>
<b>TOTAL</b>	<b>35,656,712</b>	<b>5,441,999</b>	<b>127,301</b>	<b>41,226,012</b>
<b>OTHER EXPENSES</b>				
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>
<b>TOTAL EXPENSES</b>	<b>\$ <u>38,665,034</u></b>	<b>\$ <u>5,441,999</u></b>	<b>\$ <u>127,301</u></b>	<b>\$ <u>44,234,334</u></b>

see accompanying notes to consolidated financial statements

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 75,514,452	\$ 35,095,002
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Contributions from non-controlling interest	(45,271,977)	(17,122,573)
Distributions to non-controlling interest	7,131	12,423
Syndication costs paid by non-controlling interest	57,500	65,074
Debt forgiveness income	(200,000)	(327,237)
Grant income	(1,138,500)	-
Interest expense - debt issuance costs	605,223	435,322
Depreciation and amortization expense	9,814,856	7,699,269
Allocation for loan losses	1,089,739	871,858
Bad debt expense	175,657	131,419
Realized and unrealized gains on financial investments	(7,981,299)	(9,604,527)
Unrealized loss on interest rate swap	1,897,138	2,861,603
(Increase) decrease in assets		
Accounts receivable, net	(272,287)	(331,143)
Interest receivable	(148,808)	(389,810)
Prepaid expenses and other assets	(317,864)	(113,332)
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	84,754	831,303
Accrued interest	514,643	1,088,068
Security deposits	171,835	176,823
Other liabilities	1,677,377	1,247,856
Deferred income	371,808	398,100
Net cash provided by operating activities	<u>36,651,378</u>	<u>23,025,498</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment of accounts payable and accrued expenses - construction	(9,225,447)	(8,490,035)
Purchase of real estate held for investment	(16,403,001)	(30,758,075)
Purchase of furniture, fixtures and equipment	(1,661,596)	(1,310,817)
Increase in deferred charges	(41,226)	(33,978)
Advances in notes receivable	(268,878,839)	(246,789,027)
Receipts from notes receivable	185,716,418	203,401,478
Purchase of investment securities	(2,140,989)	(18,704,301)
Proceeds from sales of investment securities	146,200	15,752,369
Net cash used in investing activities	<u>(112,488,480)</u>	<u>(86,932,386)</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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from notes payable and lines of credit	\$ 71,927,089	\$ 162,422,821
Payments of notes payable and lines of credit	(81,211,840)	(204,216,070)
Proceeds from PPP loan	1,138,500	-
Proceeds from bonds payable	85,000,000	100,000,000
Payment of bonds payable	(50,000,000)	-
Increase in debt issuance costs	(1,432,998)	(1,025,284)
Contributions from non-controlling interest	45,271,977	17,122,573
Distributions to non-controlling interest	(7,131)	(12,423)
Syndication costs paid by non-controlling interest	(57,500)	(65,074)
Net cash provided by financing activities	<u>70,628,097</u>	<u>74,226,543</u>
Net change in cash, cash equivalents and restricted cash	(5,209,005)	10,319,655
Cash, cash equivalents and restricted cash at beginning of year	<u>40,556,433</u>	<u>30,236,778</u>
Cash, cash equivalents and restricted cash at end of year	<u>\$ 35,347,428</u>	<u>\$ 40,556,433</u>
Cash and cash equivalents	\$ 15,452,068	\$ 16,677,357
Restricted cash	<u>19,895,360</u>	<u>23,879,076</u>
Total cash, cash equivalents and restricted cash	<u>\$ 35,347,428</u>	<u>\$ 40,556,433</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	<u>\$ 10,564,593</u>	<u>\$ 12,520,441</u>
Cash paid for income taxes	<u>\$ 21,367</u>	<u>\$ 15,300</u>
Interest capitalized to fixed assets	<u>\$ 133,585</u>	<u>\$ 1,605,776</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES</b>		
Increase in grant income from interest forgiven	<u>\$ 6,452</u>	<u>\$ -</u>
Increase in real estate assets held for investment, net, accounts payable and accrued liabilities, accrued interest, and other liabilities	<u>\$ 2,117,253</u>	<u>\$ 9,225,447</u>
Reclassification of deferred charges from real estate assets held for investment	<u>\$ 202,000</u>	<u>\$ -</u>
Reclassification of debt issuance costs from real estate assets held for investment	<u>\$ 189,102</u>	<u>\$ -</u>

see accompanying notes to consolidated financial statements

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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 46,575 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.

Century Villages at Cabrillo, Inc. and affiliates

CVC controls the following entities, in which CVC is the controlling general partner or managing member.

CVC is the sole member in the following LLCs, who in turn hold the general partner interest in the following partnerships:

<u>LLC</u>	<u>Limited Partnership</u>	<u>Ownership</u>
CVC Phase II, LLC <sup>(1)</sup>	Plaza de Cabrillo, LP (“Plaza de Cabrillo”)	0.01%
CVC Phase IV, LLC	Cabrillo Gateway, LP (“Cabrillo Gateway”)	0.01%
CVC Phase V, LLC	Anchor Place, LP (“Anchor Place”)	0.01%

<sup>(1)</sup> CVC Phase II, LLC owns 99% interest in Plaza de Cabrillo as of December 31, 2019.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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

Century Villages at Cabrillo, Inc. and affiliates (continued)

CVC is the sole general partner in the following partnerships:

<u>Limited Partnership</u>	<u>Ownership</u>
Long Beach Savannah Housing, L.P. ("Savannah")	0.10%
Casa de Cabrillo, L.P. ("Casa")	0.01%
The Family Commons at Cabrillo, L.P. ("Family Commons")	0.01%

CVC is the sole member of Century Villages Property Management, LLC ("CVPM"), which is the property management business for the Villages at Cabrillo.

Century Affordable Development, Inc. and affiliates

CADI controls the following entities, in which CADI is the controlling general partner or managing member.

CADI is the sole member in the following LLCs, who in turn hold the general partner interest in the following partnerships:

<u>LLC</u>	<u>Limited Partnership</u>	<u>Ownership</u>
CADI VI, LLC	Century Arrowhead Vista, L.P. ("Arrowhead Vista")	0.01%
CADI VII, LLC	Florence Morehouse, L.P. ("Florence Morehouse")	0.01%
CADI VIII, LLC	Beacon Place, L.P. ("Beacon Place")	0.01%
CADI IX, LLC	Beacon Pointe, L.P. ("Beacon Pointe")	0.01%
CADI X, LLC	Century Beachwood Apartments 2, LP ("Century Beachwood 2")	0.01%
CADI Eleven, LLC	Casa Rita, LP ("Casa Rita")	0.01%
CADI XII, LLC <sup>(1)</sup>	Woodbridge Apartments, L.P. ("Woodbridge")	0.01%

<sup>(1)</sup> CADI XII, LLC owns 51% interest in Woodbridge as of December 31, 2019.

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 also owns 99.9% and 99.99% of Savannah and Casa, respectively.

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.	

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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

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.

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.

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, 2020, cash balances in excess of the FDIC limits totaled \$20,934,000.

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.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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

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).

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, 2020 and 2019:

December 31, 2020				
	Level 1	Level 2	Level 3	Fair Value Measurements
<b>Assets</b>				
Marketable securities	\$ 89,828,135	\$ -	\$ -	\$ 89,828,135
U.S. Treasury obligations	29,978,323	-	-	29,978,323
Guarantee fees	-	-	50,701	50,701
Notes receivable, net	-	-	366,592,660	366,592,660
	<u>\$ 119,806,458</u>	<u>\$ -</u>	<u>\$ 366,643,361</u>	<u>\$ 486,449,819</u>
<b>Liabilities</b>				
Guaranty liability	\$ -	\$ -	\$ 50,701	\$ 50,701
Interest rate swap	-	5,174,684	-	5,174,684
Bonds payable	133,538,292	-	-	133,538,292
Notes payable and lines of credit	269,892,127	-	-	269,892,127
Forgivable loans	233,334	-	-	233,334
	<u>\$ 403,663,753</u>	<u>\$ 5,174,684</u>	<u>\$ 50,701</u>	<u>\$ 408,889,138</u>

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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

Fair value measurements (continued)

	December 31, 2019			
	Level 1	Level 2	Level 3	Fair Value Measurements
Assets				
Marketable securities	\$ 82,184,445	\$ -	\$ -	\$ 82,184,445
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>\$ 109,830,370</u>	<u>\$ -</u>	<u>\$ 284,570,679</u>	<u>\$ 394,401,049</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>\$ 3,277,546</u>	<u>\$ 50,701</u>	<u>\$ 382,493,628</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, 2020 AND 2019**

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, 2019	\$ 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	284,519,978
Advances	268,878,839
Principal payments received	(185,716,418)
Allocation for loan losses	<u>(1,089,739)</u>
Balance, December 31, 2020	<u>\$ 366,592,660</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, 2020 and 2019, 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.

Accounts receivable

Management considers receivables to be fully collectible. If amounts become uncollectible, they are charged to operations in the period in which that determination is made. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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

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, 2020 and 2019, management had established an allowance for loan losses in the amount of \$5,325,438 and \$4,616,120, respectively. The allowance for loan losses at December 31, 2020 and 2019 is summarized as follows:

Balance, January 1, 2019	\$ 3,744,262
Provision for losses	<u>871,858</u>
Balance, December 31, 2019	4,616,120
Charge offs of loan losses	(380,421)
Provision for losses	<u>1,089,739</u>
Balance, December 31, 2020	<u>\$ 5,325,438</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.

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



**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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

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 2020 or 2019.

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.

Revenue recognition

Rental revenue attributable to residential leases is recorded when due from residents, generally upon the first day of each month. Leases are for periods of up to one year, with rental payments due monthly. Other revenue such as contingent assets income and sale of certificated state credits are accounted for in the year in which the payments are received. Advance receipts of revenue are deferred and classified as liabilities until earned.

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.

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.

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, 2020 AND 2019**

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

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 Note 18.

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.

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, Plaza de Cabrillo, Arrowhead Vista, Florence Morehouse, Beacon Pointe, Beacon Place, Century Beachwood 2, Casa Rita, and Woodbridge 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.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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

Income taxes (continued)

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.

Subsequent events

Subsequent events have been evaluated through April 27, 2021, which is the date the financial statements were available to be issued, and there are no subsequent events requiring disclosure.

3. Restricted cash

The Corporation's restricted cash consisted of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Security deposits	\$ 1,337,754	\$ 1,132,359
Replacement reserves	2,137,336	5,336,054
Operating reserves	3,104,837	2,299,322
Transition reserves	730,311	391,148
Construction reserves	-	1,595,504
General Partner reserves	45,021	45,021
Impound deposits	129,772	131,668
CDFI/Capital Magnet Funds	6,966,122	9,238,000
Swap collateral	4,710,000	3,710,000
Holdback escrow	734,207	-
Total restricted cash	<u>\$ 19,895,360</u>	<u>\$ 23,879,076</u>

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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Total Market Equity Fund	\$ 14,410,484	\$ 11,982,996
Loomis Sayles High Yield Fund	6,788,844	6,561,372
Bain Senior Loan Fund	6,842,916	6,526,534
Vanguard Total International Stock Index Fund	10,300,982	9,256,528
Dodge & Cox Fund	22,492,715	20,550,371
JP Morgan Core Bond Fund	22,058,804	20,401,961
U.S. Treasury Inflation-Protected Securities	29,978,323	27,645,925
BlackRock Minimum Volatility Index Fund	6,046,790	5,871,883
Total securities	<u>\$ 118,919,858</u>	<u>\$ 108,797,570</u>

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

4. Investments – Century Housing Corporation (continued)

As of December 31, 2020 and 2019, Century held shares of Federal Home Loan Bank of San Francisco (“FHLB”) capital stock in the amount of \$886,600 and \$1,032,800, respectively. 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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Interest on cash and cash equivalents	\$ 95,663	\$ 400,054
Interest income and dividends	2,141,105	2,048,155
Unrealized/realized gains	<u>4,303,065</u>	<u>6,742,924</u>
Total investment gains	<u>\$ 6,539,833</u>	<u>\$ 9,191,133</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 \$389,540,933 and \$299,513,325 as of December 31, 2020 and 2019, 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, 2020 and 2019, the portion of the loan funded by GSAF was \$10,370,389 and \$7,314,781, 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, 2020 and 2019 was \$48,779 and \$36,872, respectively, which is included in accrued interest on the accompanying consolidated statements of financial position.

During 2020 and 2019, 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, 2020 and 2019, the portion of the loan funded by FHLB AHP was \$7,252,446 and \$3,062,446, respectively, and is offset against notes receivable on the accompanying consolidated statements of financial position.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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

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

Year ending December 31:	
2021	\$ 264,386,743
2022	85,138,603
2023	11,427,174
2024	1,662,993
2025	1,308
Thereafter	<u>26,924,112</u>
Total notes receivable	389,540,933
Less allowance for doubtful accounts	(5,325,438)
Less participant purchases	<u>(17,622,835)</u>
Total notes receivable, net	<u>\$ 366,592,660</u>

6. Real estate held for investment

The Corporation's real estate held for investment consists of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Land	\$ 40,111,058	\$ 37,924,479
Buildings and improvements	243,926,757	191,902,160
Leasehold improvements	25,895,704	20,500,015
Construction in progress	<u>15,727,959</u>	<u>63,439,754</u>
Total real estate held for investment	325,661,478	313,766,408
Less accumulated depreciation	<u>(39,637,043)</u>	<u>(37,276,310)</u>
Total real estate held for investment, net	<u>\$ 286,024,435</u>	<u>\$ 276,490,098</u>

Real estate held for investment, net owned by the affiliated entities at December 31, 2020 and 2019, is as follows:

	<u>2020</u>	<u>2019</u>
Century Housing Corporation	\$ 6,446,580	\$ 6,500,747
Century Affordable Development, Inc.	6,540,572	10,155,578
Century Villages at Cabrillo, Inc.	13,288,435	13,808,663
CVC – Consolidated partnerships	98,096,226	97,405,272
CADI affiliated limited partnerships	<u>161,652,622</u>	<u>148,619,838</u>
Total real estate held for investment, net	<u>\$ 286,024,435</u>	<u>\$ 276,490,098</u>

Depreciation expense on real estate held for investment during 2020 and 2019 was \$8,594,815 and \$5,895,393, respectively.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

7. Furniture, fixtures and equipment, net

The Corporation's furniture, fixtures, and equipment consist of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Furniture and fixtures	\$ 6,181,417	\$ 8,727,599
Equipment	<u>5,408,696</u>	<u>2,208,881</u>
Total furniture, fixtures and equipment	11,590,113	10,936,480
Less accumulated depreciation	<u>(6,959,225)</u>	<u>(6,802,704)</u>
Total furniture, fixtures and equipment, net	<u>\$ 4,630,888</u>	<u>\$ 4,133,776</u>

Depreciation expense on furniture, fixtures and equipment during 2020 and 2019 was \$1,164,484 and \$1,764,951, respectively.

8. Deferred charges and amortization

The Corporation's deferred charges consist of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Tax credit fees	\$ 839,328	\$ 723,962
Ground lease fees	<u>22,500</u>	<u>22,500</u>
Total deferred charges	861,828	746,462
Accumulated amortization	<u>(242,780)</u>	<u>(315,083)</u>
Total deferred charges, net	<u>\$ 619,048</u>	<u>\$ 431,379</u>

Amortization expense during 2020 and 2019 was \$55,557 and \$38,925, 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, 2020 and 2019, the total amount contributed by the Corporation to the plan was \$704,489 and \$557,683, 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, 2020 AND 2019**

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, 2020 and 2019, total \$57,735,746 and \$62,694,750, respectively, and have an effective interest rate of 3% per annum. Unrecognized accrued interest receivable as of December 31, 2020 and 2019 was \$37,751,750 and \$40,406,775, respectively. For the years ended December 31, 2020 and 2019, the Corporation recognized income in the amount \$8,449,864 and \$698,224 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, 2020 and 2019, the outstanding principal was \$972,000.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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, 2020 and 2019, 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, 2020 and 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, the loan was funded by MUFG Union Bank, N.A. in the amount of \$440,000. The loan is secured by a deed of trust, non-interest bearing, and matures on December 1, 2072. As of December 31, 2020 and 2019, the outstanding principal was \$440,000.

On June 1, 2019, Florence Morehouse entered into a development loan agreement with FHLB AHP. During 2020, the loan was funded by Wells Fargo Financial National Bank in the amount of \$590,000. The loan is secured by a deed of trust, non-interest bearing, and matures on June 1, 2074. As of December 31, 2020, the outstanding principal was \$590,000.

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, 2020 and 2019, 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, 2020 and 2019, the outstanding principal was \$2,276,000.



**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

11. Notes payable: housing activities (continued)

Notes payable – Long Beach Community Investment Company (continued)

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, 2020 and 2019, the outstanding principal was \$10,000,000, and accrued interest was \$929,589 and \$627,500, respectively. Interest expense for the years ended December 31, 2020 and 2019 was \$311,404 and \$300,000, of which \$0 and \$300,000 was capitalized to fixed assets, respectively.

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 Academy Hall under conditions stipulated in the loan agreement and the Trust Indenture. A loan in the amount of \$5,000,000 was funded to Academy Hall on April 1, 2009 (the “Construction Loan”). Repayment of the loan is secured by the real property of Academy Hall 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, 2020 and 2019, the outstanding principal was \$2,020,000 and \$2,075,000, respectively. Interest expense for the years ended December 31, 2020 and 2019 was \$128,277 and \$134,306, 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 the loans 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, 2020 and 2019, the outstanding principal was \$3,310,000, and accrued interest was \$604,513 and \$505,213, respectively. Interest expense for the years ended December 31, 2020 and 2019 was \$99,300 for each year.

On October 1, 2020, Beacon Pointe executed a loan with CalHFA under the Local Government Special Needs Housing Program (the “SNHP”) in the principal amount of \$1,000,000. The SNHP loan is secured by a deed of trust, assignment of rents, and security agreement and fixture filing. The SNHP 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 project’s residual receipts, as defined in the loan agreement. The loan has a term of 55 years with all unpaid principal and accrued interest due on October 1, 2075. As of December 31, 2020, the principal balance of the loan was \$1,000,000.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

11. Notes payable: housing activities (continued)

Notes payable – Wells Fargo Bank, N.A.

On May 24, 2017, Beacon Place entered into a promissory note with Wells Fargo Bank, N.A. (“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 were due on March 15, 2020. As of December 31, 2019, the outstanding principal balance was \$15,678,932 and accrued interest was \$47,220. 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 California Community Reinvestment Corporation (“CCRC”). Interest expense for the years ended December 31, 2020 and 2019 was \$119,239 and \$601,894, of which \$0 and \$142,696 was capitalized to fixed assets, respectively.

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 were due on February 17, 2020. As of December 31, 2019, the outstanding principal balance was \$12,672,816 and accrued interest was \$34,468. On October 29, 2020, a portion of the loan was repaid upon its conversion to a permanent loan, and the remaining balance of the loan was sold from Wells Fargo to CCRC. Interest expense for the years ended December 31, 2020 and 2019 was \$246,787 and \$236,205, of which \$0 and \$163,777 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 were due on May 15, 2020, with the option to extend the term of the loan upon satisfaction of conditions set forth in the loan agreement. As of December 31, 2019, the outstanding principal balance was \$31,024,565 and accrued interest was \$89,260. On October 20, 2020, a portion of the loan was repaid upon its conversion to permanent loan, and the remaining balance of the loan was sold from Wells Fargo to CCRC. Interest expense for the years ended December 31, 2020 and 2019 was \$720,369 and \$972,879, of which \$0 and \$972,879 was capitalized to fixed assets, respectively.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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 was scheduled to mature on August 1, 2019. In May 2019, the construction loan was paid off. Interest expense for the year ended December 31, 2019 was \$101,172.

During September 2020, Plaza de Cabrillo entered in a loan agreement with Wells Fargo to receive a loan in the maximum principal amount of \$8,100,000 for the renovation and rehabilitation of the project. 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 equal to one month LIBOR 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 loan, together with all accrued and unpaid interest and all other amounts payable are due on March 1, 2022. As of December 31, 2020, the outstanding principal balance was \$1,025,276 and accrued interest was \$1,854. During 2020, interest expense was \$5,547, all of which has been capitalized to fixed assets.

On May 1, 2020, Woodbridge executed a construction loan with Wells Fargo in the principal amount of \$13,115,700. 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 equal to one-month LIBOR 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 loan, together with all accrued and unpaid interest and all other amounts payable are due on October 15, 2021. As of December 31, 2020, the outstanding principal balance was \$10,690,155 and accrued interest was \$15,246. Interest expense for the year ended December 31, 2020 was \$78,538, all of which has been capitalized to fixed assets.

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, 2020 and 2019, the outstanding principal was \$2,269,278 and \$2,425,434, respectively. Interest expense for the years ended December 31, 2020 and 2019 was \$140,100 and \$149,099, 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, 2020 and 2019, the outstanding principal was \$2,214,115 and \$2,336,306, respectively. Interest expense for the years ended December 31, 2020 and 2019 was \$119,744 and \$125,980, respectively.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

11. Notes payable: housing activities (continued)

California Community Reinvestment Corporation (continued)

On March 20, 2020, Beacon Place executed a loan with CCRC (the “Beacon Place CCRC Loan”) in the principal amount of \$1,535,300. 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 5.34% per annum. The loan has a term of 35 years with all unpaid principal and accrued interest due on April 1, 2055. As of December 31, 2020, the principal balance of the loan was \$1,525,123 and accrued interest was \$6,787. Interest expense for the year ended December 31, 2020 was \$64,247.

On October 28, 2020, Beacon Pointe executed a loan with CCRC (the “Beacon Pointe CCRC Loan”) in the principal amount of \$10,000,000. 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 5.41% per annum. The loan has a term of 16 years with all unpaid principal and accrued interest due on November 1, 2036. As of December 31, 2020, the principal balance of the loan was \$9,994,117 and accrued interest was \$45,057. Interest expense for the year ended December 31, 2020 was \$96,151.

On October 29, 2020, Florence Morehouse executed a loan with CCRC (the “Florence Morehouse CCRC Loan”) in the principal amount of \$2,167,500. 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 5.15% per annum. The loan has a term of 17 years with all unpaid principal and accrued interest due on November 1, 2037. As of December 31, 2020, the principal balance of the loan was \$2,165,655 and accrued interest was \$9,294. Interest expense for the year ended December 31, 2020 was \$19,836.

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, 2020 and 2019, the principal balance of the loan was \$2,191,616, and accrued interest was \$162,909 and \$97,161, respectively. Interest expense for the years ended December 31, 2020 and 2019 was \$65,748 for each year.

On March 17, 2020, Beacon Place executed a loan with HCD funded from the Veterans Housing and Homelessness Prevention Program (“VHHP Loan”) in the principal amount of \$5,198,428. The VHHP Loan is secured by a deed of trust, assignment of rents, and security agreement and fixture filing. The VHHP 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 project’s residual receipts, as defined in the loan agreement. As of December 31, 2020, the principal balance of the loan was \$5,198,428, and accrued interest was \$122,626. Interest expense for the year ended December 31, 2020 was \$122,626.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

11. Notes payable: housing activities (continued)

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. As of December 31, 2020 and 2019, the outstanding principal was \$2,112,115 and \$2,151,893, respectively, and accrued interest was \$6,935 and \$7,065, respectively. Interest expense for the years ended December 31, 2020 and 2019 was \$83,941 and \$85,480, respectively.

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, 2020 and 2019, the outstanding principal was \$200,000, and accrued interest was \$46,575 and \$38,475, respectively. Interest expense for the years ended December 31, 2020 and 2019 was \$8,100 for each year.

Note payable – Los Angeles Housing and Community Investment Department

On October 2, 2015, Florence Morehouse acquired Florence Avenue Villas by executing 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 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, Florence Morehouse executed new loan agreements with HCIDLA in the total amount of \$4,046,838. The loans are comprised of the modified and restated HCIDLA Loan (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”). On June 4, 2019, the partnership executed a new loan agreement in the amount of \$2,014,663 through the Accessible Housing Program as additional financing for the project (the “AcHP Loan”, and together with the Restated HCIDLA Loan and NSP Loan, collectively, the “HCIDLA Loans”). The Restated HCIDLA Loan bears interest at 2.75% per annum, compounding annually. The NSP Loan and AcHP Loan bear a simple interest at the rate of 3% and 4%, respectively. The HCIDLA Loans are secured by a deed of trust, assignment of leases and rents, and security agreement and fixture filing. Annual payments of principal and accrued interest will be in an amount equal to the project’s residual receipts, as defined in the loan agreements. All unpaid principal and accrued interest shall be due and payable on the earliest of (i) December 31, 2074, (ii) the date project is sold, assigned, transferred, or refinanced; or (iii) an event of default by Florence Morehouse which has not been cured as provided in the loan agreements.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

11. Notes payable: housing activities (continued)

Note payable – Los Angeles Housing and Community Investment Department (continued)

As of December 31, 2020 and 2019, the outstanding principal balance of the HCIDLA Loans was \$6,061,501 and \$3,946,838, respectively, and accrued interest on the HCIDLA Loans was \$402,736 and \$263,619, respectively. Interest expense on the HCIDLA Loans for the years ended December 31, 2020 and 2019 was \$139,117 and \$118,353, of which \$0 and \$26,424 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, 2020 and 2019, the outstanding principal was \$4,000,000, and accrued interest was \$189,678 and \$149,678, respectively. Interest expense for the years ended December 31, 2020 and 2019 was \$40,000 for each year.

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, 2020 and 2019, the outstanding principal was \$2,100,000, and accrued interest was \$262,011 and \$199,011, respectively. Interest expense for the years ended December 31, 2020 and 2019 was \$63,000 for each year.

On April 1, 2020, Woodbridge obtained financing for the construction of the project from loan proceeds funded by the City of Long Beach in the amount of \$1,100,000 (the “Woodbridge City Loan”). Repayment of the Woodbridge City Loan is secured by a deed of trust and matures 55 years after the recordation of the regulatory agreement. The Woodbridge City Loan accrues interest at 3% per annum, and requires annual principal payments from residual receipts, as defined in the promissory note. As of December 31, 2020, the outstanding principal balance was \$1,100,000 and accrued interest was \$19,250. Interest expense for the year ended December 31, 2020 was \$19,250, all of which has been capitalized to fixed assets.

On April 1, 2020, CADI obtained financing for the acquisition and development of 6801 Atlantic Avenue from the City of Long Beach in the amount of \$1,500,000 (the “Atlantic City Loan”). Repayment of the Atlantic City Loan is secured by a deed of trust and matures on April 1, 2085. The Atlantic City Loan accrues interest at 3% per annum, and requires annual principal payments from residual receipts, as defined in the promissory note. As of December 31, 2020, the outstanding principal balance was \$1,500,000 and accrued interest was \$30,250. Interest expense for the year ended December 31, 2020 was \$30,250, all of which has been capitalized to fixed assets.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

11. Notes payable: housing activities (continued)

Note payable – MUFG Union Bank, N.A.

On December 1, 2017, Century Beachwood 2 executed a construction and permanent loan agreement with California Municipal Finance Authority (“CMFA”) in the principal amount of \$13,335,274, funded by MUFG Union Bank, N.A. (“Union Bank”). 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, 2020 and 2019, the outstanding principal was \$7,941,449 and \$8,046,863, respectively, and accrued interest was \$29,542 and \$29,934, respectively.

In December 2017, Century Beachwood 2 entered into an interest rate swap agreement with an effective date of February 1, 2019 (the “Swap”) with Union Bank in the notional amount of \$8,183,300 to fix the effective interest rate on the Union Bank loan to 4.32% per annum. Swap payments, equal to the excess of fixed rate payments over variable rate payments, are payable monthly with the interest payments on the underlying Union Bank loan. The Swap agreement will expire on February 1, 2036. As of December 31, 2020 and 2019, the fair market value of the interest rate swap obligation was \$1,267,938 and \$716,464, respectively. For the years ended December 31, 2020 and 2019, the unrealized loss on the interest rate swap was \$551,474 and \$716,464, respectively.

For the years ended December 31, 2020 and 2019, interest expense for the Union Bank loan and Swap was \$350,922 and \$364,120, 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 CMFA in the amount of \$11,900,000, funded by Wells Fargo (the “Casa Rita Bonds”). Concurrent with the issuance of the Casa Rita Bonds, CMFA entered into a Trust Indenture with U.S. Bank N.A. (the “US Bank”). Proceeds for the Casa Rita Bonds were loaned by CMFA to Casa Rita under conditions stipulated in the loan agreement and the Trust Indenture. The Casa Rita Bonds bear 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, 2020 and 2019, the outstanding principal was \$10,956,123 and \$11,095,206 respectively, and accrued interest was \$0 and \$40,032, respectively. Interest expense for the years ended December 31, 2020 and 2019 was \$429,916 and \$473,555, respectively.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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, 2020 and 2019, Century has investments under the custody of City National Bank in the amount of \$65,444,397 and \$59,191,044, respectively. On February 16, 2021, the line of credit was renewed, extending the maturity date to July 31, 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, 2020 and 2019, there was no outstanding principal and accrued interest. Interest incurred during 2020 and 2019 was \$0 and \$61,396, respectively.

Note payable – Calvert Social Investment Foundation

On March 31, 2010, Century entered into a promissory note with Calvert Social Investment Foundation (“Calvert”) 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 was due and payable at maturity on December 30, 2019. On December 12, 2019, the loan was paid off. Interest incurred during 2019 was \$192,778.

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 had 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. On July 30, 2019, any outstanding balance was paid off and the line of credit was terminated. Interest incurred during 2019 was \$2,449,673.



**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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 2020 and 2019, advances bore interest ranging from 0.20% to 3.81% and had maturity dates ranging from January 10, 2020 to October 10, 2036, respectively. As of December 31, 2020 and 2019, advances secured by U.S. Treasury Inflation-Protected Securities purchased by Century were \$29,978,323 and \$27,645,925, respectively. As of December 31, 2020 and 2019, there is also a settlement transaction account in the amount of \$210,439 and \$283,113, respectively, and capital stock in the amount \$886,600 and \$1,032,800, respectively. As of December 31, 2020 and 2019, the outstanding principal was \$28,549,500 and \$38,249,500, respectively, and accrued interest was \$2,397 and \$3,255, respectively. Interest incurred during 2020 and 2019 was \$967,416 and \$1,202,339, 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 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 extend 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, 2020 and 2019, the outstanding principal was \$6,742,500 and \$5,736,733, respectively, and accrued interest was \$84,314 and \$44,660, respectively. Interest incurred during 2020 and 2019 was \$107,687 and \$158,100, 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, 2020 and 2019, the outstanding principal was \$1,000,000, and accrued interest was \$5,000. Interest incurred during 2020 and 2019 was \$20,000 for each year.

COIN CDFI Tax Credit Loans

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 were scheduled to mature on September 23, 2020 and September 14, 2020, respectively. As of December 31, 2019, the outstanding principal was \$7,000,000. On September 28, 2020, the COIN Loans were paid off.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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. On August 5, 2019, any outstanding balance was paid off and the line of credit was terminated. Interest incurred during 2019 was \$225,774.

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. On February 7, 2019, any outstanding balance was paid off and the line of credit was terminated. Interest incurred during 2019 was \$27,939.

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 was due and payable at maturity on September 20, 2020. As of December 31, 2019, the outstanding principal was \$4,500,000. On August 12, 2020, any outstanding balance was paid off. Interest incurred during 2020 and 2019 was \$125,440 and \$204,400, 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 (iii) 1-month LIBOR plus 1.8%, and is calculated on a basis of a 360-day year. On May 29, 2020, the maximum commitment amount was increased to \$150,000,000. The commitment of US Bank, Chase, Wells Fargo, Compass Bank, Charles Schwab, HSBC and City National Bank was amended to \$36,000,000, \$30,000,000, \$20,400,000, \$20,400,000, \$20,400,000, \$13,800,000, and \$9,000,000, respectively. 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, 2020 and 2019, the outstanding principal was \$120,243,442 and \$91,243,442, respectively, and accrued interest was \$201,477 and \$309,500, respectively. Interest incurred during 2020 and 2019 was \$2,224,482 and \$1,596,613, respectively.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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. This line was paid in full and terminated at the borrower's option in March 2019. No interest was incurred during 2019.

Note payable – Cedars-Sinai Medical Center

On December 4, 2020, Century executed a loan agreement with Cedars-Sinai Medical Center in the amount of \$5,000,000. The loan bears simple interest at a rate equal to 1.15% per annum. Accrued interest only shall be payable in arrears monthly, and all unpaid principal and interest shall be due and payable at maturity on December 4, 2022. As of December 31, 2020, the outstanding principal was \$5,000,000 and accrued interest was \$4,173. Interest incurred during 2020 was \$4,173.

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

	<u>2020</u>	<u>2019</u>
Principal balance	\$ 271,701,947	\$ 280,986,698
Less: unamortized debt issuance costs	<u>(1,809,820)</u>	<u>(1,654,686)</u>
Notes payable and lines of credit, net of unamortized debt issuance costs	<u>\$ 269,892,127</u>	<u>\$ 279,332,012</u>

Debt issuance costs are being amortized to interest expense over the term of the loan. For 2020 and 2019, the effective interest rate for the Tax-Exempt Bonds was 6.34% and 6.48%, respectively. For 2020 and 2019, the effective interest rate for MHSA Loans was 3.05%. For 2020 and 2019, the effective interest rate for Cabrillo CCRC Loan was 6.20% and 6.19%, respectively. For 2020 and 2019, the effective interest rate for Anchor CCRC Loan was 5.40%. For 2020 and 2019, the effective interest rate for Anchor City Loan was 1.01%. For 2020 and 2019, the effective interest rate for PNC Loan was 4.18%. For 2020 and 2019, the effective interest rate for HCIDLA Loans was 3.04% and 2.61%, respectively. For 2020, the effective interest rate for Beacon Place CCRC Loan, Beacon Pointe CCRC Loan, and Florence Morehouse CCRC Loan was 5.48%, 5.86%, and 6.19%, respectively. During 2020 and 2019, amortization expense for debt issuance costs was \$121,785 and \$76,647, respectively.

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

Year ending December 31:	
2021	\$ 14,993,417
2022	6,820,056
2023	122,053,121
2024	1,881,302
2025	924,474
Thereafter	<u>125,029,577</u>
Total	<u>\$ 271,701,947</u>

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

13. Bonds payable: lending activities – Century Housing Corporation

During 2019, the Corporation issued Century Housing Impact Investment Bonds, Taxable Series 2019 (the “Impact 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 Impact Bonds are a general obligation of Century payable from all legally available revenues and assets of Century. The Impact 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 Impact 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, 2020 and 2019, the outstanding Impact Bonds payable was \$50,000,000 and \$100,000,000, respectively, and accrued interest was \$335,467 and \$654,133, respectively. Interest incurred during 2020 and 2019 was \$3,606,133 and \$3,532,320, respectively.

During 2020, the Corporation issued California Municipal Finance Authority Taxable Bonds, Series 2020 (Century Housing Corporation) (Sustainability Bonds) (the “CMFA Bonds”) in the principal amount of \$85,000,000 pursuant to the terms of an Indenture of Trust, dated as of June 1, 2020, with US Bank, N.A. as trustee. The CMFA Bonds are a general obligation of Century payable from all legally available revenues and assets of Century. The CMFA 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 CMFA Bonds were issued in tranches, wherein \$30,000,000, \$35,000,000, and \$20,000,000, bear interest rates of 1.486%, 1.605%, and 2.877%, respectively, and have a maturity date of November 1, 2022, November 1, 2023, and November 1, 2035, respectively. As of December 31, 2020, the outstanding CMFA Bonds payable was \$85,000,000 and accrued interest was \$263,825. Interest incurred during 2020 was \$795,872.

Bonds payable consist of the following as of December 31,

	<u>2020</u>	<u>2019</u>
Principal balance	\$ 135,000,000	\$ 100,000,000
Less: unamortized debt issuance costs	<u>(1,461,708)</u>	<u>(599,965)</u>
Bonds payable, net of unamortized debt issuance costs	<u>\$ 133,538,292</u>	<u>\$ 99,400,035</u>

Debt issuance costs are being amortized to interest expense over the term of the bonds. For 2020 and 2019, the effective interest rate for the Impact Bonds was 4% and 4.21%, respectively. For 2020, the effective interest rate for the CMFA Bonds was 1.79%. During 2020 and 2019, amortization expense for debt issuance costs was \$483,438 and \$358,675, respectively.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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, 2020 and 2019, the total principal balance of the loans was \$233,334 and \$433,334, respectively, net of accumulated amortization of \$1,766,666 and \$1,566,666, respectively. No interest has been accrued on these loans. During 2020 and 2019, CVC recognized debt forgiveness income of \$200,000 for each year.

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. No interest has been accrued on these loans. During 2019, the loan was fully amortized and all outstanding principal and interest was forgiven, and CVC recognized debt forgiveness income of \$127,237.

CARES Act Paycheck Protection Program Loan

During May 2020, CVC was a successful loan applicant to the CARES Act’s Paycheck Protection Program (“PPP”) in the amount of \$1,138,500. The purpose of the program is to provide resources to maintain payroll to offset the economic effects of the COVID-19 pandemic. The interest rate of the PPP loan is 1% and the first payment is deferred until December 2020. Upon substantiation of utilizing loan funds toward eligible expenses, the outstanding principal and interest in the amount of \$1,138,500 and \$6,452, respectively, was forgiven. During 2020, CVC recognized grant income of \$1,144,952.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

15. Century Villages at Cabrillo, Inc.

CVC is a place-based supportive housing affiliate of Century Housing Corporation, and presently represents the centerpiece of CHC'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.

CVC is a vibrant supportive housing community offering emergency, transitional, and permanent housing and is supported by the Villages at Cabrillo Collaborative ("VACC"), a partnership comprising more than a dozen on-site nonprofit and government agencies that collectively provide residents with access to the skills, tools, and services needed for self-sufficiency. CVC is also a direct service provider, one of many within The Villages that offer a multitude of wraparound services to more than 1,500 residents on any given day. These residents include formerly homeless veterans, families and children, as well as individuals in vulnerable populations, such as those experiencing drug and/or alcohol use disorders, domestic or family violence, mental illness, and/or physical disabilities. To this end, CVC has partnered with 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, and 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. CVC's mission is parallel and works in unification with CHC 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.

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.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

15. Century Villages at Cabrillo, Inc. (continued)

CVC began as a steward of the property allowing service partners to focus on their delivery of programs in a safe and secure environment. As CVC grew, it became apparent that for the collective impact model to be successful, CVC needed to take a more direct role serving as a backbone to its partners. In 2009, Century Villages Property Management, LLC (“CVPM”), wherein CVC is the sole member, was formed for the purpose of providing property management services for low income, affordable housing at CVC and eventually beyond. 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 provided 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. Since then, CVC is actively fundraising to sustain the critical services provided by the Center.

In 2012, an agreement to convene the VACC was formalized among the dozen on site nonprofit partners. 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, 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 late 2014, CVC completed construction of its new \$1 million maintenance headquarters, home to the approximately 31 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.

In 2015, the Century Oasis Residential Services (CORS) footprint and headcount grew as the Oasis Community Center began operating as the service provider of record for residents of the 80 apartment Cabrillo Gateway LEED Platinum development. In 2017, the CORS footprint expanded again with the expansion of residential services for the 120 apartment Anchor Place LEED Platinum development. In addition, 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. 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. CVC's Oasis Residential Services (CORS) is now providing services at developments outside the Villages at Cabrillo community. With the completion of Anchor Place in 2017 CVC embarked on a planning process to chart the future of the community. This began with the development of a new master plan which was codified in 2019. The Specific Plan will pave the way for the subsequent build out and redevelopment of the community.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

15. Century Villages at Cabrillo, Inc. (continued)

During 2020, CVC has implemented diversity, equity and inclusion initiatives in response to rising social tension and injustice taking place across the nation and around the world. CVC is committed to provide an environment for workers, residents and collaborative partners that acknowledges the centrality of diversity, equity and inclusion and works actively to dismantle systems of structural racism in all aspects of its business including: affordable housing development, property management, resident services and finance. This goal will be accomplished by exploring and implementing the recommendations of the CVC Workgroup on Diversity and Inclusion including but not limited to: trainings/dialogues with senior staff on anti-racism and power and privilege; and promoting a culture that celebrates differences among our collaborative partners and residents in all convenings, trainings and events.

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, Anchor Place, and Plaza de Cabrillo, 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 0.10% of Savannah, 0.01% of Casa, 0.01% of Family Commons, 0.01% of Cabrillo Gateway, 0.01% of Anchor Place, and 0.01% of Plaza de Cabrillo. 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. Effective April 1, 2015 and June 30, 2016, affiliates of John Hancock Realty Advisors, Inc. sold all of their partnership interests on Savannah and Casa, respectively, to CADI, an affiliate of CVC. During 2020, the Casa project was acquired and resyndicated by Plaza de Cabrillo.

Wells Fargo Affordable Housing Community Development Corporation ("WFAHCDC") has committed to contribute an aggregate sum of approximately \$25,975,153, \$34,410,134, and \$10,873,833 to Cabrillo Gateway, Anchor Place, and Plaza de Cabrillo, 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, 2020 and 2019, WFAHCDC has invested \$26,003,510 of equity into the Cabrillo Gateway project. As of December 31, 2020 and 2019, WFAHCDC has invested \$34,905,187 and \$33,910,134, respectively, of equity into the Anchor Place project. As of December 31, 2020, WFAHCDC has invested \$543,692 of equity into the Plaza de Cabrillo 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.



**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

16. Master Planned Communities

During 2018, CADI partnered with Thomas Safran & Associates Development, Inc. (“TSA”) and United States Veterans Initiative (“US VETS”) and formed West LA Veterans Collective LLC (“West LA”). West LA was selected as the principal developer of the approximately 200-acre campus in West Los Angeles, to develop the campus into a master planned community and create and rehabilitate around 1,200 units to provide supportive housing for veterans, homeless and special needs populations. The predevelopment costs are initially borne by CADI, and reimbursements are made on a quarterly basis by TSA and US VETS. As of December 31, 2020, TSA’s and US VETS’s share of predevelopment expenses relating to the West LA development was \$1,045,571.

Also, during 2018, CADI partnered with National Community Renaissance of California (“CORE”) and Richman Group Affordable Housing Corporation (“Richman”) and formed One San Pedro Collaborative, LLC (“OSP”). OSP was selected as the principal developer of the 21-acre campus in San Pedro, CA, to develop the campus into a master planned community and create and rehabilitate around 1,400 units to provide affordable housing solutions for low-income, seniors and special needs residents. As of December 31, 2020, CADI incurred \$347,026 of predevelopment costs on the OSP project, which is included in real estate held for investment, net in the accompanying Consolidated Statements of Financial Position.

17. Commitments and contingencies

Guaranty of tax credits

In connection with the following partnerships, 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.

<u>Partnership</u>	<u>Investor Limited Partner</u>	<u>Guaranty Balance</u>	<u>Affordable Housing Location</u>
Cabrillo Gateway, L.P.	WFAHCD	10,401,404	Long Beach, CA
Anchor Place, L.P.	WFAHCD	23,590,454	Long Beach, CA
Plaza de Cabrillo, L.P.	WFAHCD	543,692	Long Beach, CA
Century Arrowhead Vista, L.P.	WFAHCD	1,029,260	San Bernardino, CA
Beacon Place, L.P.	WFAHCD	10,079,287	Long Beach, CA
Beacon Pointe, L.P.	Wells Fargo Community Investment Holdings, LLC	31,405,260	Long Beach, CA
Century Beachwood Apartments 2, L.P.	WFAHCD	4,279,279	Long Beach, CA
Florence Morehouse, L.P.	WFAHCD	7,348,317	Los Angeles, CA
Casa Rita, L.P.	WFAHCD	6,523,680	Huntington Park, CA
Woodbridge Apartments, L.P.	WFAHCD	500,000	Long Beach, CA

Century has entered into a guaranty with Wells Fargo 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.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

17. Commitments and contingencies (continued)

Guaranty of tax credits (continued)

The following is a summary of outstanding guarantees that Century has entered into as of December 31, 2020:

<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.

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.

Impact of COVID-19

The spread of the novel strain of the coronavirus (COVID-19) in 2020 has caused significant volatility in the U.S. markets. There is a significant uncertainty around the breadth and duration of business disruptions related to the 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, and the impact on tenants, employees, vendors, all of which are uncertain and cannot be determined at this time.

18. 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 2020 and 2019, \$0 and \$11,904, respectively, has been recognized as grant income.

Deferred development fee ("DDF") income

Deferred development fee income was \$1,747,297 and \$1,426,742, net of accumulated amortization of \$69,392 and \$32,542, respectively, related to the 10% profit portion of development fees as of December 31, 2020 and 2019, respectively. During the years ended December 31, 2020 and 2019, amortization of development fees capitalized as real property totaled \$36,850 and \$21,917, respectively. The deferred income is amortized using the straight-line method over the estimated useful life of the underlying asset.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

18. Deferred income (continued)

Deferred development fee ("DDF") income (continued)

	DDF Income 12/31/19	Developer fee income	Eliminated against salaries expense	Amortization of DDF income	DDF Income 12/31/20
Cabrillo Gateway	\$ 44,375	\$ -	\$ -	\$ (1,250)	\$ 43,125
Anchor Place	188,750	-	-	(5,000)	183,750
Century Beachwood 2	208,013	-	-	(5,334)	202,679
Florence Morehouse	311,467	(107,128)	96,415	(7,519)	293,235
Beacon Pointe	171,134	254,381	(228,943)	(4,914)	191,658
Beacon Place	197,500	-	-	(5,000)	192,500
Casa Rita	305,503	-	-	(7,833)	297,670
Woodbridge	-	1,795,000	(1,615,500)	-	179,500
Plaza de Cabrillo	-	1,631,800	(1,468,620)	-	163,180
Total	<u>\$ 1,426,742</u>	<u>\$ 3,574,053</u>	<u>\$ (3,216,648)</u>	<u>\$ (36,850)</u>	<u>\$ 1,747,297</u>

	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>

19. Net assets with donor restriction – Century Housing Corporation

Net assets with donor restriction at December 31, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
CDFI Funds	\$ 1,386,500	\$ 1,386,500
Capital Magnet Funds	18,790,122	14,000,000
Specific program restriction for resident services	<u>100,000</u>	<u>-</u>
Total	<u>\$ 20,276,622</u>	<u>\$ 15,386,500</u>

During 2019, the Corporation was awarded \$700,000 of CDFI Funds that must be committed for use by December 2021 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 2020 and 2019, the Corporation disbursed \$1,386,500 and \$936,500, respectively, of the CDFI Funds to eligible recipients.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

19. Net assets with donor restriction – Century Housing Corporation (continued)

During 2020 and 2019, the Corporation was awarded \$4,790,122 and \$7,500,000, 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, 2020 and 2019, the Corporation disbursed Capital Magnet funds of \$16,989,000 and \$8,000,000, 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.

20. 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:

	<u>Total</u>	<u>Controlling Interest</u>	<u>Non-controlling Interest</u>
Net assets without donor restriction, January 1, 2019	\$ 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	300,569,168	224,011,153	76,558,015
Contributions	45,271,977	-	45,271,977
Distributions	(7,131)	-	(7,131)
Syndication costs	(57,500)	-	(57,500)
Change in net assets from continuing operations	<u>25,416,984</u>	<u>34,410,387</u>	<u>(8,993,403)</u>
Net assets without donor restriction, December 31, 2020	<u>\$ 371,193,498</u>	<u>\$ 258,421,540</u>	<u>\$ 112,771,958</u>

21. Liquidity and availability of financial assets

As of December 31, 2020 and 2019, the Corporation has \$280,445,225 and \$210,483,489, 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, 2020

	Century and lending entities <sup>(1)</sup>	Century California Fund	CADI and affiliates	CVC and affiliates	Eliminations	Consolidated Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 9,661,678	\$ 30,000	\$ 4,129,183	\$ 1,631,207	\$ -	\$ 15,452,068
Restricted cash	11,897,293	-	4,029,473	3,968,594	-	19,895,360
Accounts receivable, net	622,487	-	1,520,969	276,010	(1,813,052)	606,414
Investments	117,681,867	5,071,665	-	-	(2,947,074)	119,806,458
Interest receivable	5,521,485	37,617	-	-	(3,518,209)	2,040,893
Notes receivable, net	395,352,467	2,748,624	-	-	(31,508,431)	366,592,660
Deferred charges, net	-	-	346,808	272,240	-	619,048
Prepaid expenses and other assets	140,544	-	421,107	303,565	-	865,216
Real estate held for investment, net	6,446,580	-	169,370,838	111,384,661	(1,177,644)	286,024,435
Furniture, fixtures and equipment, net	289,328	-	2,832,586	1,632,067	(123,093)	4,630,888
Total assets	\$ 547,613,729	\$ 7,887,906	\$ 182,650,964	\$ 119,468,344	\$ (41,087,503)	\$ 816,533,440
<b>LIABILITIES AND NET ASSETS</b>						
Accounts payable and accrued liabilities	\$ 1,502,794	-	\$ 1,745,103	\$ 2,131,892	\$ (519,052)	\$ 4,860,737
Accrued interest	945,432	-	2,983,100	3,419,961	(3,518,209)	3,830,284
Security deposits	9,674	-	564,410	773,455	-	1,347,539
Deferred income	345,923	-	1,541,136	226,875	-	2,113,934
Fair value of interest rate swap liability	3,906,746	-	1,267,938	-	-	5,174,684
Bonds payable, net of unamortized debt issuance costs	133,538,292	-	-	-	-	133,538,292
Notes payable and lines of credit, net of unamortized debt issuance costs	161,535,442	-	90,884,126	48,980,990	(31,508,431)	269,892,127
Other liabilities	2,836,873	-	1,074,637	1,454,879	(1,294,000)	4,072,389
Forgivable loans	-	-	-	233,334	-	233,334
Total liabilities	304,621,176	-	100,060,450	57,221,386	(36,839,692)	425,063,320
<b>Net assets:</b>						
Without donor restriction						
Controlling interest	222,815,931	7,887,906	26,465,714	2,251,175	(999,186)	258,421,540
Non-controlling interest	-	-	56,124,800	59,895,783	(3,248,625)	112,771,958
With donor restriction - controlling interest	20,176,622	-	-	100,000	-	20,276,622
Total net assets	242,992,553	7,887,906	82,590,514	62,246,958	(4,247,811)	391,470,120
Total liabilities and net assets	\$ 547,613,729	\$ 7,887,906	\$ 182,650,964	\$ 119,468,344	\$ (41,087,503)	\$ 816,533,440

<sup>(1)</sup> Includes Century Housing Corporation, Century Metropolitan Fund, LLC, and Century Long Term Value Fund, LLC

see report of independent auditors

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

	Century and other entities <sup>(1)</sup>	Century California Fund	CADI and affiliates	CVC and affiliates	Eliminations	Consolidated Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 14,575,083	-	\$ 1,694,834	\$ 407,440	\$ -	\$ 16,677,357
Restricted cash	13,053,228	-	6,515,620	4,310,228	-	23,879,076
Accounts receivable, net	468,187	-	140,091	406,975	(505,469)	509,784
Investments	112,775,094	-	-	-	(2,944,724)	109,830,370
Interest receivable	5,077,485	-	-	-	(3,185,400)	1,892,085
Notes receivable, net	322,382,587	-	650,746	-	(38,513,355)	284,519,978
Deferred charges, net	-	-	128,448	302,931	-	431,379
Prepaid expenses and other assets	132,352	-	229,022	185,978	-	547,352
Real estate held for investment, net	6,500,747	-	159,250,217	111,436,094	(696,960)	276,490,098
Furniture, fixtures and equipment, net	224,171	-	2,109,356	1,923,342	(123,093)	4,133,776
Total assets	<u>\$ 475,188,934</u>	<u>-</u>	<u>\$ 170,718,334</u>	<u>\$ 118,972,988</u>	<u>\$ (45,969,001)</u>	<u>\$ 718,911,255</u>
<b>LIABILITIES AND NET ASSETS</b>						
Accounts payable and accrued liabilities	\$ 1,515,143	-	\$ 10,306,513	\$ 1,177,088	\$ (343,080)	\$ 12,655,664
Accrued interest	1,053,420	-	2,178,287	3,124,965	(3,174,616)	3,182,056
Security deposits	9,674	-	376,225	789,805	-	1,175,704
Deferred income	290,384	-	1,218,617	233,125	-	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	147,729,675	-	121,481,709	48,806,250	(38,685,622)	279,332,012
Other liabilities	1,349,441	-	407,669	-	-	1,757,110
Forgivable loans	-	-	-	433,334	-	433,334
Total liabilities	<u>253,908,854</u>	<u>-</u>	<u>136,685,484</u>	<u>54,564,567</u>	<u>(42,203,318)</u>	<u>402,955,587</u>
Net assets:						
Without donor restriction						
Controlling interest	205,893,580	-	16,044,802	2,173,775	(101,004)	224,011,153
Non-controlling interest	-	-	17,988,048	62,234,646	(3,664,679)	76,558,015
With donor restriction - controlling interest	15,386,500	-	-	-	-	15,386,500
Total net assets	<u>221,280,080</u>	<u>-</u>	<u>34,032,850</u>	<u>64,408,421</u>	<u>(3,765,683)</u>	<u>315,955,668</u>
Total liabilities and net assets	<u>\$ 475,188,934</u>	<u>-</u>	<u>\$ 170,718,334</u>	<u>\$ 118,972,988</u>	<u>\$ (45,969,001)</u>	<u>\$ 718,911,255</u>

<sup>(1)</sup> Includes Century Housing Corporation, Century Metropolitan Fund, LLC, Century Long Term Value Fund, LLC, Century Community Children's Centers, Inc., and Century Pointe, Inc.

see report of independent auditors

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**SUPPLEMENTARY INFORMATION**  
**CONSOLIDATING STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Century and lending entities <sup>(1)</sup>	Century California Fund	CADI and affiliates	CVC and affiliates	Eliminations	Consolidated Total
<b>LENDING AND CORPORATE REVENUE</b>						
Investment interest and dividends	\$ 2,219,489	\$ -	\$ 16,973	\$ 306	\$ -	\$ 2,236,768
Income from notes receivable	27,009,043	176,801	-	-	(1,423,268)	25,762,576
Residual receipts and contingent asset income	768,149	7,681,715	-	-	-	8,449,864
Other income	215,855	71,500	-	-	-	287,355
Net assets released from restrictions	-	-	-	-	-	-
Total lending and corporate revenue	30,212,536	7,930,016	16,973	306	(1,423,268)	36,736,563
<b>HOUSING REVENUE AND SUPPORT</b>						
CVC, CADI and other real estate operations						
Rental property income	-	-	8,405,757	9,547,940	-	17,953,697
Debt forgiveness income	-	-	-	200,000	-	200,000
Other real estate income	-	-	71,116	-	(28,350)	42,766
Grant income	-	-	-	1,555,952	-	1,555,952
Income from certificated state credits	-	-	8,259,796	-	-	8,259,796
Contributions and fundraising income	-	145,381	229,250	506,113	(145,381)	735,363
Total housing revenue and support	-	145,381	16,965,919	11,810,005	(173,731)	28,747,574
Total revenue	30,212,536	8,075,397	16,982,892	11,810,311	(1,596,999)	65,484,137
<b>LENDING AND CORPORATE EXPENSES</b>						
Allocation for loan losses	903,048	186,691	-	-	-	1,089,739
Borrowing fees	129,499	-	-	-	-	129,499
Interest expense	8,334,641	-	-	-	-	8,334,641
Salaries and employee benefits	6,309,448	-	-	-	(1,198,891)	5,110,557
Professional fees	380,122	-	-	-	-	380,122
Business development expenses	437,368	-	-	-	(145,381)	291,987
General and administrative expenses	913,868	250	-	-	-	914,118
Depreciation and amortization expense	185,756	-	-	-	-	185,756
Total lending and corporate expenses	17,593,750	186,941	-	-	(1,344,272)	16,436,419
<b>HOUSING EXPENSES</b>						
CVC, CADI and other real estate operations						
Rental property expenses	-	-	3,734,988	3,982,122	-	7,717,110
Property depreciation and amortization	-	-	4,808,175	4,820,925	-	9,629,100
Interest expense	-	-	2,914,988	1,378,320	(943,490)	3,349,818
Other real estate expenses	-	-	222,260	191,390	-	413,650
Housing salaries and employee benefits	-	-	(165,424)	5,042,156	1,198,891	6,075,623
Total housing expenses	-	-	11,514,987	15,414,913	255,401	27,185,301
Total expenses	17,593,750	186,941	11,514,987	15,414,913	(1,088,871)	43,621,720

see report of independent auditors



**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**SUPPLEMENTARY INFORMATION**  
**CONSOLIDATING STATEMENTS OF ACTIVITIES - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Century and lending entities <sup>(1)</sup>	Century California Fund	CADI and affiliates	CVC and affiliates	Eliminations	Consolidated Total
Change in net assets without donor restriction before other income and expenses	12,618,786	7,888,456	5,467,905	(3,604,602)	(508,128)	21,862,417
<b>OTHER INCOME AND (EXPENSES)</b>						
Realized and unrealized gain on financial investments	7,981,299	-	-	-	-	7,981,299
Unrealized loss on interest rate swap	(1,345,664)	-	(551,474)	-	-	(1,897,138)
Loss on interest rate swap termination	(2,332,570)	-	-	-	-	(2,332,570)
Income tax expense	(1,600)	(800)	(8,307)	(10,660)	-	(21,367)
Bad debt expense	-	-	(26,192)	(149,465)	-	(175,657)
Net other income and (expenses)	4,301,465	(800)	(585,973)	(160,125)	-	3,554,567
Change in net assets without donor restriction from operations	16,920,251	7,887,656	4,881,932	(3,764,727)	(508,128)	25,416,984
Contributions from non-controlling interest	-	-	43,733,232	1,538,745	-	45,271,977
Distributions to non-controlling interest	-	-	-	(35,481)	28,350	(7,131)
Syndication costs paid by non-controlling interest	-	-	(57,500)	-	-	(57,500)
Change in net assets without donor restriction	16,920,251	7,887,656	48,557,664	(2,261,463)	(479,778)	70,624,330
Net assets with donor restriction						
Contributions	4,790,122	250	-	100,000	(250)	4,890,122
Change in net assets with donor restriction	4,790,122	250	-	100,000	(250)	4,890,122
Total change in net assets	21,710,373	7,887,906	48,557,664	(2,161,463)	(480,028)	75,514,452
Net assets at beginning of year	221,282,180	-	34,032,850	64,408,421	(3,767,783)	315,955,668
Net assets at end of year	\$ 242,992,553	\$ 7,887,906	\$ 82,590,514	\$ 62,246,958	\$ (4,247,811)	\$ 391,470,120

<sup>(1)</sup> Includes Century Housing Corporation, Century Metropolitan Fund, LLC, and Century Long Term Value Fund, LLC

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

	Century and other entities <sup>(1)</sup>	Century California Fund	CADI and affiliates	CVC and affiliates	Eliminations	Consolidated Total
<b>LENDING AND CORPORATE REVENUE</b>						
Investment interest and dividends	\$ 2,173,521	-	\$ 265,985	\$ 8,703	\$ -	\$ 2,448,209
Income from notes receivable	26,578,884	-	-	-	(1,584,368)	24,994,516
Residual receipts and contingent asset income	698,224	-	-	-	-	698,224
Other income	80,987	-	-	-	(8,729)	72,258
Net assets released from restrictions	2,000,000	-	-	-	-	2,000,000
Total lending and corporate revenue	31,531,616	-	265,985	8,703	(1,593,097)	30,213,207
<b>HOUSING REVENUE AND SUPPORT</b>						
CVC, CADI and other real estate operations						
Rental property income	109,500	-	5,140,830	9,203,261	859,065	15,312,656
Debt forgiveness income	-	-	-	327,237	-	327,237
Other real estate income	-	-	46,674	-	(27,524)	19,150
Contributions and fundraising income	274,401	-	915,260	557,483	(1,139,661)	607,483
Total housing revenue and support	383,901	-	6,102,764	10,087,981	(308,120)	16,266,526
Total revenue	31,915,517	-	6,368,749	10,096,684	(1,901,217)	46,479,733
<b>LENDING AND CORPORATE EXPENSES</b>						
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	5,829,131	-	-	-	(924,040)	4,905,091
Professional fees	323,032	-	-	-	-	323,032
Business development expenses	684,005	58,452	-	-	(343,148)	399,309
General and administrative expenses	936,154	500	-	-	(24,819)	911,835
Depreciation and amortization expense	162,992	-	-	-	(86,956)	76,036
Total lending and corporate expenses	19,142,431	58,952	-	-	(1,378,963)	17,822,420
<b>HOUSING EXPENSES</b>						
CVC, CADI and other real estate operations						
Rental property expenses	-	-	2,857,415	4,331,904	145,836	7,335,155
Property depreciation and amortization	-	-	2,615,764	4,920,513	86,956	7,623,233
Interest expense	-	-	2,337,923	1,585,382	(1,515,257)	2,408,048
Other real estate expenses	-	-	190,961	185,681	(48,465)	328,177
Housing salaries and employee benefits	-	-	(65,849)	4,850,788	924,040	5,708,979
Total housing expenses	-	-	7,936,214	15,874,268	(406,890)	23,403,592
Total expenses	19,142,431	58,952	7,936,214	15,874,268	(1,785,853)	41,226,012

see report of independent auditors

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

	Century and other entities <sup>(1)</sup>	Century California Fund	CADI and affiliates	CVC and affiliates	Eliminations	Consolidated Total
Change in net assets without donor restriction before other income and expenses	12,773,086	(58,952)	(1,567,465)	(5,777,584)	(115,364)	5,253,721
<b>OTHER INCOME AND (EXPENSES)</b>						
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	(1,600)	(800)	(4,000)	(8,900)	-	(15,300)
Bad debt expense	-	-	(22,450)	(108,969)	-	(131,419)
Net other income and (expenses)	7,457,788	(800)	(742,914)	(117,869)	-	6,596,205
Change in net assets without donor restriction from operations	20,230,874	(59,752)	(2,310,379)	(5,895,453)	(115,364)	11,849,926
Contributions from non-controlling interest	-	-	17,122,573	-	-	17,122,573
Distributions to non-controlling interest	-	-	(5,500)	(34,447)	27,524	(12,423)
Syndication costs paid by non-controlling interest	-	-	(65,074)	-	-	(65,074)
Change in net assets without donor restriction	20,230,874	(59,752)	14,741,620	(5,929,900)	(87,840)	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	26,430,874	(59,752)	14,741,620	(5,929,900)	(87,840)	35,095,002
Net assets at beginning of year	194,849,206	59,752	19,291,230	70,338,321	(3,677,843)	280,860,666
Net assets at end of year	\$ 221,280,080	\$ -	\$ 34,032,850	\$ 64,408,421	\$ (3,765,683)	\$ 315,955,668

<sup>(1)</sup> Includes Century Housing Corporation, Century Metropolitan Fund, LLC, Century Long Term Value Fund, LLC, Century Community Children's Centers, Inc., and Century Pointe, Inc.

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**SUPPLEMENTARY INFORMATION**  
**STATEMENTS OF FINANCIAL POSITION - CENTURY HOUSING CORPORATION**  
**DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 9,604,080	\$ 14,575,083
Restricted cash	11,897,293	13,053,228
Accounts receivable, net	680,085	468,187
Investments	119,806,458	109,830,370
Investments in affiliates	-	2,944,724
Interest receivable	2,003,276	1,892,991
Interest receivable from affiliates	3,518,209	3,184,494
Notes receivable, net	363,844,036	284,519,978
Notes receivable from affiliates	31,508,431	37,862,609
Prepaid expenses and other assets	140,544	132,352
Real estate held for investment, net	6,446,580	6,500,747
Furniture, fixtures and equipment, net	289,328	224,171
	<hr/>	<hr/>
Total assets	<u>\$ 549,738,320</u>	<u>\$ 475,188,934</u>
<b>LIABILITIES AND NET ASSETS</b>		
Investments in affiliates	\$ 2,124,591	\$ -
Accounts payable and accrued liabilities	1,502,794	1,515,143
Accrued interest	945,432	1,053,420
Fair value of interest rate swap liability	3,906,746	2,561,082
Security deposits	9,674	9,674
Deferred income	345,923	290,384
Other liabilities	2,836,873	1,349,441
Bonds payable, net of unamortized debt issuance costs	133,538,292	99,400,035
Notes payable and lines of credit	161,535,442	147,729,675
Total liabilities	<hr/> 306,745,767	<hr/> 253,908,854
Net assets:		
Net assets without donor restriction	222,815,931	205,893,580
Net assets with donor restriction	20,176,622	15,386,500
Total net assets	<hr/> 242,992,553	<hr/> 221,280,080
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 549,738,320</u>	<u>\$ 475,188,934</u>

see report of independent auditors

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**SUPPLEMENTARY INFORMATION**  
**STATEMENTS OF ACTIVITIES - CENTURY HOUSING CORPORATION**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>LENDING AND CORPORATE REVENUE</b>		
Investment interest and dividends	\$ 2,219,489	\$ 2,173,521
Income from notes receivable	27,009,043	26,578,884
Residual receipts and contingent asset income	768,149	698,224
Other income	84,355	80,987
Net assets released from restrictions	-	2,000,000
Total lending and corporate revenue	<u>30,081,036</u>	<u>31,531,616</u>
<b>HOUSING REVENUE AND SUPPORT</b>		
Other real estate operations		
Rental property income	121,500	109,500
Contributions and fundraising income	<u>10,000</u>	<u>274,401</u>
Total housing revenue and support	<u>131,500</u>	<u>383,901</u>
Total revenue	30,212,536	31,915,517
<b>LENDING EXPENSES</b>		
Allocation for loan losses	903,048	871,858
Borrowing fees	129,499	305,252
Interest expense	<u>8,334,641</u>	<u>10,030,007</u>
Total lending expenses	<u>9,367,188</u>	<u>11,207,117</u>
<b>HOUSING EXPENSES</b>		
Other real estate operations		
Rental property expenses	140,529	24,319
Property depreciation and amortization	<u>90,063</u>	<u>86,956</u>
Total housing expenses	<u>230,592</u>	<u>111,275</u>
<b>MANAGEMENT AND GENERAL EXPENSES</b>		
Salaries and employee benefits	6,309,448	5,829,131
Professional fees	380,122	323,032
Business development expenses	437,368	399,309
General and administrative expenses	772,839	908,908
Depreciation and amortization expense	<u>95,693</u>	<u>76,036</u>
Total management and general expenses	<u>7,995,470</u>	<u>7,536,416</u>
Total expenses	<u>17,593,250</u>	<u>18,854,808</u>

see report of independent auditors

**CENTURY HOUSING CORPORATION AND AFFILIATES**  
**SUPPLEMENTARY INFORMATION**  
**STATEMENTS OF ACTIVITIES - CENTURY HOUSING CORPORATION - CONTINUED**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Change in net assets without donor restriction before other income and expenses	12,619,286	13,060,709
<b>OTHER INCOME AND (EXPENSES)</b>		
Realized and unrealized gains on financial investments	7,981,299	9,604,527
Unrealized loss on interest rate swap	(1,345,664)	(2,145,139)
Loss on interest rate swap termination	(2,332,570)	-
Net other income and (expenses)	<u>4,303,065</u>	<u>7,459,388</u>
Change in net assets from continuing operations	16,922,351	20,520,097
Change in net assets with donor restriction		
Contributions	4,790,122	8,200,000
Release from net assets with donor restriction	-	(2,000,000)
Change in net assets with donor restriction	<u>4,790,122</u>	<u>6,200,000</u>
Change in net assets	21,712,473	26,720,097
Net assets at beginning of year	<u>221,280,080</u>	<u>194,559,983</u>
Net assets at end of year	<u>\$ 242,992,553</u>	<u>\$ 221,280,080</u>

see report of independent auditors

**APPENDIX II**

**UNAUDITED INTERIM FINANCIAL STATEMENTS OF CENTURY HOUSING  
CORPORATION AND AFFILIATES AS OF AND FOR THE THREE MONTHS ENDED  
MARCH 31, 2021**



**Century Housing Corporation**  
**Statement of Financial Position**  
(Consolidated and Unaudited)

	<b>March 31,</b>
<b>Assets</b>	<b>2021</b>
Cash and cash equivalents	11,110,520
Cash equivalents (restricted)	21,217,635
Accounts receivable, net	616,022
Investments	120,275,733
Interest receivable	1,981,300
Prepaid expenses and other assets	1,103,325
Notes receivable, net	352,029,184
Furniture, fixtures and equipment, net	1,786,678
Real estate held for investment, net	293,220,922
<b>Total assets</b>	<b>803,341,319</b>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	1,925,455
Accrued interest	4,286,684
Tenant security deposits	1,340,013
Deferred income	4,496,279
Fair value of interest rate swap liability	1,794,575
Bonds payable	150,017,708
Notes payable	232,501,321
Forgivable loans	183,334
Other liabilities	7,430,251
<b>Total liabilities</b>	<b>403,975,621</b>
<b>Net Assets</b>	
Unrestricted Controlling interest	265,860,118
Unrestricted Non-controlling interest	112,771,958
Temporarily restricted - Controlling Interest	20,733,622
<b>Total Net Assets</b>	<b>399,365,698</b>
<b>Total Liabilities and Net Assets</b>	<b>803,341,319</b>





**Century Housing Corporation**  
**Statement of Activities**  
(Consolidated and Unaudited)  
For the Three Months ended March 31, 2021

**Lending & Corporate Revenue:**

Investment interest and dividends	386,593
Income from notes receivable	6,511,994
Residual receipts and contingent asset income	162,040
Restricted Grant Revenue	557,000
Other income	25,851
Total lending & corporate revenue	<u>7,643,478</u>

**Housing Revenue and support:**

CVC and Other Real Estate Operations	
Rental property income	4,471,037
Other real estate income	12,643
Real estate sold	570,000
Contributions & Fundraising	290,396
Total housing revenue and support	<u>5,344,076</u>

**Total Revenue** 12,987,554

**Lending & Corporate expenses:**

Allocation for Loan Losses	102,824
Borrowing Fees	16,900
Bond Issuance Fees	149,867
Interest Expense	1,699,647
Salaries and employee benefits	497,281
Professional fees	104,576
Business development expenses	33,384
General and administrative expenses	196,777
Depreciation	25,118
Total lending & corporate expenses	<u>2,826,374</u>

**Housing expenses:**

CVC, CADI and Other Real Estate Operations	
Rental property expenses	2,043,593
Other real estate expenses	44,757
Property depreciation	2,521,206
Interest Expense	553,703
Real estate development expenses	-
Housing salaries and employee benefits	1,052,100
Cost of real estate sold	8,165
Other program support	16,000
Total housing expenses	<u>6,239,524</u>

**Total Expenses** 9,065,899

**Other:**

Non-controlling interest	1,668,434
Income Tax Expense for LLC's	(12,106)
<b>Total Other</b>	<u>1,656,328</u>

**Increase (decrease) in unrestricted net assets before realized and unrealized gains (losses) on investments:** 5,577,984

Realized and unrealized gains (losses) on investments	205,423
Unrealized gain on interest rate swap	<u>2,112,171</u>

**Increase (decrease) in Controlling Net Assets** 7,895,578  
**Net Controlling Assets at Beginning of Period** 278,698,162  
**Controlling Net Assets at the End of Period** 286,593,740



**Century Housing Corporation**  
**Statement of Financial Position**  
**(Unconsolidated & Unaudited)**

	<b>December 31,</b>
<b>Assets</b>	<b>2020</b>
Cash and cash equivalents	15,036,333
Cash equivalents (restricted)	7,187,293
Accounts receivable, net	123,738
Investments	119,807,805
Interest receivable	5,521,485
Prepaid expenses and other assets	54,379
Notes receivable, net	395,365,668
Furniture, fixtures and equipment, net	299,502
Real estate held for investment, net	6,446,580
<b>Total assets</b>	<b>549,842,783</b>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	868,416
Accrued interest	945,431
Fair value of interest rate swap liability	3,906,746
Bonds payable	135,000,000
Notes payable	161,535,442
Other liabilities	3,725,516
<b>Total liabilities</b>	<b>305,981,550</b>
<b>Net Assets</b>	
Unrestricted net assets	223,684,611
Temporarily restricted net assets	20,176,622
<b>Total Net Assets</b>	<b>243,861,233</b>
<b>Total Liabilities and Net Assets</b>	<b>549,842,783</b>



**Century Housing Corporation**  
**Statement of Activities**  
**(Unconsolidated & Unaudited)**  
**For the Twelve Months ended December 31, 2020**

**Revenue**

Investment interest and dividends	2,219,490
Income from notes receivable	27,009,044
Residual receipts and contingent asset income	768,150
Restricted Grant Revenue	4,790,122
Rental property income	121,500
Other income	78,466
<b>Total Revenue</b>	<b>34,986,772</b>

**Expenses**

Allocation for Loan Losses	903,048
Borrowing Fees	597,049
Interest Expense	7,851,204
Salaries and employee benefits	6,309,449
Professional fees	288,748
Business development expenses	437,368
General and administrative expenses	772,557
Rental property expenses	176,888
Depreciation	95,691
<b>Total Expenses</b>	<b>17,432,000</b>

**Other**

Income Tax Expense for LLC's	(283)
<b>Total Other</b>	<b>(283)</b>

<b>Increase (decrease) in unrestricted net assets before realized and unrealized gains (losses) on investments:</b>	<b>17,554,488</b>
---	-------------------

Realized and unrealized gains (losses) on investments	7,981,299
Unrealized loss on interest rate swap	(2,954,634)

<b>Increase (decrease) in Net Assets</b>	<b>22,581,154</b>
--	-------------------