

Syndicator Assessment Dashboard



Name	Merritt Community Capital Corporation	Merritt Community Capital Corporation is a 501(c)(3) not for profit corporation that raises equity capital for affordable housing developments in California. Merritt is led by a highly capable and experienced group of professionals, is a financially strong organization, and has portfolio performance significantly more favorable than the overall industry median.
Tax Status	Non-Profit	
Year of Inception	1989	

Syndication History

Total Volume	\$919 million	Merritt has raised 21 equity funds with nearly \$920 million of capital and made approximately 130 property investments totaling more than 9,000 units. The Sponsor has delivered investor returns that have consistently met or exceeded their targets. Given strong investor interest Merritt is currently raising its largest ever fund at \$100 million.
Target Next Fund Size	\$100 million	
Average Annual Investors (last three funds)	8	

Financial Capacity (12/31/2019)

Unrestricted Cash	\$3.1 million	Transactional Revenue	\$4.4 million
Total Liabilities	\$393.0 thousand	Recurring Revenues	\$1.1 million
Shareholder's Equity	\$15.6 million	Net Income	\$2.70 million
Total Liabilities to Total Assets	2%	Net Income / 2-Year Avg. Assets	18.5%
Net Worth / Total Assets	98%	Net Income / Total Operating Income	45.2%

The Sponsor is financially sustainable organization that is virtually debt free with a strong net worth position. Revenue is primarily driven by syndication volume that varies from year to year (average \$4.7 million in last three years) with expenses steady (average \$3.2 million in last three years). Cash is maintained at approximately 11 months of operating expenses and Merritt can additionally call significant receivables (\$11.7 million) from its bank investors.

Portfolio Performance

		Original	Current	Variance	
Total Gross Equity	\$625.5 million	IRR	5.54%	5.92%	6.82%
Total Number of Funds	11	Total Credits	\$ 510,000,000	\$ 508,000,000	-0.49%
		1st Yr. Credits	NA	\$ 14,000,000	NA
Median Economic Occupancy	99.0%	2nd Yr. Credits	NA	\$ 37,000,000	NA
Median Debt Coverage Ratio	1.79	3rd Yr. Credits	NA	\$ 47,000,000	NA
Median Per Unit Cash Flow	\$2,610				

The Sponsor can boast a portfolio significantly more favorable than industry portfolio distribution in all measurable categories. The 99% median economic occupancy, 1.79 median debt service coverage ratio, and \$2,610 median per unit cash flow exceed the 2019 national and California median portfolio performance across the industry. The Sponsor believes this performance is based on careful selection of investments, prudent risk mitigation, and its proactive approach to asset management.

Key Staff Experience

Name	Title	Years of Functional Experience	Years of Real Estate Experience	Years of LIHTC Experience	Years with the Sponsor
Ari Beliak	President & CEO	17	15	11	1.3
David Dologite	Director of Acquisitions	22	21	21	0.5
Maria Duarte	Director of Asset Management	42	42	23	23
Carl Nichols	COO & CFO	34	2	2	2
Julie Quinn	Director of Investor Relations	18	18	18	0
Average – Executive Management		27	20	15	5

Merritt is led by a highly capable and experienced group of professionals. Ari Beliak, who served as Senior Vice President in Bank of America's Community Banking Group, where he worked extensively with the affordable housing developers, investors and consultants in Northern California in Northern California, Nevada, and Colorado, assumed leadership of Merritt in 2019. On average, the Sponsor's executive management team has 20 years of real estate experience, including 15 years of housing credit experience. Other than the Director of Asset Management, all senior management have been with the Sponsor for two years or less.