



2022 ANNUAL REPORT





In 2022, Merritt continued our strategic journey, working together with our board and staff to redefine our mission, vision, and values based on the foundation of the organization's past 30 years.

We believe everyone should have a home in a community where they can thrive. This is our vision for the future that drives our work. To achieve this, Merritt is dedicated to our mission of investing in affordable housing and people, building a stronger California.



At Merritt, people are at the center of our work, and we promote a culture where people feel valued and supported, fostering a sense of belonging. We create space for personal and professional success and prioritize residents' quality of life. In 2022, four new staff members joined our team, and five new board members joined our Board of Directors.

Given the scale of need, there has been an underinvestment in the people committed to this work. We launched Commitment to California in early 2022 with a pledge of \$2.5 million over three years to attract, train, and retain over 800 professionals in affordable housing. In year 1, we aimed to invite 191 participants under our Commitment to California umbrella, but we exceeded our original goal by welcoming 275 participants and 71% of participants identifying as BIPOC and/or people with lived experience in affordable housing or homelessness.

This year, Merritt had its largest project investment to date, closing nearly \$250 million, funding over 916 affordable homes across California. Of these homes, 32% are set aside for seniors and 20% for people with special needs. All units are for households earning between 30%-50% AMI.

Merritt centers people in our partnership as well. Our partners are mission-aligned housing developers who create and preserve affordable homes for underserved populations, investors with double bottom lines, and Commitment to California partners fostering the people at the heart of this work. Thank you to our partners, old and new, together we are bringing more affordable homes to California, moving closer to the vision that everyone has a home in a community where they can thrive.

Sincerely,

Ari Beliak
CEO & President

John Denton
Board Chair

Board of Directors

- John Denton, Chair
Bank of the West
- Robert E Williams, Vice Chair
Shepard, Mullin, Richer, & Hampton
LLP (Retired)
- Andrea Ursillo, Treasurer
Bank of America (Retired)
- Cécile Califour, Secretary
ChaseBank
- Charles Cornell
Burbank Housing Development
Corporation (Retired)
- Welton Jordan
EAH Housing
- Gina Leon
Umpqua Bank
- Ray Mendoza
City National
- Karen Smyda
Merritt (Retired)
- Karen Tiedman
Goldfarb & Lipman LLP
- Darnell Williams
Eden Housing
- Reginal Celestin Williams
SV@Home

IMPACT



PORTFOLIO

Merritt maintains an industry-leading portfolio. Our Asset Management team establishes a strong working relationship with property management teams and development partners.

97.8%
AHIC A
rating

2.45
Avg. DSCR

98%
Avg. Economic
Occupancy

MISSION, VISION, AND VALUE

Merritt dove deep into our strategic vision work in 2022 and used it to guide our staff and board to clearly define our mission, vision, and values. **Our outlined vision, mission, and values** highlight the work Merritt has done for the last 30+ years and gives us space to grow and focus on people and affordable housing. With a clear vision and mission, we look forward to continuing our work as a mission-focused organization!

OUR VISION

We believe everyone should have a home in a community where they can thrive.

OUR MISSION

Investing in affordable housing and people, building a stronger California.

OUR VALUES

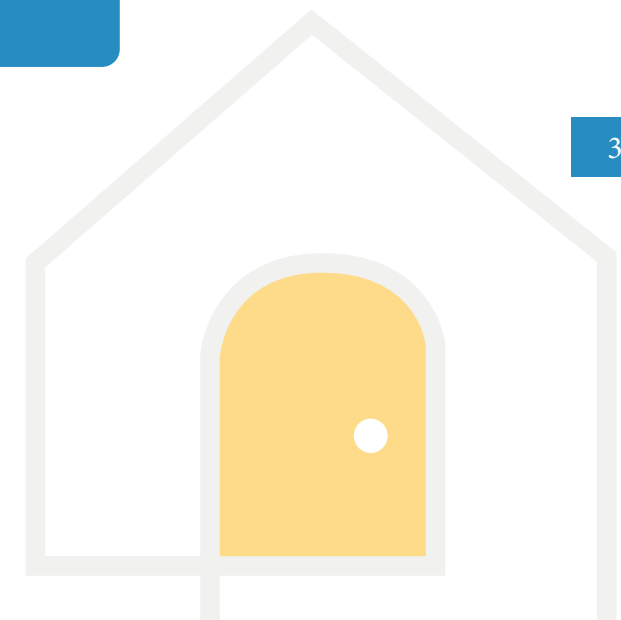
People First

Solutions-Oriented

Trust

Openness

Kindness



COMMITMENT TO CALIFORNIA

ATTRACT, TRAIN, AND RETAIN

Our three-year goal was to attract, train, and retain 800 individuals in different parts of their career. In year 1, we aimed for 191 participants under our Commitment to California umbrella. In 2022, we welcomed 275 participants, exceeding our expectations!

Within our Merritt Scholars program we planned to increase the cohort size to 6 scholars, but with the level of interest and the amazing candidates we expanded our program to 16 scholars, reaching our year 3 goal in the first year.

As part of our dedication to diversity, equity, and inclusion we had a goal of 50% of the Commitment to California participants to be individuals who identify as BIPOC and/or have lived experience in affordable housing/homelessness. In collaboration with our wonderful partners, we were able to surpass this goal with 71% of participants in Commitment to California.

Year 1 in Review

275
Participants

16
Merritt Scholars

71%
BIPOC



MERRITT | COMMITMENT TO CALIFORNIA

PARTNERS AND PROGRAMS

Thank you to our Commitment to California partners and program participants :

- **Merritt Scholars** and Merritt Scholar Mentors
- **California Coalition for Rural Housing (CCRH):** Internship Program & Emerging Leaders Fellowship
- **California Housing Partnership (CHP):** Equity Fellows
- **Housing CA:** Emerging Leaders
- **Local Initiative Support Corporation (LISC):** Housing Development Training Institute (HDTI)
- **Non-Profit Housing Association (NPH):** Bay Area Housing Internship Program (BAHIP) and Emerging Leaders Peer Network (ELPN)
- **San Diego Housing Federation:** School of Affordable Housing
- **Southern California Association of Non-Profits (SCANPH):** Project Manager Mentorship Program



BEST PRACTICES AND LESSONS LEARNED

Looking back over the first year of Commitment to California, we learned many valuable lessons. We started out knowing it was more important to support our like-minded partners and build out our internal programs. Commitment to California is also an opportunity for Merritt to meaningfully support diversity, equity and inclusion within the industry.

A few specific lessons learned:



Supporting existing programs generates positive outcomes quickly. Partnering with regional and statewide organizations that are already managing programs is the best way to support the future of affordable housing professionals across California.



Creating long-term funding commitments with our partners allows them to grow their programs and create a deeper impact. Consistent support allows programs and organizations to focus on program development, giving them more freedom to plan and scale.



We found that explicitly naming diversity, equity, and inclusion goals for each program was important for the success of reaching those goals. Commitment to California selected programs that focus on engaging populations underrepresented in our industry and were willing to work together to push those goals.



We learned that we could scale our Merritt Scholars program to fill a gap in attracting students from school directly into a career in affordable housing. We found that building out the mentorship component and engagement components drastically improved students' likelihood of joining the industry.

Commitment to California:
A Year in Review!



“Through Merritt’s support of San Diego Housing Federation via Commitment to California, we were able to complete the research and planning to develop the School of Affordable Housing program,” said Sarah Buchanan, SDHF Executive Vice President. “This program is designed to create a pathway for students in under resourced communities to a career in affordable housing. Students are introduced to the industry and learn about career path options, particularly in property management. We were able to welcome 22 students into the inaugural class and we are excited to see what we will accomplish together in 2023.”

PARTNER’S EVENT

MERRITT’S 2022 PARTNER’S CELEBRATION

Merritt and partners were able to gather to toast our friends and partners in person at Two Pitchers in Oakland (for the first time in 3 years!), which made for a wonderful evening. Honoring our shared accomplishments from the last year and looking forward to our goals in 2023 allowed us time to reflect, connect, and celebrate.



This year we honored:

- **EAH’s Bella Terra Senior Apartments as Property of the Year**
The property team at Bella Terra has worked hard to create a community with the older residents. During the peak of social distancing, the team would gather residents on balconies to exercise and keep engaged.
- **American Family Housing as Developer of the Year**
AFH was our partner on Casa Paloma, a modular project that recently completed construction. They take on systems change in a thoughtful and balanced approach and are always willing to think outside the box.

We enjoyed connecting and acknowledging the hard work of our project partners, developers, investors, properties and our Commitment to California industry initiative partners.

[Learn more on the website.](#)



2022 PROJECT STATISTICS

Merritt Community Capital had its biggest year to date, closing \$233.3 million. In 2022, Merritt financed 13 projects, creating 916 affordable homes for individuals and families, including **Fund 23**, our largest multi-fund to date at \$178.6MM.

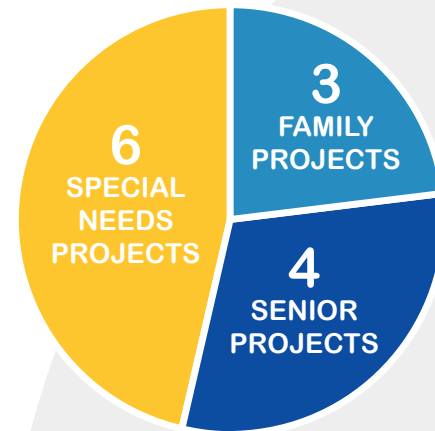
FOR THE 13 PROJECTS:

- 11 different cities, 9 different counties
- 32% are set aside for seniors, 20% for people with special needs, and 2% for farmworkers
- 11 new construction and 2 rehab

INCOME:

- 30% of homes are for households earning at or below 30% Average Median Income (AMI)
- 47% of the homes are for households earning 31-50% of Average Median Income (AMI)

DEMOGRAPHIC

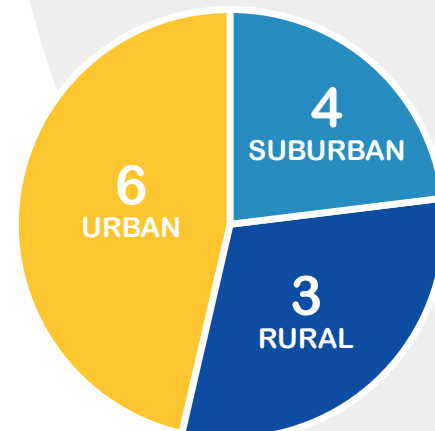


ESG

\$7.13 million
in rent savings each year

1,534 metric tons
of greenhouse gas reduced each year

GEOGRAPHIC



MERRITT | 2022 PROJECTS



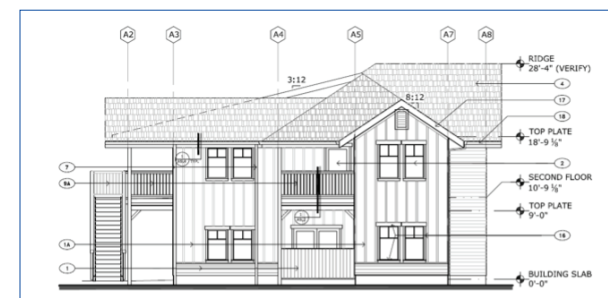
CENTRAL TERRACE
Oxnard, Ventura County
Many Mansions



WONG CENTER SENIOR APARTMENTS
Sacramento, Sacramento County
Mutual Housing California



THE GARDENS
Glendale, Los Angeles County
HumanGood Affordable Housing



SISKIYOU CROSSROADS
Yreka, Siskiyou County
Rural Communities Housing Development Corp (RCHDC)



SANTA FE COMMONS I
Tulare, Tulare County
Self Help Enterprise

MERRITT | 2022 PROJECTS



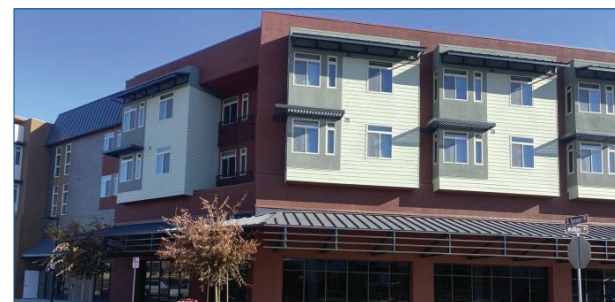
MY ANGEL
San Fernando Valley, Los Angeles County
LA Family Housing



APARTMENTS AT TOSCANO
San Luis Obispo, San Luis Obispo County
Housing Authority of San Luis Obispo (HALSO)



DEPOT COMMUNITY
Hayward, Alameda County
Allied Housing/Abode Services



WALNUT GROVE
Los Gatos, Santa Clara County
Eden Housing & East West Bank



SHELL BEACH SENIOR
San Luis Obispo, San Luis Obispo County
Housing Authority of San Luis Obispo

MERRITT | 2022 PROJECTS



ORCHARD VIEW APARTMENTS
Gridley, Butte County
Pacific Companies



MISSION HOUSING DEVELOPMENT CORP
San Francisco, San Francisco County
Mission Housing Development Corp &
Western Alliance Bank



78 HAIGHT
San Francisco, San Francisco County
Tenderloin Neighborhood Development Corp (TNDC) &
Silicon Valley Bank



“TNDC deeply values our continued partnership with Merritt. Not only are we aligned in the importance of serving people and communities with the greatest needs for housing [like TAY], but Merritt understands the importance of partnering with place-based organizations that make an intentional impact. With their partnership, we’re able to support and grow communities by building quality affordable housing,” said Maurilio León, TNDC CEO.

INVESTORS AND DEVELOPERS

INVESTORS

Merritt's investors include both long-standing relationships, some reaching back 30+ years, and others working with us for the first time in Fund 23. Thank you to all our investors; together we have created and preserved over 11,000 homes across California.

Axos Bank	City National Bank	Pacific Premier Bank
Bank of America	Comerica	Pacific Western Bank
Bank of Hope	Enterprise Financial Services Corp	River City Bank
Bank of Marin	Exchange Bank	Silicon Valley Bank (SVB), <i>a division of First Citizens Bank</i>
Bank of the Sierra	Fannie Mae	Tri Counties Bank
Banner Bank	Farmers & Merchants Bank of Central California	Umpqua Bank
BMO Harris Bank, N.A.	First Republic Bank	U.S. Bank
California Bank & Trust, <i>a division of Zions Bancorporation, N.A.</i>	Flagstar Bank	Wells Fargo
Cathay Bank	Freddie Mac	Westamerica Bank
CIT, <i>a division of First Citizens Bank</i>	J.P. Morgan	Western Alliance Bank
Citigroup Inc	Mechanics Bank	

DEVELOPER PARTNERS

Thank you to our mission-aligned affordable housing developer partners throughout the state of California. We are grateful to both our long-standing project partners who have been with us for decades and partners that are new to working with Merritt. Together, we ensure the most critical communities are developed and maintained for low-income residents.

A Community of Friends	East Bay Asian Local Development Corp.	Preservation Partners Management Group, Inc.
Allied Housing/Abode Services	Eden Housing	Rural Communities Housing Development Corporation
American Baptist Homes of the West	HomeRise	Sacramento Housing and Redevelopment Agency
American Family Housing	Housing Authority of the City of Eureka	Self-Help Enterprises
Area Housing Authority of the County of Ventura	Housing Authority of San Louis Obispo	Sequoia Living
BRIDGE Housing	HumanGood	Solano Affordable Housing Foundation
Burbank Housing	Jamboree Housing	St. Vincent's Institution
Carmel Senior Housing Inc.	LA Family Housing	Standard Property Company
Charities Housing Development Corporation	Many Mansions	Tenderloin Neighborhood Development Corporation
Christian Church Homes of Northern California	Mercy Housing	TerraCorp Property Management and Investments
Community Housing Improvement Program	Mission Housing Development Corporation	The John Stewart Company
Community Housing Works	Mutual Housing California	The Pacific Companies
Deep Green Housing and Community Development	Napa Valley Community Housing	
EAH Housing	Pacific Housing	
	People's Self-Help Housing Corporation	
	Petaluma Ecumenical Properties	

FINANCIALS

Merritt maintains a strong financial position and achieved significant growth in fund size year over year.

FINANCIAL POSITION

	2022	2021
CURRENT ASSETS		
Cash	\$6,730,000	\$3,030,000
Fee Balance	\$22,210,000	\$19,700,000
Equity Advances	\$1,640,000	\$9,680,000
Other Assets	\$1,170,000	\$570,000
Total Assets	\$31,750,000	\$32,980,000

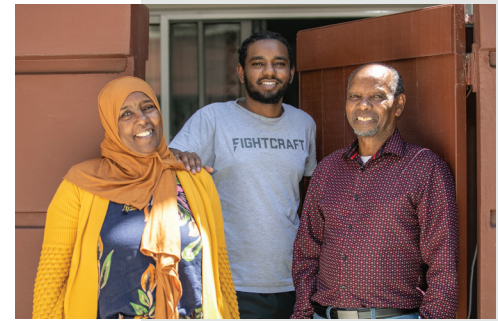
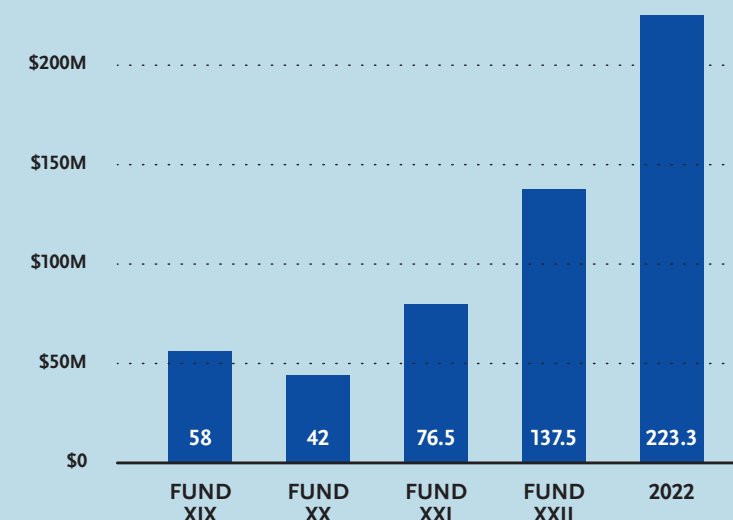
CURRENT LIABILITIES

LOC for Equity Advances	\$0	\$9,680,000
Other	\$3,950,000	\$650,000
Total Liabilities	\$3,950,000	\$10,340,000
Net Assets	\$27,800,000	\$22,650,000

STATEMENT OF ACTIVITIES

	2022	2021
Total Revenue	\$10,550,000	\$8,690,000
Total Expenses	\$5,400,000	\$3,490,000
Change in Net Assets	\$5,150,000	\$5,200,000

FUND SIZES





For more than 30 years we have been your trusted partner, investing more than \$1.2 billion creating over 11,000 affordable homes across California. We are dedicated to working with mission-aligned developers and funders to make the most challenging affordable housing projects possible because we believe everyone should have a home in a community where they can thrive. We do this by offering terms that meet project needs today and foster preservation of affordability for tomorrow.

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