



# **GOVERNANCE AND MANAGEMENT**

## **REPORT**

**FISCAL YEAR 2020**

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## Overview

**Front Porch Communities and Services (“Front Porch”)** is a California non-profit public benefit corporation that provides housing and services to residents of its senior living and active adult communities and that supports development and management of affordable housing for seniors, families, and persons with disabilities. The Front Porch mission of *Meeting Needs Through Excellence In Human Serving* is currently carried out by more than 2,200 full and part-time employees serving over 5,000 residents of multi-level senior living, active adult, and affordable housing communities.

Front Porch is a tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code and analogous provisions of the California Revenue and Taxation Code.

Front Porch, directly or through its subsidiaries, operates ten multi-level senior living communities in California and two active adult communities – one in Louisiana (England Oaks) and another in Florida (Cecil Pines). Front Porch also has two nonprofit subsidiaries - CARING Housing Ministries (“CHM”) and Sunny View Lutheran Home (“SVLH”). A chart reflecting Front Porch and its related organizations is included in this Report as Appendix A. A list of the senior living and active adult communities operated by Front Porch and the affordable housing communities managed by CHM is included as Appendix D.

Front Porch seeks to provide residents the opportunity to live an engaged life, to pursue their passions and find joy, meaning and purpose in community with others and is dedicated to providing quality, accessible, and affordable human services to individuals in the markets it serves. Front Porch offers the advantages of economies of scale while maintaining the individual identities, constituencies, and heritages of its individual senior living communities. Front Porch continues to cultivate partnerships, joint ventures, and affiliations to develop unique communities, capacities, and services that meet the changing needs of its residents. This goal is supported by the strategic vision of Humanly Possible®--- a commitment to disruptive innovation, collaboration, and partnership in the pursuit of creatively meeting needs.

### History

Front Porch was incorporated in 1995 as The Internext Group. Its Articles of Incorporation were amended in August of 1998 in preparation for the March 1999 consolidation of the operations and certain assets of California Lutheran Homes *and Community Services*, FACT Retirement Services and Pacific Homes into The Internext Group.

The Internext Group changed its name to Front Porch Communities and Services in 2002.

In 2006, Front Porch acquired the Sunny View Retirement Community, a continuing care retirement community, and the affordable housing community known as Sunny View Lutheran Home – West (“Sunny View West”) from SVLH. The property and operations of the Sunny View Retirement Community were consolidated into Front Porch while Sunny View West remained with SVLH which, in turn, became a subsidiary of Front Porch.

### Affordable Housing

Front Porch is the sole member of its not-for-profit subsidiary CHM. CHM manages 26 affordable housing communities serving approximately 2,500 individuals residing in about 1,700 affordable housing units. CHM has a staff of 13 working in its home office in El Monte, California. Corporate staffing includes personnel in the areas of accounting/finance, operations, training, administration, property supervision, program services, maintenance services, and risk management. Front Porch is also the sole member of its not-for-profit

subsidiary SVLH. SVLH owns the 100-unit HUD-subsidized Sunny View West which is located in Cupertino, California and managed by CHM. Front Porch provides administrative services to SVLH which has no employees.

*Related Organization.* A separate not-for-profit corporation, Brookmore Apartment Corporation (“Brookmore”) is the managing general partner of certain affordable housing communities developed and/or rehabilitated with tax-credit financing. Front Porch has provided seed capital funding, in the form of interest-bearing unsecured loans, for the acquisition and/or rehabilitation of affordable housing communities by Brookmore-affiliated entities. These loans are made from a revolving \$1 Million Fund established by the Front Porch Board for the preservation and redevelopment of affordable housing communities. To date, \$1.6 Million has been loaned from the Fund to three Brookmore-affiliated entities to provide seed capital funding for affordable housing preservation and redevelopment projects, all of which has been repaid with interest. This unique and innovative collaboration, which also provides CHM the opportunity to manage and jointly redevelop these communities with Brookmore, is expected to enable Front Porch to continue, through Brookmore, its mission with CHM of developing and preserving affordable housing. CHM currently manages all seven Brookmore affordable housing communities.

### **Philanthropic Partners**

Front Porch supports, and its communities are, in turn, supported by, four philanthropic partner organizations: California Lutheran Homes and Community Service, the FACT Foundation, the Pacific Homes Foundation and Sunny View Lutheran Communities and Services. Each of these philanthropic partners is staffed by Front Porch’s Organizational Advancement Group. While these organizations are governed by independent Boards, each has a history of ongoing financial support of their respective historical missions now carried out in whole or in part at their legacy communities within Front Porch. Donations to Front Porch’s philanthropic partners include estate, planned, and cash gifts. Certain assets of each organization, based on accounting rules related to designations and restrictions, are recorded in Front Porch’s annual audit.

## **Subsequent Events**

### **Initial Response to COVID-19**

As this Fiscal Year was coming to a close, the COVID-19 virus was beginning its spread across California and the rest of the World. In response to this threat, Front Porch took aggressive action to protect its Residents and employees. An internal team was mobilized to screen and coordinate input from multiple regulatory agencies, industry organizations and peers and to monitor and implement the frequently-changing federal, state and local mandates. Protocols, including testing and screening, based on federal, state and local guidelines were instituted at Front Porch and CHM Communities. Supplies of personal protective equipment were stockpiled. Among other things, group activities (including dining), visitation and access by vendors and contractors were restricted at all locations. Meetings, gatherings, events, celebrations and conferences were cancelled at all locations. Nevertheless, all Communities remained fully-staffed and dedicated to supporting Residents, including helping Residents stay in touch with family and friends via Skype, Face Time, IN2L, etc. At the Home Office, essential functions remained operational on-site with rotating staff. And, recognizing that the Pandemic and the ensuing financial crises caused considerable uncertainty and anxiety particularly among the Residents, Front Porch postponed the effective date of the Board-approved rate increases for Residential Living and private-pay Care Center Residents for Fiscal Year 2021 from April 1 to July 1, 2020. In addition, Front Porch provided all employees, other than senior management personnel, with Gift Cards in appreciation of the extraordinary care and services provided to Residents during the initial phase of the Pandemic.

## **Proposed Affiliation**

On June 1, 2020 The Boards of Directors of Front Porch and Covia voted to affiliate. Pursuant to the Affiliation Agreement executed that same day, upon the closing of the transaction (anticipated to be April 1, 2021) Front Porch will become the sole member of the four Covia entities (Covia Group, Covia Communities, Covia Affordable Housing and Covia Foundation) which will, as a result, become subsidiaries of Front Porch. This Affiliation will create one of the Nation's top not-for-profit organizations providing senior living, affordable housing and community services for more than 10,000 people. The Affiliation will ensure long-term stability, achieve economic benefits, manage costs and scale and access resources across 54 Communities. The combined organization will be managed by a single team headed by Front Porch CEO John Woodward, with Covia CEO Kevin Gerber announcing his intention to retire at the closing of the Affiliation. The transaction is subject to regulatory approval by the California Department of Social Services and the California Attorney General. Their review is underway. A public hearing on the Affiliation was held by the Attorney General on September 17, 2020. Front Porch and Covia continue their Due Diligence in anticipation of the April closing. The Executive Committees of both Boards meet frequently and the Companies' management teams meet weekly to address matters related to integration of the two companies

## **Recent Capital Financings**

### **2014 and 2015 Refinancing with HUD-Insured Debt**

During FY 2014 and FY 2015, Front Porch refinanced that portion of its existing debt allocable to four of its senior living communities--- Casa de Manana, Claremont Manor, Fredericka Manor and Kingsley Manor---at favorable interest rates through secured loans guaranteed under a U.S Department of Housing and Urban Development ["HUD"] program. Five separate limited liability companies were established to satisfy the HUD program requirements - one for each of the communities whose allocable portion of Front Porch debt was refinanced and one to serve as an operating company for those four communities. [See Appendix A].

### **Series 2017A Bond Financing**

Front Porch sold \$100,040,000 of bonds on August 2, 2017. The proceeds of the bond sale have been used to refund/refinance existing indebtedness and fund \$5 million of capital projects. By restructuring existing debt, Front Porch was able to reduce its debt service requirements; reduce variable interest rate exposure; level out future debt service; maintain cash reserves; and lower its total existing debt. The HUD-insured debt described above was not affected by this 2017A Financing.

### **Series 2017B Bank Financing**

In September 2017 Front Porch also completed a \$21.5 million loan with BBVA Compass to fund completion of the redevelopment of its Wesley Palms senior living community in San Diego. Proceeds of the Series 2017B Bank Financing together with the proceeds of Front Porch's \$72 million Series 2015 Bank Financing funded the redevelopment of Wesley Palms and are structured with a variable interest rate. This project was substantially completed on February 24, 2020.

### **Credit Ratings**

Front Porch is currently rated "A" by Fitch Ratings and "A-" by Standard & Poor's.

## **Certain Front Porch Initiatives and Programs**

### **Front Porch Center for Innovation and Wellbeing**

The Front Porch Center for Innovation and Wellbeing (“CIW”) collaborates with a variety of partners to explore innovative uses of technology to empower individuals to live well, especially in their later years. Core initiatives focus on how technology can: enhance social connectedness of residents; promote resident engagement and growth; empower residents with more control over their health and wellness; reduce the possibility of emergencies or serious events involving residents; and increase resources and support for formal and informal caregivers at communities. The CIW integrates residents, staff, research partners and technology companies to identify potential opportunities, test them out, find the ones that work and then rapidly deploy these solutions.

### **Humanly Possible®**

Humanly Possible® is a program for encouraging innovation and greater collaboration among all levels of the Front Porch organization. Front Porch is investing system-wide in its team members and business processes through educational programs, executive training, and peer-to-peer training focused around innovation. Team members are encouraged to initiate changes to improve the lives of those Front Porch currently serves and to create new and improved services for the future. Humanly Possible® also supports external collaboration with other entities and individuals, including the formation of innovative partnerships with other non-profit organizations, for-profit companies, and academia to advance and develop new approaches, methodologies and technology applications for delivering services to the senior population.

## **Organizational Accountability**

The Senior Vice President of the Organizational Accountability Group (“OAG”) serves as Front Porch’s Chief Compliance Officer and reports directly to the CEO, with direct access to the Board of Director’s Audit Committee relative to statutory and regulatory compliance matters. The OAG is responsible for monitoring Front Porch’s service and social responsibilities including the assessment of quality of all services, compliance with applicable statutes and regulations, and assessment of resident and employee satisfaction. Each year an annual accountability report is issued detailing the results of Front Porch’s fulfillment of its social and service responsibilities. The OAG’s 2020 Impact Report is available on the Front Porch website.

As a leader in not-for-profit retirement living, Front Porch offers its residents the opportunity to live an engaged life, to pursue their passions and to find joy, meaning, and purpose in community with others. With engagement as a key goal, Front Porch, through the OAG, has initiated a new and collaborative review process – “ENGAGE” - to evaluate the extent to which Front Porch is achieving its goal.

Using a thorough on-site review process, Front Porch’s ENGAGE Team conducts periodic assessments of resident and staff engagement at Front Porch communities and corporate offices and, importantly, provides guidelines and recommendations for improving “engagement” at all levels of the organization. The ENGAGE assessment considers a combination of indicators including resident and employee surveys, management interviews, and focus group discussions with residents and employees. ENGAGE assessment results are periodically reported to Front Porch’s constituents including residents, family members, employees, the Board of Directors, and the outside community.

## Governance

### Board of Directors

The Board of Directors is composed of a minimum of 9 persons and a maximum of 13 persons. The current Board consists of 12 Directors with one vacancy [Appendix B]. Pursuant to statute, one of the Directors is a resident of one of Front Porch's continuing care communities. Directors are nominated by the Executive Committee and elected by the full Board. The Resident-Director is nominated from among candidates proposed by residents of Front Porch's continuing care communities. Generally, no member of the Board may serve more than two successive three-year terms. An exception is addressed in the Bylaws when a Director begins service during an unexpired term. There are currently three Residents serving on the Board as Directors, including the statutorily-required Resident-Director.

Front Porch seeks Board members based upon diversity of competency, experience, ethnicity, cultural background, differing ability and gender. The Board seeks members who are:

- Willing and capable of understanding the needs of diverse populations and evaluating programs and strategic directions in relation to services and environments which meet those needs.
- Willing to listen attentively, as well as speak directly and candidly.
- Capable of maintaining the highest levels of confidentiality.
- See their role as one of helping to interpret the partnership and decision-making which occurs from the common interests of Residents (and other consumers), Governance, and Management.
- Committed to the highest standards of service quality.
- Willingly adhere to the company's "Duty of Care/Conflict of Interest" policy.
- Embrace the core values of the company and make decisions in the light of those values.
- Commit to preparation for and regular attendance at meetings of the Board and assigned committees.
- Attend to the three obligations of not-for-profit organizations:
  - Fiduciary Responsibility
  - Social Accountability
  - Quality Service Delivery

The Board of Directors currently has three standing Committees: (a) Executive Committee, (b) Audit Committee and (c) Business Development and Assessment Committee. Only Board members may serve on Board Committees, except the Chief Executive Officer serves *ex officio* on the Executive Committee. During Fiscal Year 2020, the Board met four (4) times and the Executive Committee met four (4) times.

- *Executive Committee.* This Committee currently consists of the Board Chair and four additional Directors, one of whom, by tradition, is the Vice Chair or Chair-elect. At its October 22, 2019 meeting the Board increased the number of Directors serving on the Committee from three (3) to five (5) and designated the Chairs of the Audit and Business Development and Assessment Committees to also serve on this Committee. In addition to having the authority of the Board to take all necessary and appropriate action between regular or special meetings of the Board (except as otherwise provided by statute and the Front Porch Bylaws), the Committee's primary responsibilities include providing recommendations to the full Board on matters such as (1) the election of new Directors and the Chair and Vice Chair of the Board, (2) compensation of Directors, (3) establishing Board Committees and Committee membership, and (4) the resident representation structure. Consistent with Front Porch Bylaws, the Executive Committee is responsible for oversight of the Chief Executive Officer including

review of compensation and performance. The Committee also reviews and approves the compensation of the Chief Financial Officer.

- *Audit Committee.* This Committee currently consists of five Directors. The primary responsibilities of the Committee are to review and recommend to the Board (1) approval of the appointment of the independent auditing firm and (2) approval of the annual audit. Once the independent auditing firm has been selected by the Board, the Audit Committee engages the auditing firm and establishes the scope of work and fee consistent with the Audit Committee charter. The Committee also oversees Front Porch's risk management program and compliance function. An annual report is submitted to the full Board summarizing the work of the Audit Committee and highlighting any unusual issues brought to its attention.
- *Business Development and Assessment Committee.* This Committee currently consists of five Directors. Its primary responsibilities include oversight of (1) capital and asset utilization and planning, (2) new business development projects, and (3) investment management.

Members of the Board are kept informed of Front Porch's business through Board and Committee meetings and discussions with the CEO and other officers. The Board is routinely provided interim financial and operating reports and conducts independent discussions with Front Porch's auditors as part of their annual review.

The CEO, the President, the Chief Financial Officer, the Chief Innovation and Technology Officer, the CHM President and the Secretary/General Counsel attend Board meetings. Other management staff attend Board meetings on an as-needed basis. Executive Sessions may be held, with or without management present, at each meeting of the Board, the Executive Committee, the Audit Committee, and the Business Development and Assessment Committee.

The Board is organized into three classes of Directors: Class A consists of three Director positions; Class B consists of five Director positions; and Class C consists of four Director positions. Generally, the Director positions of each class have three-year terms (which may be renewed for a second three-year term) that expire at the end of a calendar year on a staggered basis. The Executive Committee addresses vacancies by reviewing candidates and making recommendations to the Board. Directors are elected by a vote of the entire Board.

The terms of the Directors in the four Class C Board positions expired on December 31, 2019. One Director was ineligible for re-election to another three-year term and that position is currently vacant. The three other Class C Directors were re-elected to second three-year terms expiring December 31, 2022.

In 2018 the Board undertook to review and update the Corporation's governing documents. Amended and Restated Articles of Incorporation and Amended and Restated Bylaws were adopted by the Board at its January 2019 meeting.

#### **Director Duty of Care and Conflict of Interest Statements**

Each Director signs an annual *Duty of Care and Conflict of Interest Statement* that is on file at the Front Porch offices.

#### **Director Compensation**

Directors receive reasonable remuneration in the form of annual retainers and in-person Board meeting attendance fees. In addition, all out-of-pocket expenses to attend Board and Committee meetings and/or to conduct the business of the Board of Directors are reimbursed. At its January 21, 2020 meeting, the Board of

Directors revisited, and approved, the current Board Fee structure which has been in effect since at least 2016. The Board acted upon the recommendation of its Executive Committee which had engaged Mercer to provide a Director Compensation analysis to assess the reasonableness of the Fees paid to Directors.

### **Resident Representation to the Board**

A Resident Representative to the Board is elected annually by his/her peer residents from each California community owned by Front Porch. Resident Representatives attend, but do not vote at, regular meetings of the Board of Directors in compliance with applicable statutes. Resident Representatives also do not sit on Board Committees. Resident Representatives to the Board are in addition to the voting Resident-Director elected to the Board from among candidates proposed by residents of Front Porch's continuing care communities as well as the other two residents who were previously elected to the Board.

The Resident Representatives are responsible for assessing, representing, and voicing the resident perspective to each other, to the Board of Directors and to Front Porch senior management. Resident Representatives also are charged with the responsibility of conveying and representing actions of the Board of Directors in a fair manner to the residents of the community from which they have been elected. Additionally, Resident Representatives attend the President's Forums that occur before each Board meeting.

Each elected Resident Representative also signs an annual *Duty of Care and Conflict of Interest Statement*.

## **Management**

### **Leadership**

The Chief Executive Officer has oversight of the whole of Front Porch including governance and Board management, strategic facilitation, development and implementation, new business development, regulatory compliance, management oversight of all affiliates/subsidiaries, and relationships with the philanthropic partner organizations. The Board considers leadership continuity, capacity, and depth as critical success factors for Front Porch.

Management services and capacities are detailed in Appendix C.

### **Compensation Program**

The goal of the compensation program for all of Front Porch is to help ensure the ability to attract, motivate and retain the highly talented individuals that Front Porch needs to be an industry leader in a competitive environment. The program is developed and updated with independent compensation consultants to support Front Porch's commitment to preserving and expanding not-for-profit human services and to effectively pursue its mission and achieve its business and growth strategies.

Aspects of the program include the following principles:

- Compensation related to performance;
- Incentive compensation as a significant part of senior management total compensation to achieve the aggressive goals of the organization;
- Retention compensation when determined necessary for the betterment of the organization as a whole and to assure continuity and certain skill sets; and
- Compensation practices that balance short and long-term objectives by rewarding individual, team, and corporate performance.

*Executive Pay, Benefits, and Perquisites Strategy.* Front Porch recognizes the critical importance of an approach to compensation that remains competitive, flexible, and innovative---while meeting appropriate legal guidelines---to ensure the ability to motivate and retain the highest quality executives. To remain competitive, it is critical to achieve and maintain the ability through compensation practices to attract and retain top management talent from both the not-for-profit and for-profit sectors.

General targets for market positioning for recruitment and retention of senior management are as follows:

- **Base Salaries:** *50<sup>th</sup> percentile;*
- **Benefits and perquisites:** *50<sup>th</sup> percentile;*
- **Maximum total pay, benefits, and perquisites:** *75<sup>th</sup> percentile;* and
- **Maximum Total Cash Compensation** (base salary + maximum at-risk compensation when extraordinary performance is achieved): *75<sup>th</sup> percentile.*

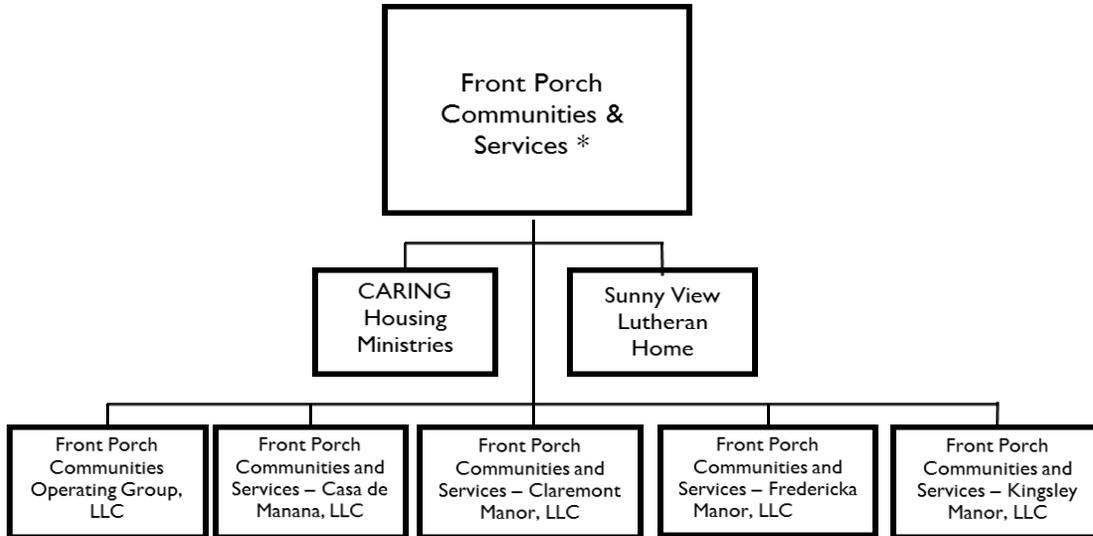
The Board's Executive Committee also engaged Mercer to prepare an Executive Remuneration Study analyzing Front Porch executive compensation. The Study was delivered and presented by Mercer to the Committee which acknowledged and accepted the Study.

At-risk compensation may be reduced or eliminated if performance does not meet expectations approved by the Board.

**Administration.** In accordance with governing documents, the approach to compensation for senior management is under the jurisdiction of the Executive Committee of the Board of Directors. The Directors serving on the Executive Committee set overall compensation principles and policy and review the entire compensation program regularly, with independent comparative review approximately every two to three years, and, at the Committee's discretion, with major changes recommended to and approved by the full Board. The Committee regularly engages outside, independent consultants in setting, and determining whether, the amounts and types of compensation Front Porch pays its senior management are competitive, appropriate, and consistent with legal guidelines governing compensation of senior executives in non-profit corporations.

## APPENDIX A

### The Corporation and its Related Organizations



\* Member of Obligated Group

**APPENDIX B**

**Front Porch Board of Directors**

**March 31, 2020**

<b>Lannie Tonnu</b>	<i>Class A – 12/31/20* Position #1 First elected to a term beginning 01-01-18</i>	<b>Robert Carlson</b>	<i>Class B – 12/31/21* Position #7 First elected to a term beginning 01-01-19</i>
<b>Kevin Kroeker</b>	<i>Class A – 12/31/20* Position #2 First elected to a term beginning 01-01-18</i>	<b>Kay Murphy</b>	<i>Class B – 12/31/21* Position #12 First elected to a term beginning 01-01-19</i>
<b>Susan Whittaker</b>	<i>Class A – 12/31/20* Position #3 First elected to a term Beginning 01-01-18</i>	<b>Vacant</b>	<i>Class C Position #8</i>
<b>Jimmie Kennedy</b>	<i>Class B - 12/31/21* Position #4 First elected 07-25-17 to fill a vacancy in this position for an unexpired term concluding 12/31/18</i>	<b>Marion McGovern</b>	<i>Class C – 12/31/22* Position #9 First elected to a term beginning 01-01-17</i>
<b>Laura Jacobs</b>	<i>Class B – 12/31/21* Position #5 First elected to a term beginning 01-01-19</i>	<b>Deborah Proctor</b>	<i>Class C - 12/31/22* Position #10 First elected to a term beginning 01-01-17</i>
<b>Kyle Murphy</b>	<i>Class B – 12/31/21* Position #6 First elected to a term beginning 01-01-19</i>	<b>Oliver Wesson Jr.</b>	<i>Class C – 12/31/22* Position #11 First elected to a term beginning 01-01-17</i>

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\*Date that current term expires.

## Biographies

### Class A Directors: Terms Expiring on December 31, 2020

#### ***Lannie Tonnu***

Ms. Tonnu brings more than 30 years of experience as a Chief Financial Officer in the health care industry to the Front Porch Board of Directors. She currently serves as Chief Financial Officer for the Orthopaedic Institute for Children in Los Angeles. Previously, Ms. Tonnu was for over 25 years the Chief Financial Officer for Children's Hospital Los Angeles. Prior to CHLA, she held progressive positions for twelve years in the Audit Department of Ernst & Young, including Audit Senior Manager, where she worked with numerous health care clients. Ms. Tonnu is a Certified Public Accountant and a Chartered Public Management Accountant. She has an MBA with an emphasis in Information Technology from California State University, Los Angeles.

#### ***Kevin Kroeker***

Mr. Kroeker is a partner in the Los Angeles office of the international law firm Crowell & Moring and co-chairs the firm's Health Care Group. He represents health care organizations on a wide range of state and federal regulatory matters and health care transactions. Mr. Kroeker has more than 25 years of experience representing managed care plans and insurers, Medicare Advantage Organizations, Medicaid Managed Care Plans, medical groups, and community clinics, among others. He counsels health plans and providers concerning compliance with federal and state health care laws and regulations and represents health care entities in connection with enforcement actions and internal investigations related to compliance matters. He also counsels non-profit organizations on governance and compliance matters. Mr. Kroeker received his J.D. degree from the University of California, Davis School of Law and his B.A. degree from the University of Oklahoma.

#### ***Susan Whittaker***

Ms. Whittaker returned to the Board in January 2018 after a two-year hiatus. She had previously served two terms as a Director from January 2010 through December 2015, including serving as Chair of the Board of Directors from 2012 to 2013. Ms. Whittaker has more than 40 years of experience as a health care administrator and lawyer. She has previously served as Chief Administrator Officer, Governance Counsel and General Counsel of St. Joseph Health System in Orange, California and General Counsel to St. Joseph Health Ministry. She recently retired (May 2020) from her position as Vice-President of Sponsorship for Providence St. Joseph Health, the combination of Providence Health & Services and St. Joseph Health System. Ms Whittaker holds degrees in Nursing, Health Care Administration, Law, and Theology.

## **Class B Directors: Terms Expiring on December 31, 2021**

### ***Jimmie Kennedy (Resident-Director)***

Jimmie Kennedy is the retired Chief of the Anaheim, California Police Department where he served for 30 years. Chief Kennedy also taught criminal justice classes at Fullerton College for 36 years, the last four of which he also chaired the College's Administration of Justice Department. A United States Navy veteran, Chief Kennedy holds A.A., B.A. and M.A. degrees in Police Science, Public Service Management, and Management. He is also a graduate of the FBI National Academy, the FBI National Executive Institute, and the University of California, Irvine Executive Management Program. Chief Kennedy is a resident of the Company's Walnut Village community in Anaheim and a former President of its Resident Association and Resident Representative to the Board.

### ***Laura Jacobs***

Ms. Jacobs has been a leader in driving changes to improve healthcare delivery for over 35 years. She most recently served as Managing Principal at GE Healthcare's consulting division. She is a noted speaker, author, and industry resource on the impact of current trends on health care delivery and critical strategies for success. Prior to joining GE Healthcare Partners, Ms. Jacobs held management positions at St. Vincent Medical Center and Orthopaedic Hospital in Los Angeles and Presbyterian Intercommunity Hospital in Whittier, California. Ms. Jacobs holds a Bachelor of Arts (A.B.) in Human Biology, Public Policy from Stanford University and a Master of Public Health (M.P.H.), Corporate Management, from the University of California, Berkeley.

### ***Kyle Ann Murphy***

Ms. Murphy is the Executive Director Medi-Cal Strategy and State Programs, Southern California, at Kaiser Permanente. Prior to joining Kaiser, she was Associate Vice President of Molina Healthcare responsible for leading large, complex enterprise projects including implementation of the new state Medicaid contract. Ms. Murphy has extensive managerial and consulting experience with the development of strategies and goals for both payor and provider organizations including Anthem, Kaiser, Martin Luther King, Jr. Community Hospital and Blue Shield of California. She began her health care career as an Emergency Department Charge Nurse. Ms. Murphy holds B.S. (Nursing) and B.A. (Anthropology) degrees from Indiana University, Bloomington and M.B.A. (Management and Operations) and M.P.H. (Healthcare Administration) degrees from UCLA's Anderson School of Management and UCLA's School of Public Health.

### ***Robert Carlson***

Mr. Carlson is a retired partner of the international law firm Paul Hastings. Prior to his retirement, he was in active practice as a lawyer in Los Angeles for 50 years, specializing in corporate and securities law and Board governance. He chaired the Paul Hastings Corporate and Business Department. In the course of his practice, Mr. Carlson provided legal advice to Boards of public companies on a wide range of matters and acted as both general and special counsel to the independent Directors of a number of mutual fund groups. He also served as a Board member for nonprofits focused on national land conservation and homelessness. Mr. Carlson holds degrees from the University of Oregon (B.S.), UC Hastings School of Law (J.D.) and Harvard Law School (LL.M.). Mr. Carlson is a resident of the Company's Villa Gardens community in Pasadena where he serves as the Chair of the Senior Advocates Committee.

### ***Kay Murphy***

Ms. Murphy was a leader in the development of public relations and communications programs for hospitals creating the Public Relations Program for Columbus/Cuneo/Cabrini Medical Centers in Chicago in 1968. After relocating to southern California in 1971 Ms. Murphy created the Public Relations Program for Northridge Hospital Medical Center and served as its Director. She thereafter was the Communications Director for the Hospital Council of Southern California and the Director of Public Affairs for Huntington Hospital in Pasadena until she formed her own consulting firm to assist nonprofit organizations with their public and media relations. Now retired, Ms. Murphy is a resident of the Company's Claremont Manor community and a former President of its Resident Association and a Resident Representative to the Board of Directors. She holds a Bachelor of Arts degree from St. Catherine University.

### **Class C Directors: Terms Expiring December 31, 2022**

#### ***Marion McGovern***

Ms. McGovern is an entrepreneur and business strategist. She co-founded M Squared Consulting, one of the first niche-consulting firms that matched independent consultants to client needs. Following the sale of the company to a South African conglomerate, she chaired the Board for its US subsidiary negotiating disparate operating approaches. Ms. McGovern has also served as an adjunct professor at the University of San Francisco's School of Management. She currently serves as a Director for CPP Inc., the publisher of the Myers-Briggs Type Indicator and as Board Chair of ReSurge International, the first international humanitarian agency to provide free plastic surgery to the poor in developing countries. She received a BSBA degree from Boston University School of Management in International Economics and an MBA from the University of California, Berkeley in International Finance.

#### ***Deborah A. Proctor***

Ms. Proctor recently retired as the President and Chief Executive Officer of Irvine-based St. Joseph Health, a \$6 billion not-for-profit health system consisting of 16 hospitals, physician organizations, home health agencies, hospice care, outpatient services, skilled nursing facilities, and community outreach services. As the President and CEO, she ushered in a new direction to transform St. Joseph Health into a unified health delivery system. Before leaving for retirement, Ms. Proctor led the St. Joseph Health Board through a decision to merge with Providence Health and Services, resulting in the third largest health system in the country. Ms. Proctor's career in healthcare included both direct patient care and healthcare education as well as administration. She received her Bachelor's degree in Nursing from the University of California, Los Angeles and her Master's degree in Nursing from California State University, Los Angeles.

#### ***Oliver Wesson Jr.***

Mr. Wesson is currently a senior vice president in Bank of America's California Healthcare and Institution Group. As a senior client manager, he is responsible for managing the relationships of several multi-billion dollar healthcare clients. Mr. Wesson's financial experience includes over twenty years at J.P. Morgan & Co. in New York and San Francisco. As President and Chief Operating Officer for the J.P. Morgan Community Development Corporation, he identified and structured financing for affordable housing and other community development projects. He subsequently joined The Retail Initiative Inc., also based in New York, providing equity capital for the development of supermarket anchored inner city neighborhood shopping centers. Mr. Wesson is a United States Navy veteran and holds a B.A. degree in Economics and an MBA in Finance from Stanford University.

## APPENDIX C

### Front Porch Management Services

<u>Service</u>	<u>Senior Management</u>
• Executive	John Woodward, Chief Executive Officer
• Operations	Roberta Jacobsen, President*
• Financial	Eduardo Salvador, Chief Financial Officer
• Innovation/Technology	Kari Olson, Chief Innovation and Technology Officer; President, Center for Innovation and Wellbeing
• Affordable Housing	Soraya Diaz, President, CARING Housing Ministries
• Organizational Accountability	Sally Plank, Senior Vice President
• Human Resources	Desiree Burton, Senior Vice President
• Sales and Marketing	Justin Weber, Senior Vice President**
• Legal	Joseph Butler, General Counsel and Secretary

\*Roberta Jacobsen retired from this position in August 2020. Jeff Sianko, Divisional Vice President, assumed Ms. Jacobsen's responsibilities.

\*\* Joan Woodworth retired from this position in March 2020. Justin Weber, previously Executive Director at Casa de Manana, assumed Ms. Woodworth's responsibilities.

## APPENDIX D

### Front Porch and CARING Housing Ministries Communities

#### Front Porch Senior Living and Active Adult Communities

##### **Carlsbad By The Sea**

2855 Carlsbad Boulevard Carlsbad, CA 92008

[WWW.CARLSBADBYTHESEA.ORG](http://WWW.CARLSBADBYTHESEA.ORG)

Executive Director: Joan Johnson

**Carlsbad By The Sea** is a continuing care retirement community situated on 3.8 acres adjacent to the Pacific Ocean in the village of Carlsbad. Facilities and offerings to residents include:

- 224 licensed residential living accommodations;
- 33 bed MediCare-certified skilled nursing and rehabilitative care center;
- Truly Yours assisted living and personal care services available;
- Entrance fee options range from non-refundable to 90% repayable contracts;
- Supported philanthropically by California Lutheran Homes.
- CA RCFE License 374600799 COA 194
- CA DHS License 080000116

##### **Casa de Mañana**

849 Coast Boulevard La Jolla, CA 92037

[WWW.CASADEMANANA.ORG](http://WWW.CASADEMANANA.ORG)

Executive Director: Rob Johnston

**Casa de Manana** is a licensed residential care facility situated on approximately five acres overlooking the ocean near the village of La Jolla. Facilities and offerings to residents include:

- 190 licensed residential living accommodations;
- Truly Yours assisted living and personal care services;
- All residences are available on a month-to-month fee basis with no entrance fees;
- Supported philanthropically by Pacific Homes Foundation.
- CA RCFE License 374603439

##### **Cecil Pines**

6008 Lake Cove Avenue Jacksonville, FL 32221

[WWW.CECILPINES.ORG](http://WWW.CECILPINES.ORG)

Executive Director: Chris Purdy

**Cecil Pines** is an active adult senior living community situated on approximately 53 acres on the grounds of the former Cecil Naval Air Field just outside of Jacksonville, Florida. Facilities and offerings to residents include:

- 92 single and duplex private residences offering maintenance free living (inside and out);
- Community meeting rooms and gathering areas;
- All residences are available on a month-to-month fee basis with no entrance fees;
- An adjacent public golf course;
- Organized community activities.

**Claremont Manor**

650 Harrison Avenue Claremont, CA 91711

[WWW.CLAREMONTMANOR.ORG](http://WWW.CLAREMONTMANOR.ORG)

Executive Director: Greg Hirst

**Claremont Manor** is a licensed residential care facility situated on approximately 15.2 acres near the village of Claremont. Facilities and offerings to residents include:

- 230 licensed residential living accommodations;
- 17 residences in Summer House® at Claremont Manor;
- 59-bed Medicare-certified skilled nursing and rehabilitation center;
- Truly Yours assisted living and personal care services;
- All residences are available on a month-to-month fee basis with no entrance fees;
- Supported philanthropically by Pacific Homes Foundation.
- CA RCFE License 198601672
- CA DHS License 950000024

**England Oaks**

6956 England Drive Alexandria, LA 71303

[WWW.ENGLANDOAKS.ORG](http://WWW.ENGLANDOAKS.ORG)

Executive Director: Joel Ferrier

**England Oaks** is an active adult senior living community situated on 63 acres on the grounds of the former England Air Force base near Alexandria, Louisiana. Facilities and offerings to residents include:

- 182 single and duplex private residences offering maintenance free living (inside and out);
- A central clubhouse and indoor pool;
- Community meeting rooms and gathering areas;
- All residences are available on a month-to-month fee basis with no entrance fees;
- Organized community activities.

**Fredericka Manor**

183 Third Avenue Chula Vista, CA 91910

[WWW.FREDERICKAMANOR.ORG](http://WWW.FREDERICKAMANOR.ORG)

Executive Director: Craig Sumner

**Fredericka Manor** is a licensed residential care facility situated on 24 acres located near the Third Avenue Downtown Village in Chula Vista, two miles from the ocean and 10 minutes from downtown San Diego. Facilities and offerings to residents include:

- 294 licensed residential living accommodations;
- 22 unit Summer House® memory care neighborhood;
- 114 bed Medicare-certified skilled nursing and rehabilitation center;
- 60-bed specialized Alzheimer's skilled nursing unit;
- Truly Yours assisted living and personal care services;
- All residences are available on a month-to-month fee basis with no entrance fees;
- Supported philanthropically by Pacific Homes Foundation.
- CA RCFE License 374600802
- CA DHS License 090000047

**Kingsley Manor**

1055 North Kingsley Drive Los Angeles, CA 90029

[WWW.KINGSLEYMANOR.ORG](http://WWW.KINGSLEYMANOR.ORG)

Executive Director: Shaun Rushforth (subsequently resigned September 2020)

**Kingsley Manor** is a licensed residential care facility situated on three acres in Hollywood. Facilities and offerings to residents include:

- 299 licensed residential living accommodations;
- 51-bed Medicare-certified skilled nursing and rehabilitative care center;
- Truly Yours assisted living and personal care services;
- All residences are available on a month-to-month fee basis;
- Supported philanthropically by Pacific Homes Foundation.
- CA RCFE License 197608482
- CA DHS License 970000015

**Sunny View**

22445 Cupertino Road Cupertino, CA 95014

[WWW.SUNNY-VIEW.ORG](http://WWW.SUNNY-VIEW.ORG)

Executive Director: Nelson Rodrigues

**Sunny View** is a continuing care retirement community situated on approximately 12 acres near the foothills of Cupertino. Facilities and offerings to residents include:

- 96 licensed residential living accommodations;
- 23 residences in Summer House® at Sunny View memory care neighborhood;
- 48-bed Medicare-certified skilled nursing and rehabilitation center;
- Truly Yours assisted living and personal care services available;
- Residences are available on a month-to-month fee basis;
- Entrance fee option is an amortized contract with a prorated refund;
- Supported philanthropically by the Sunny View Lutheran Communities and Services.
- CA RCFE License 435201317 COA 214
- CA DHS License 2200000421

**Villa Gardens**

842 East Villa Street Pasadena, CA 91101

[WWW.VILLAGARDENS.ORG](http://WWW.VILLAGARDENS.ORG)

Executive Director: Paula Digerness

**Villa Gardens** is a continuing care retirement community situated on approximately five acres in Pasadena. Facilities and offerings to residents include:

- 195 licensed residential living accommodations;
- 19 residences in Summer House® at Villa Gardens memory care neighborhood;
- 54-bed Medicare-certified skilled nursing and rehabilitative care center;
- Truly Yours assisted living and personal care services;
- Residences are available on a month-to-month fee basis with no entrance fees;
- Entrance fee options include amortized and repayable contracts;
- State-of-the-art fitness and aquatic center;
- Supported philanthropically by the FACT Foundation.
- CA RCFE License 197602345 COA 195
- CA DHS License 950000068

### **Vista del Monte**

3775 Modoc Road Santa Barbara, CA 93105

[WWW.VISTADELMONTE.ORG](http://WWW.VISTADELMONTE.ORG)

Executive Director: Douglas Tucker

**Vista del Monte** is a continuing care retirement community situated on approximately 9.8 acres in Santa Barbara's Hidden Valley. Facilities and offerings to residents include:

- 171 licensed residential living accommodations;
- 24 residences in Summer House® at Vista del Monte;
- Truly Yours assisted living and personal care services;
- Residences are available on a month-to-month fee basis with no entrance fees;
- Entrance fee options range from amortized to 90% repayable contracts;
- The Vista del Monte Fitness and Aquatics Center is a resource for residents and the Santa Barbara community;
- Supported philanthropically by the FACT Foundation.
- CA RCFE License 425800464 COA 196

### **Walnut Village**

891 South Walnut Street Anaheim, CA 92802

[WWW.WALNUTVILLAGE.ORG](http://WWW.WALNUTVILLAGE.ORG)

Executive Director: Nadine Roisman

**Walnut Village** is a continuing care retirement community situated on 8.5 acres in Anaheim. Facilities and offerings to residents include:

- 156 licensed residential living accommodations;
- 28 semi-private residences in Summer House® at Walnut Village;
- Truly Yours assisted living and personal care services;
- Entrance fee options include monthly rentals, amortized and refundable to 90% repayable contracts;
- Indoor fitness and aquatic center with Masters swimming pool, a performing arts center and lifelong learning center;
- Supported philanthropically by California Lutheran Homes.
- CA RCFE License 306000961 COA 197

Front Porch's Board of Directors approved the closure of Walnut Village's 99-bed Medicare-certified skilled nursing and rehabilitation center on February 21, 2020. The Care Center closed in October 2020 following the transfer of all patients to other facilities.

### **Wesley Palms**

2404 Loring Street San Diego, CA 92109

[WWW.WESLEYPALMS.ORG](http://WWW.WESLEYPALMS.ORG)

Executive Director: Ben Geske

**Wesley Palms** is a licensed retirement community situated on 37 acres in Pacific Beach overlooking Mission Bay and the Pacific Ocean. Facilities and offerings to residents include:

- 313 licensed residential living accommodations;
- 22 residences in Summer House® at Wesley Palms, a uniquely designed memory care neighborhood with individual cottages;
- Truly Yours assisted living and personal care services;
- All residences are available on a month-to-month fee basis with no entrance fees;
- Supported philanthropically by Pacific Homes Foundation.
- CA RCFE License 374600800

**Affordable Housing Communities Managed by CARING Housing Ministries**

**Access Village** (physically disabled)

1730 N. Towne Ave. #18  
Claremont, CA 91711-3200  
Administrator: Mark McClure

**Ashtabula Homes** (chronically mentally ill)

386 E. Ashtabula #101  
Pasadena, CA 91104-5347  
Manager: Amelia Banez

**Casa de Canoga** (family)

20727 Vanowen Street - Office  
Canoga Park, CA 91306-3722  
Administrator: Delia Gonzalez

**Emerson Village** (senior)

755 N. Palomares Street - Office  
Pomona, CA. 91767-4736  
Administrator: Mark McClure

**Foster Avenue Apartments** (family)

13630 Foster Avenue, #19  
Baldwin Park, CA 91706-4804  
Manager: Sybonay Gamino

**Garden Villas** (chronically mentally ill)

5530 Klump Avenue - Office  
N. Hollywood, CA 91601-2494  
Manager: Francis Appah-Aikins

**Good Shephard Manor** (senior)

4411 11<sup>th</sup> Avenue - Office  
Los Angeles, CA 90043-5445  
Administrator: Kathiusca Isaac

**Good Shephard Homes** (senior)

510 – 512 Centinela Avenue  
Inglewood, CA 90302  
Manager: Robin Morris

**Grace Village Apartments** (senior)

3869 State Street  
Santa Barbara, CA 93105  
Manager: Lupe Luna

**Harbor Gateway A** (chronically mentally ill)

1418 W. 218<sup>th</sup> Street  
Los Angeles, CA 90501-4124  
Executive Assistant: Deborah Gibson, Home for Life Foundation

**Harbor Gateway B** (chronically mentally ill)  
1435 W. 223<sup>rd</sup> Street  
Los Angeles, CA 90501-4125  
Executive Assistant: Deborah Gibson, Home for Life Foundation

**Harbor Gateway C** (chronically mentally ill)  
21218 Mariposa Avenue  
Torrance, CA 90502-1818  
Executive Assistant: Deborah Gibson, Home for Life Foundation

**La Pintoresca** (senior)  
1275 N. La Pintoresca, #1  
Pasadena, CA 91103-2276  
Manager: Sonia Villalta

**LB Lutheran Towers** (senior)  
2340 E. Fourth Street - Office  
Long Beach, Ca. 90814-1173  
Administrator: Lucinda Spencer

**Palms Court** (chronically mentally ill)  
3819 Motor Avenue, #104  
Culver City, CA 90232-6910  
Manager David Cuezon

**Pilgrim Tower** (senior)  
1207 S. Vermont Avenue  
Los Angeles, CA 90006-2744  
Administrator: Susan Aureus

**Seaview Lutheran Plaza** (senior)  
2800 Pacific View Drive  
Corona del Mar, CA 92625-1138  
Administrator: Rachael Joao

**Sequoia Apartments** (chronically mentally ill)  
14402 Hamlin Street  
Van Nuys, CA 91401  
Manager: Augusto Villanueva

**Simpson Arbor Apartments** (family)  
7507 Simpson Avenue (Office)  
N. Hollywood, CA 91605-3225  
Administrator: Norma Hernandez

**South Bay Retirement Residence** (senior)  
1001 W. Cressey Street (Office)  
Compton, CA 90222-3835  
Administrator: Rosma Dolcey

**St. John's Manor** (senior)  
7215 N. 51<sup>st</sup> Avenue (Office)  
Glendale, AZ 85301-2099  
Manager: Sylvia Pate

**Sunny View West** (senior)  
22449 Cupertino Road (Office)  
Cupertino, CA 95014-1043  
Administrator: Bella Cokic

**Towne Square Apartments** (family)  
11650 Towne Avenue (Office)  
Los Angeles, CA 90061-2957  
Manager: Teresa Frackiewicz

**Van Nuys Apartments** (chronically mentally ill)  
13457 Vanowen Street  
Van Nuys, CA 91405-4385  
Manager: Augusto Villanueva

**Vanowen Apartments** (chronically mentally ill)  
14419 Vanowen Street  
Van Nuys, CA 91405-4059  
Manager: Henry Pelino

**Vista Tower** (senior)  
3000 Leeward Avenue (Office)  
Los Angeles, CA 90005-1463  
Administrator: Yolanda Robles

**Fiscal Year 2020 Governance and Management Report issued by Front Porch Communities and Services**

**October 2020**