



NEWS

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Front Porch Announces Completion of Merger With Covia

Consolidated Organization Known for Innovation and Excellence in Senior Living Includes 51 Communities, 7,500 Residents and 10,000 Other Participants in Programs and Services

(LOS ANGELES, CA) – March 31, 2022 – Front Porch Community and Services Board Chair Deborah Proctor announced today the formal completion of the merger between Front Porch and Covia Communities which began in 2021. The merger, which is effective on April 1, brings together two California nonprofit organizations with long-standing reputations for innovation and sustained excellence in senior living.

Both Front Porch and Covia have operated in California with a limited presence in three other states. The consolidated organization now serves approximately 7,500 residents in 19 senior living and 32 affordable housing communities. Other programs and services connect more than 10,000 participants throughout the country.

“Over the past year we have been working as a unified management team to purposefully combine our two organizations operationally, financially and culturally,” said Front Porch CEO John Woodward. “Both Front Porch and Covia have always been committed to providing our communities with high quality programs, care and services and this merger better positions us to continue to fulfill our mission and responsibly meet the needs of our current and future residents.”

Towards that end, Woodward says that a number of significant financial benefits have been achieved over the past year. In August, Fitch and Standard & Poor’s affirmed Front

Porch's ratings of "A" and "A-", respectively, with both agencies assigning a "stable outlook" to the combined organization's \$305 million public debt refinancing that reduced annual debt service payments by more than \$5 million. Only one other senior living organization in the country has two "A" category ratings.

In January, Front Porch's Board of Directors approved the organization's first unified budget. Along with savings attained from the refinancing, the combined organization benefited from the merger of their insurance programs, alignment of wages and benefits for their 3,000 employees, elimination of duplicative services, and operating as a "rightsized" unified management team. Additional efficiencies going forward are expected from the replacement of business systems and further leveraging the scale of the new organization.

"Among the lessons learned from the COVID-19 pandemic is the importance of having the size and financial wherewithal to respond to unexpected crises," said Woodward. "While Front Porch and Covia were financially strong organizations prior to the pandemic, gaining more scale, resources, and achieving a lower cost of capital all became even more important goals."

In addition to financial benefits, Woodward says that the combined organization is now better positioned to continue its tradition of innovation in the senior living space. [Front Porch's Center for Innovation and Wellbeing](#), for example, has long played a leading role in piloting innovative technology solutions that support the well-being of seniors. It is a signature program of Humanly Possible® which reflects Front Porch's commitment to do everything humanly possible to creatively meet the evolving needs of those it serves.

This commitment is now further expanded through [Covia's Community Services](#) programs that include: "Home Match" which connects people with extra room in their homes with individuals looking for an affordable living option; "Market Day" which makes it easier for older people to eat well by sponsoring pop-up farmers markets that sell fresh produce; "Creative Spark" which fosters new social engagement programs; "Social Call" which creates one-on-one connections by phone; "Well Connected" which in both English and Spanish connects older people throughout the country to share experiences, explore new interests, and learn together; and the Creative Aging Symposium which celebrates how creativity shapes one's sense of self and guides us to more purposeful living.

With the merger now complete, Front Porch is primed to move forward with a number of capital development projects. Among these is the expansion of memory care and the addition of

high acuity assisted living and independent living at its Walnut Village community in Anaheim. Front Porch's recent acquisition of an undeveloped parcel of land near its Carlsbad by the Sea community is planned to be developed for the same purposes. The organization will also be completing the conversion of a portion of the skilled nursing facility at its San Francisco Towers campus to memory care to meet growing demand for that service. Other projects include addressing routine capital upgrades delayed during the pandemic and the evaluation of redevelopment options for the Los Gatos campus closed in 2019.

Proctor credits the success during the first year of the affiliation to the focus and commitment of both management and the Board of Directors. "We will continue to embrace change and emphasize the need for continuous improvement," she says. "As a result of combining our organizations, we are more resilient and better positioned to respond to the changing needs of our existing residents and anticipate the needs of future residents."

About Front Porch

Front Porch is a dynamic not-for-profit organization, dedicated to empowering individuals to live connected and fulfilled lives through community and innovation. In support of this vision, Front Porch provides quality, accessible and affordable human services to approximately 7,500 residents in 19 senior living and 32 affordable housing communities. Other programs and services connect more than 10,000 participants throughout the country. Learn more at frontporch.net

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