

Investor Information Packet

Ascent Housing Partners LLC

Triple Bottom Line Real Estate Investment

Financial Returns • Social Impact • Environmental Responsibility

Executive Summary

Ascent Housing Partners LLC offers real estate investors the opportunity to achieve market-rate returns while solving the affordable senior housing crisis. Through our partnership with Ascent Housing Foundation (501©(3)), we acquire and convert single-family homes into affordable co-living communities for low-income seniors aged 65+.

Our dual-entity model combines the financial discipline of for-profit real estate investment with the social mission of nonprofit affordable housing. Investors benefit from stable cash flow, property appreciation, tax advantages, and the satisfaction of creating measurable social impact.

Investment Highlights:

- **Target Returns:** 8-12% annual cash-on-cash return plus property appreciation
- **Stable Cash Flow:** Long-term leases to nonprofit Foundation with Section 8 voucher backing
- **Lower Risk:** Multiple tenants per property reduces vacancy risk; nonprofit tenant ensures payment reliability
- **Tax Benefits:** Depreciation, interest deductions, and potential Opportunity Zone benefits
- **Social Impact:** Each property serves 4-6 low-income seniors, combating homelessness and loneliness
- **Scalable Model:** Replicable across Northern California and beyond

The Opportunity: Affordable Senior Housing Crisis

Northern California faces a severe affordable housing crisis that disproportionately affects low-income seniors. Market dynamics create both a pressing social need and a compelling investment opportunity.

Market Fundamentals

The senior population in Sacramento County is growing rapidly, with adults aged 65+ projected to increase by 45% between 2020 and 2030. Simultaneously, affordable housing supply is severely constrained, with waiting lists for subsidized senior housing stretching 2-5 years. Low-income seniors receiving Social Security (average 1,800/month) cannot afford market-rate apartments (1,500-2,500/month) or assisted living (4,000-\$6,000/month).

Traditional solutions are inadequate. New construction of affordable senior housing is expensive (300,000–400,000 per unit) and slow, requiring complex financing and regulatory approvals. Existing subsidized housing has insufficient capacity to meet demand. Meanwhile, seniors face impossible choices between rent, food, and medications, with many at risk of homelessness.

The Co-Living Solution

Ascent's co-living model addresses this crisis through efficient use of existing housing stock. By converting single-family homes into shared living communities for 4-6 seniors, we deliver true affordability (975–1,400/month all-inclusive) without requiring expensive new construction. This approach is faster to deploy, more capital-efficient, and creates immediate impact.

For investors, this model offers compelling advantages. Multiple tenants per property dramatically reduces vacancy risk compared to traditional single-family rentals. Section 8 voucher acceptance provides government-backed rent payments. The nonprofit Foundation tenant ensures reliable, long-term occupancy. And the growing demand for affordable senior housing creates a durable market opportunity.

Our Model: Dual-Entity Structure

Ascent operates through a unique dual-entity structure that aligns investor returns with social mission.

Ascent Housing Partners LLC (For-Profit)

The for-profit entity acquires and owns residential properties, converts single-family homes into co-living configurations (4-6 private bedrooms with shared common spaces), leases properties to Ascent Housing Foundation under long-term master leases, and provides market-rate returns to real estate investors. This entity is structured as a Limited Liability Company (LLC) with professional management and transparent reporting.

Ascent Housing Foundation (501©(3) Non-Profit)

The nonprofit Foundation operates affordable co-living homes for low-income seniors aged 65+, collects rent from individual residents (including Section 8 vouchers), pays master lease rent to Ascent Housing Partners LLC, and provides supportive services and community programming. The Foundation's 501©(3) status allows it to accept tax-deductible donations and apply for grants to subsidize operations.

How the Structure Works

Ascent Housing Partners LLC purchases a single-family home and converts it into a co-living configuration with 4-6 private bedrooms. The property is leased to Ascent Housing Foundation under a long-term master lease (typically 5-10 years) at a fixed monthly rate. The Foundation operates the home, recruiting residents, collecting individual rents, and managing daily operations.

Individual residents pay 975–1,400/month in all-inclusive rent, with many using Section 8 vouchers that cover a significant portion. The Foundation's rental income covers the master lease payment to Ascent Housing Partners LLC, operating expenses, and supportive services. Investors in Ascent Housing Partners LLC receive regular distributions from master lease income plus property appreciation upon eventual sale.

This structure provides investors with stable, predictable cash flow from a creditworthy nonprofit tenant, while the Foundation fulfills its mission of providing

affordable housing to vulnerable seniors.

Financial Model and Returns

Ascent Housing Partners LLC targets 8-12% annual cash-on-cash returns plus property appreciation, delivering competitive risk-adjusted returns for real estate investors.

Sample Investment Pro Forma

Property Acquisition:

- Purchase Price: \$450,000 (typical Sacramento single-family home)
- Conversion Costs: \$50,000 (bedroom additions, safety upgrades, furnishings)
- Total Investment: \$500,000
- Investor Equity (75%): \$375,000
- Debt Financing (25%): \$125,000

Annual Revenue:

- Master Lease Rent: $6,000/month \times 12months = 72,000/year$
- Gross Rental Yield: 14.4% on total investment

Annual Expenses:

- Mortgage Payment (4.5% interest, 30-year): \$7,600/year
- Property Tax (1.2%): \$5,400/year
- Insurance: \$1,800/year
- Maintenance Reserve (5% of rent): \$3,600/year
- Property Management (5% of rent): \$3,600/year
- Total Expenses: \$22,000/year

Net Operating Income:

- Gross Rent: \$72,000
- Less Expenses: \$22,000

- Net Operating Income: \$50,000/year

Investor Returns:

- Annual Cash Distribution: \$50,000
- Investor Equity: \$375,000
- Cash-on-Cash Return: 13.3%

Additional Return Drivers:

- Property Appreciation: Assuming 3-4% annual appreciation in Sacramento market
- Mortgage Paydown: Principal reduction increases equity over time
- Tax Benefits: Depreciation and interest deductions reduce taxable income

Total Projected Return: 15-18% annually (cash flow + appreciation + tax benefits)

Risk Mitigation

Our model incorporates multiple risk mitigation strategies. The nonprofit Foundation tenant provides stable, long-term occupancy with creditworthy lease payments. Multiple residents per property (4-6 seniors) dramatically reduces vacancy risk compared to single-family rentals. Section 8 voucher acceptance provides government-backed rent payments for eligible residents. Conservative underwriting assumes 90% occupancy to account for turnover.

Properties are professionally managed with regular inspections and preventive maintenance. We maintain adequate insurance coverage including property, liability, and loss of rent insurance. The Foundation provides resident screening, conflict resolution, and supportive services to ensure community stability.

Investment Structure and Terms

Ascent Housing Partners LLC offers multiple investment structures to accommodate different investor preferences and capital commitments.

Investment Options

Direct Property Ownership:

Investors can purchase individual properties directly and lease them to the Foundation under master lease agreements. This option provides maximum control and direct ownership of real estate assets. Minimum investment typically 375,000–500,000 equity per property.

Fund Investment:

Investors can participate in a pooled fund that acquires multiple properties, providing diversification across locations and property types. This option offers lower minimum investment (50,000–100,000) and professional management of a diversified portfolio.

Preferred Equity:

Investors can provide preferred equity with fixed returns (8-10% annually) and priority in cash flow distributions. This option offers more predictable returns with lower risk exposure.

Terms and Conditions

Investment terms include a minimum hold period of 5-7 years to allow for property stabilization and appreciation, quarterly cash distributions from net operating income, and annual financial reporting with audited statements. Exit options include property sale with proceeds distributed to investors, refinancing to return capital while maintaining cash flow, or transfer of ownership to the Foundation at fair market value.

Investors benefit from professional property management, transparent financial reporting, regular property inspections and maintenance, and dedicated investor relations support.

Social Impact Metrics

Ascent Housing Partners LLC investments create measurable social impact alongside financial returns. Each property serves 4-6 low-income seniors, reducing their housing cost burden from 50-80% of income to 30-40%. This frees up 500–1,000 per month for food, healthcare, and quality of life expenses.

Our model combats social isolation through built-in community, improving mental health and reducing healthcare costs associated with loneliness. We enable aging in place with dignity, allowing seniors to maintain independence while accessing community support. By accepting Section 8 vouchers, we serve the most vulnerable seniors who would otherwise face homelessness or unsafe living conditions.

Impact Per Property (4-6 Residents):

- Annual housing cost savings for residents: 30,000–60,000 collectively
- Seniors prevented from homelessness: 4-6 per property
- Community connections created: 4-6 seniors form supportive relationships
- Healthcare cost reductions: Studies show reduced hospitalizations and emergency room visits for seniors in supportive housing

Portfolio Impact (10 Properties):

- Seniors served: 40-60 low-income adults aged 65+
- Annual housing cost savings: 300,000–600,000 collectively
- Measurable reduction in senior homelessness and housing instability

Investors receive annual impact reports detailing social outcomes alongside financial performance, demonstrating the triple bottom line value of their investment.

Tax Benefits and Incentives

Real estate investment in affordable housing offers significant tax advantages that enhance after-tax returns.

Depreciation

Residential rental property can be depreciated over 27.5 years, providing substantial tax deductions. For a 500,000 *property, annual depreciation of approximately 18,000* reduces taxable income even while generating positive cash flow.

Interest Deductions

Mortgage interest payments are fully deductible, reducing taxable income. For a 125,000 mortgage at 4.55%, 600 provide additional tax savings.

Opportunity Zone Benefits

Properties located in designated Opportunity Zones may qualify for capital gains tax deferral and reduction. Investors can defer capital gains from other investments by reinvesting in Opportunity Zone properties, with potential for permanent exclusion of gains on the Opportunity Zone investment if held for 10+ years.

Low-Income Housing Tax Credits (LIHTC)

While Ascent's current model does not utilize LIHTC, future projects may qualify for these federal tax credits that provide dollar-for-dollar reductions in federal tax liability. LIHTC can enhance returns by 2-4% annually for qualifying projects.

1031 Exchange Eligibility

Properties held by Ascent Housing Partners LLC may qualify for 1031 like-kind exchanges, allowing investors to defer capital gains taxes when selling one property and purchasing another.

Combined Tax Benefits: When factoring depreciation, interest deductions, and potential Opportunity Zone benefits, effective after-tax returns can increase by 3-5 percentage points compared to pre-tax returns.

Market Analysis: Northern California

Northern California offers compelling market fundamentals for affordable senior housing investment.

Sacramento County Market

Sacramento County has a population of 1.6 million with 200,000+ residents aged 65+, projected to grow 45% by 2030. The median home price is 450,000–550,000, providing

attractive acquisition opportunities. Market rent for 1-bedroom apartments averages 1,500–1,800/month, far above affordability for seniors on Social Security.

Section 8 voucher utilization is high, with Sacramento Housing Authority administering 15,000+ vouchers. Fair Market Rent for 1-bedroom is \$1,350/month, providing strong rent support for affordable housing providers. Vacancy rates for affordable housing are consistently below 5%, indicating strong demand.

Mendocino County Market

Mendocino County is a rural market with 90,000 population and 25,000+ residents aged 65+. The median home price is 400,000–500,000, with limited affordable housing options. Rural seniors face acute isolation and limited access to services, creating strong demand for community-based housing solutions.

Competitive Landscape

Traditional affordable senior housing has 2-5 year waiting lists, indicating severe supply constraints. Market-rate senior apartments charge 2,000–3,000/month, unaffordable for low-income seniors. Assisted living facilities cost 4,000–6,000/month, far beyond reach of Social Security recipients. Ascent's co-living model at 975–1,400/month fills a critical gap in the market.

Growth Potential

Northern California has 500,000+ seniors aged 65+, with 30-40% considered low-income. If Ascent captures just 1% of this market, we would serve 5,000-6,000 seniors across 800-1,000 properties. This represents a 50–75 million annual revenue opportunity and 400–500 million in property acquisition potential.

Management Team and Operations

Ascent Housing Partners LLC is led by experienced professionals in real estate, affordable housing, and senior services.

Property Acquisition and Conversion

Our team identifies suitable single-family homes in target neighborhoods with good access to transportation, healthcare, and community services. We conduct thorough due diligence including property inspections, market analysis, and financial underwriting. Properties are converted to co-living configuration with 4-6 private bedrooms, updated kitchens and bathrooms, safety features (grab bars, non-slip flooring, adequate lighting), and accessibility improvements where needed.

Property Management

Professional property management ensures optimal performance and resident satisfaction. Services include regular property inspections and preventive maintenance, 24/7 emergency maintenance response, coordination with Foundation on resident issues, financial reporting and investor communications, and compliance with all housing regulations and safety codes.

Foundation Partnership

Ascent Housing Foundation handles all resident-facing operations including resident recruitment and screening, lease administration and rent collection, community programming and supportive services, conflict resolution and house rules enforcement, and connections to social services and healthcare resources. This division of responsibilities allows Ascent Housing Partners LLC to focus on real estate performance while the Foundation ensures mission fulfillment and resident wellbeing.

Investment Process and Next Steps

Investing with Ascent Housing Partners LLC is straightforward and transparent.

Step 1: Initial Consultation

Contact us to schedule a consultation to discuss your investment goals, risk tolerance, and preferred investment structure. We'll provide detailed information about current and upcoming investment opportunities.

Step 2: Due Diligence

Review offering documents including property pro formas, market analysis, legal agreements, and financial projections. Conduct your own due diligence with support from our team. Visit properties and meet with management team if desired.

Step 3: Investment Commitment

Complete investment documents and fund your commitment. Investments are typically structured as equity purchases in specific properties or fund units.

Step 4: Ongoing Management and Reporting

Receive quarterly cash distributions from net operating income. Access annual financial statements and impact reports. Participate in annual investor meetings and property tours.

Step 5: Exit and Returns

Upon property sale or refinancing (typically 5-10 years), receive proceeds from appreciation and equity buildup. Option to reinvest in new properties or exit investment entirely.

Frequently Asked Questions

What makes this different from traditional rental property investment?

Ascent's model offers lower vacancy risk (4-6 tenants per property), stable cash flow from nonprofit tenant with Section 8 backing, and measurable social impact alongside financial returns. The dual-entity structure combines real estate discipline with mission-driven operations.

What are the risks?

Key risks include property market fluctuations, changes in Section 8 voucher funding or policies, resident turnover and vacancy, and property maintenance and repair costs. We mitigate these through conservative underwriting, diversification, professional management, and strong Foundation partnership.

How liquid is this investment?

Real estate investments are generally illiquid with minimum hold periods of 5-7 years. However, we may facilitate secondary market sales between investors, and properties can be refinanced to return capital while maintaining cash flow.

What is the minimum investment?

Minimum investment varies by structure. Direct property ownership typically requires 375,000–500,000 equity. Fund investments have lower minimums of 50,000–100,000. Preferred equity may have different minimums depending on terms.

How are returns distributed?

Cash distributions are made quarterly from net operating income after all expenses. Upon property sale, proceeds are distributed according to ownership structure, typically with preferred equity receiving priority, then common equity receiving remaining proceeds.

What happens if the Foundation can't pay rent?

The Foundation's rent payment is backed by individual resident rents, many supported by Section 8 vouchers. In the unlikely event of Foundation payment issues, Ascent Housing Partners LLC can work directly with residents or find alternative operators. Properties can also be converted to traditional rental use if needed.

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Important Disclosures

This document is for informational purposes only and does not constitute an offer to sell or solicitation of an offer to buy securities. Any such offer will be made only through formal offering documents including a Private Placement Memorandum (PPM) and subscription agreements.

Real estate investments involve risk including loss of principal. Past performance is not indicative of future results. Projected returns are estimates based on assumptions that may not materialize. Investors should conduct their own due diligence and consult with financial, tax, and legal advisors before investing.

Ascent Housing Partners LLC is not a registered investment advisor. This document does not constitute investment, tax, or legal advice.

Ascent Housing Partners LLC partners with Ascent Housing Foundation (501©(3)) to deliver triple bottom line real estate investments that generate financial returns while solving the affordable senior housing crisis.

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