

2018

ANNUAL REPORT



GENESISLA
Capital. Capacity. Community.

— ABOUT GENESIS LA —



As a local CDFI, Genesis LA is rooted in the communities we serve. We remain keenly aware of the needs of our communities and we see opportunity where many others see risk. This perspective, and our flexible approach to lending, have allowed us to serve borrowers who could not find financing elsewhere. We are able to serve many of these borrowers, because we blend our capital products with capacity building services. We work hands-on with project sponsors to help make their projects feasible and capable of absorbing capital. Many times, we are even able to support innovative projects that offer new approaches to community development.

We believe that CDFIs must be nimble, creative, and take greater risks if we are to ensure that low-income people are the beneficiaries of new investments flowing into urban areas throughout the nation. Genesis LA has embodied these characteristics and we will continue to do so, with the goal of building a more equitable and prosperous Los Angeles. We thank all our partners who help to make our work possible.

In 2018, Genesis LA continued to grow and expand our lending to mission-driven projects throughout Los Angeles County. The following are highlights of Genesis LA accomplishments in 2018:

- \$18 million in Genesis Community Investment Fund (GCIF) loans to 14 projects.
- \$14.7 million in New Markets Tax Credit (NMTC) loans to 1 project.
- Financed projects that will create or retain over 800 construction jobs, more than 200 predevelopment jobs, and nearly 500 permanent jobs. These projects will serve more than 2,900 people a year.
- Grew our unrestricted Net Assets by \$4 million, a 17% increase.
- Accessed \$9.5 million in new debt capital to support our GCIF lending.

CAPITAL

\$321m

DEPLOYED

121

PROJECTS FINANCED

\$1.4b

LEVERAGED FROM OTHER
FINANCIAL SOURCES

**IN 2018, GENESIS LA DEPLOYED \$33 MILLION TO 15 PROJECTS,
WHICH INCLUDE THE FOLLOWING:**



JORDAN DOWNS PLAZA | *Economic Development*

Jordan Downs Plaza will provide a neighborhood retail center as part of the multi-phase redevelopment of a public housing project in Watts. The \$50 million retail center is being built by Primestor Development and was designed with extensive resident input. It will feature a full service grocery store, sit-down restaurants, and an extensive local hire program to provide quality jobs to Watts residents.

Total NMTC Financing: \$14.7 Million



LEGACY LA | *Community Facilities*

Genesis LA provided critical gap financing to ensure that Legacy LA could complete rehabilitation of their 20,000 sf facility in Boyle Heights. The new facility enables Legacy LA to serve more youth with expanded civic engagement programs, academic support, mentoring, health and wellness activities, and digital media training.

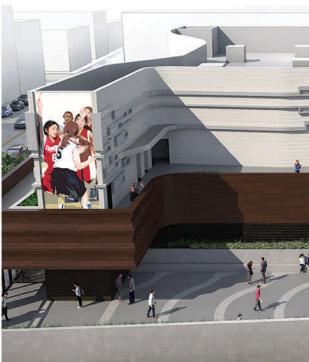
Total GCIF Financing: \$645,000



SPECIAL SERVICE FOR GROUPS | *Housing*

In 2018, Genesis LA launched RETHINK Housing, a program that addresses the growing homeless crisis by offering a housing model that relies on little or no public capital subsidy and significantly reduces per-unit development costs. Our first project is the East Rancho Apartments and is being developed with our RETHINK partners Restore Neighborhoods LA and Lehrer Architects. Special Service for Groups will own and operate the project. Genesis LA provided predevelopment, construction, and permanent financing for the project, which will provide supportive housing for 10 homeless youth at a total cost of \$81,000 per resident.

Total GCIF Financing: \$800,000



LITTLE TOKYO SERVICE CENTER | *Bridge Financing*

The Little Tokyo community realized a 20-year vision in 2018, with the groundbreaking of the Terasaki Budokan recreation center. The 28,000 sf facility will feature basketball and volleyball courts, martial arts spaces, arts programming, youth activities, senior programs and an outdoor garden. Genesis LA's financing was critical for the project, because it bridges uncommitted capital campaign fundraising and allowed LTSC to close on \$32 million in New Markets Tax Credit financing.

Total GCIF Financing: \$3.2 Million

PROJECTS FINANCED



LEGEND

-  Economic Development
-  Community Services
-  Housing
-  Working Capital

CAPACITY

Genesis LA offers a suite of project development services that help to make community projects viable, ready for financing, and build long-term capacity.

PROJECT DEVELOPMENT SERVICES

Financial Structuring

65% of projects benefitted from Financial Structuring services, which include customized financial products and terms to meet the unique needs of the borrower.

Capital Raising

37% of projects received Capital Raising services in which Genesis LA attracted additional capital from third parties, including debt, equity, grant funds, or tax credits.

Real Estate Technical Assistance

28% of projects required Real Estate Technical Assistance, including support with site selection, coordinating with architects and contractors, developing proformas and budgets.

LONG-TERM CAPACITY GROWTH

Our early-stage development services help borrowers improve their financial sustainability and expand their community impact. Genesis LA's seasoned borrowers have achieved the following:

100% expanded their program offerings and serve more low-income people today.

80% increased their annual revenues and/or net worth.

65% directly repaid Genesis LA or refinanced into financing from conventional sources.

45% replicated their innovative community development model.

Genesis LA was critical in helping us bring a state of the art center that serves as a nerve center for community involvement, accommodates trainings and gatherings, and inspires intergenerational collaboration among residents to continue to improve the community.

- Aurea Montes-Rodriguez Community Coalition Executive Vice President -

SUCCESS STORY: Community Coalition



In 2015, Genesis LA provided an essential gap loan to Community Coalition (CoCo), a community organizing and social service provider serving South LA. At the time, Low Income Investment Fund (LIIF) had approved a nearly \$3MM loan and CoCo had raised over \$2MM in grants to finance a \$5MM facility renovation. But the property appraised for significantly less than expected, reducing LIIF's lending capacity to only \$2MM and creating a nearly \$1MM gap that threatened the project. CoCo and LIIF approached Genesis LA to help craft a solution.

CoCo benefitted from Genesis LA's financial structuring services, which resulted in an unsecured bridge loan that would fill the financing gap and be repaid with uncommitted future grant funding. Genesis LA's financing ensured the project's viability and allowed CoCo to build a new 8,000 sf headquarters facility for its community organizing, civic engagement, family and after-school programs, and other services.

Three years after Genesis LA's investment, CoCo has reached new heights. CoCo has increased its net assets by \$4.12 million and annual revenues by an average of \$1.87 million over this period. CoCo also increased its membership from 1,500 to 3,500, made contact with 50,000 low propensity voters in South LA annually, and has expanded community programming. With this financial and programmatic success, CoCo was able to refinance its loans with Genesis LA and LIIF in early 2019, by qualifying for conventional financing from Wells Fargo.

COMMUNITY

Genesis LA's investment of capital and capacity building services help to create a more robust and impactful community development sector in Los Angeles.

Economic Development

Invested \$147 million in 26 projects that revitalize communities, create quality jobs, provide commercial goods and services, and build wealth for low-income populations.

Community Facilities

Invested \$117 million in 31 projects that provide at-risk and underserved populations with direct services, including education, healthcare, social services, and civic engagement.

Housing

Invested \$53 million in 58 projects that provide small and large-scale housing. These include developer loans for single-family home ownership, multifamily, and supportive housing.

Working Capital & Bridge Financing

Invested \$4.2 million in 6 projects to help nonprofits meet their cash flow needs, bridge to future project funding, and achieve community impact.



5,300

permanent jobs and

8,200

construction jobs
created or retained



505

small and locally-owned
businesses located in
Genesis LA projects



65%

of borrowers are
women and/or minority
controlled enterprises



468,000

low-income residents
now have increased
access to commercial
goods and services



52,000

clients served annually by
our borrowers, including

16,000

youth



52

single-family units

1,100

multifamily units

416

permanent supportive
housing units

OUR STRATEGY



CAPITAL

We offer flexible and customized financing through direct loans from our Genesis Community Investment Fund (GCIF) and through New Markets Tax Credits (NMTC). Through 2018, we have deployed \$321 million to 121 projects, which has leveraged another \$1.4 billion.



CAPACITY

We work hands-on to build the capacity of community developers who have innovative projects and strategies but need help to find a viable path forward. To date, 69% of Genesis LA financed projects receive Capacity Building services which include real estate technical assistance, financial structuring, and/or capital raising.

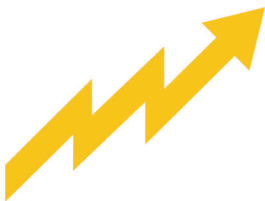


COMMUNITY

By delivering capital and building capacity, we help to bring about positive community change and make Los Angeles a more equitable city. Our investments have helped borrowers to create or retain 13,500 jobs, serve 52,000 individuals, and produce 1,568 units of housing.

WHERE WE INVEST

WE INVEST IN THE FOLLOWING TYPES OF BORROWERS AND PROJECTS:



Economic Development

Projects that create quality jobs, provide commercial goods and services, build wealth for low-income populations, and revitalize communities.



Community Facilities & Services

Organizations that provide direct services to at-risk and underserved populations, including education, healthcare, social services, and civic engagement.



Housing

Small and large-scale housing where there is a lack of other affordable financing options, including developer loans for single-family, multifamily, and supportive housing.



Working Capital & Bridge Financing

To help nonprofits meet their cash flow needs, bridge to future project funding, and achieve community impact.

FOR CURRENT LENDING TERMS, PLEASE VISIT OUR WEBSITE AT
WWW.GENESISLA.ORG

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