

GENESISLA
Capital. Capacity. Community.

2019
ANNUAL REPORT

2019 HIGHLIGHTS

In 2019, Genesis LA continued to grow and expand its lending to mission-driven projects throughout Los Angeles County. The following are highlights of our accomplishments in 2019:

- ◆ **\$13 million** in Genesis Community Investment Fund (GCIF) loans to **9 projects**.
- ◆ **\$21.5 million** in New Markets Tax Credit (NMTC) loans to **2 projects**.
- ◆ Financed projects that will create or retain over **500 construction jobs**, more than **40 predevelopment jobs**, and nearly **90 permanent jobs**. These projects will serve more than nearly **700 people** a year.
- ◆ Grew Net Assets by over **\$2.7 million**, a **10% increase**.
- ◆ Accessed **\$3.75 million** in new debt capital to support our GCIF lending.

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 2019, we have deployed \$360 million to 130 projects, which has leveraged another \$2 billion from other sources.



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, 71% of Genesis LA financed projects received 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 14,100 jobs, serve 52,500 individuals, and produce 1,734 units of housing.

CAPITAL

\$360
MILLION
DEPLOYED

130
PROJECTS
FINANCED

\$2
BILLION
LEVERAGED

In 2019, Genesis LA deployed \$34.5 million to 10 Projects, which include:



Community Owned Real Estate – *Economic Development*

Genesis LA partnered with the nonprofits East LA Community Corporation, Little Tokyo Service Center, and Inclusive Action for the City on a project named Community Owned Real Estate (CORE), to acquire, rehab, and lease commercial properties in neighborhoods on LA's Eastside. This strategy allows these three nonprofits to directly control commercial real estate and prevent displacement of small businesses and nonprofits. CORE's portfolio of five properties will house approximately 23 tenants and support about 72 jobs. CORE is also supported by The California Endowment and Weingart Foundation.

Total GCIF Financing: \$5.6 Million

Total NMTC Financing: \$10 Million



Youth Orchestra LA — *Community Facilities*

Youth Orchestra LA (YOLA) will expand its renowned music education and enrichment program in a new state of the art facility serving youth in Inglewood and South LA. Designed by Frank Gehry, the project will renovate an 18,000 sf commercial building into a \$26 million music venue and community center. YOLA harnesses the power of music to support youth development, leadership, and academic success. The Inglewood facility will create approximately 25 new permanent jobs and serve 500 low-income youth.

Total NMTC Financing: \$11.5 Million



Corazon del Valle — *Housing*

The Corazon del Valle project will transform a former LA County office complex into a mixed-use affordable housing community in Panorama City. Developed by Clifford Beers Housing, the project will create 180 units of affordable and permanent supportive housing. The units range from studio to three-bedroom apartments for households with incomes below 60% AMI. Other features include 3,000 sf of neighborhood-serving retail and a pocket park. Genesis LA's financing funds the project's predevelopment phase.

Total GCIF Financing: \$1.5 Million



LA Más — *Working Capital/Bridge*

LA Más is a nonprofit urban design organization helping underserved communities shape their future through policy, urban planning, and architecture. Genesis LA approved working capital financing that helps bridge the collection of various receivables from public and private contracts related to LA Más' design and policy work. The GCIF loan helps LA Más expand its community programs.

Total GCIF Financing: \$150,000

CAPACITY

Genesis LA offers a suite of project development services to ensure projects are viable, ready for financing, and support long-term capacity growth for borrowers and their communities.

PROJECT DEVELOPMENT

FINANCIAL STRUCTURING



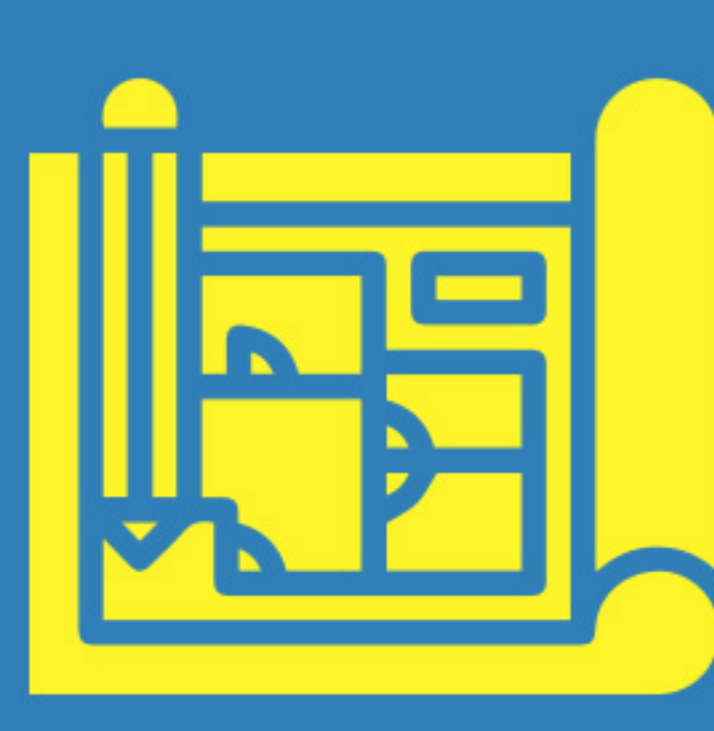
68% of projects benefited from Financial Structuring services, which include customized financial products and terms to meet the unique needs of the borrower.

CAPITAL RAISING



36% of projects received Capital Raising services in which Genesis LA attracted additional capital from third parties, including debt, equity, grant funds, or tax credits.

TECHNICAL ASSISTANCE



26% of projects required Real Estate Technical Assistance, including support with site selection, coordinating with architects and contractors, developing proformas and budgets.

LONG-TERM 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:

SOCIAL IMPACT

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

FINANCIAL STRENGTH

70%
increased their annual revenues and/or net worth.

ACCESS NEW CAPITAL

48%
fully retired the Genesis LA loan or refinanced into conventional financing.

ADVANCE INNOVATION

57%
replicated their innovative community development model.

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.

INVESTMENT AREAS

ECONOMIC DEVELOPMENT

Invested **\$176 million** in 27 projects that revitalize communities, create quality jobs, provide commercial goods and services, and build wealth for low-income populations.

COMMUNITY FACILITIES

Invested **\$120 million** in 33 projects that provide at-risk and underserved populations with direct services, including education, healthcare, social services, and civic engagement.

HOUSING

Invested **\$61 million** in 64 projects that provide small and large-scale housing. These include developer loans for single-family homeownership, multifamily, and supportive housing.

WORKING CAPITAL & BRIDGE FINANCING

Invested **\$3 million** in 6 borrowers to help nonprofits meet their cash flow needs, bridge to future project funding, and achieve community impact.

IMPACTS



5,400
permanent jobs and
8,700
construction jobs
created or retained



527
small and locally-owned
businesses located in
Genesis LA projects



65%
of borrowers are
women and/or
minority controlled



509,000
low-income residents now
have increased access to
commercial goods
and services



52,500
clients served annually
by our borrowers,
including
16,500
youth



59
single-family units
1,142
multifamily units
533
permanent
supportive housing

IMPACT STORY

“Genesis LA was very supportive from the start and we could not have advanced this project to the next stage without their financial commitment, consulting, and advisory.”

Maria Brenes
Executive Director **InnerCity Struggle**



INNER CITY STRUGGLE

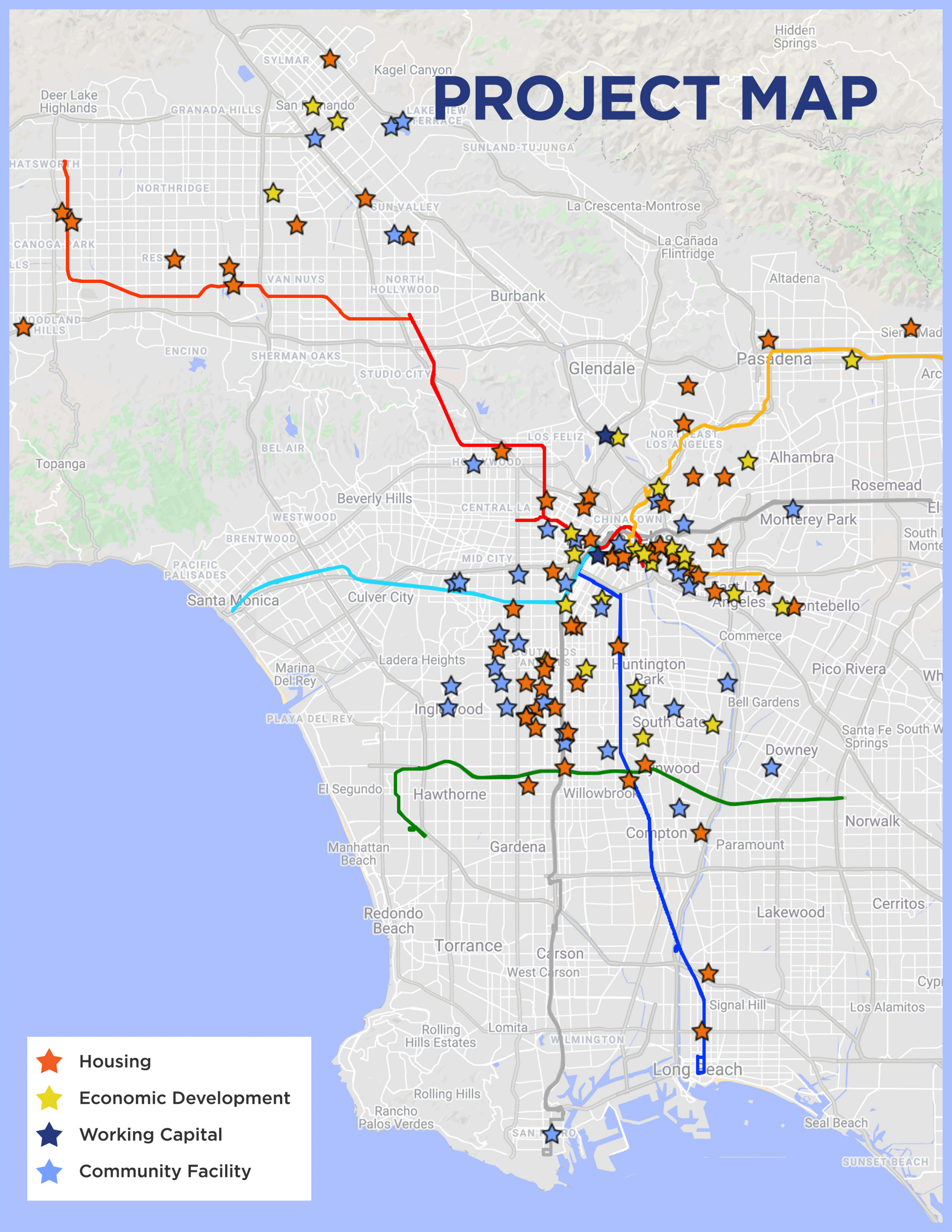
In 2016, Inner City Struggle (ICS) faced a choice that had occurred multiple times in past years – pay higher rent, move to a new space, or acquire a permanent home. Genesis LA assisted ICS to evaluate its options and determine its capacity to finance a headquarters project. Genesis LA pre-approved ICS for a \$663,000 loan and extended development services that included coordination with a real estate broker, evaluation of multiple potential properties, proforma modeling, facilitation to raise grants, and assistance with selection of architects and contractors. However, after ICS acquired a site with Genesis LA’s financing, what began as a simple rehabilitation quickly bloomed into a larger vision. ICS secured fundraising commitments well above its \$350,000 goal, and began to transform its facility plan from a modest \$1 million rehabilitation project into an ambitious \$6 million community center in Boyle Heights.

The change in plans added two years to the project, but Genesis LA supported ICS’s vision and helped navigate the critical milestones necessary to break ground. Genesis LA assisted ICS to apply for and secure grant and PRI funds to support the expanded project, and approved an additional \$400,000 bridge loan to cover delays in receipt of grant funds so that construction could get underway without delay.

Since Genesis LA made its original investment in ICS, the organization has expanded its financial strength and program capacity. ICS opened its new 5,000 sf community center and headquarters in May 2019. Today, the organization serves 2,500 community members per year (up from 2,000 in 2015) and makes contact with more than 47,000 local residents (up from 42,000 in 2015). In addition to the civic engagement ICS conducts, other services include United Students, which empowers youth through education and culture, and Familias Unidas, which supports parents and community members to fight for educational justice. Finally, ICS has increased its total assets by \$7.5 million, its net assets by \$5.6 million, and has doubled its average annual change in net assets since 2016.

PROJECT MAP

- ★ Housing
- ★ Economic Development
- ★ Working Capital
- ★ Community Facility



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