



2020

ANNUAL REPORT



GENESISLA
Capital. Capacity. Community.

MESSAGE FROM GENESIS LA

The year 2020 shed new light on the depth and breadth of inequality in America. The COVID-19 pandemic highlighted disparities in health, employment, economic opportunity, and housing stability. National demonstrations focused attention on the racial inequities that persist throughout our society, and the need for immediate change. The desire to reverse these inequities has driven the work of CDFIs like Genesis LA for decades. But, 2020 reminded us how much work remains to be done.

As a local CDFI, Genesis LA is rooted in the communities we serve. We have positioned ourselves to actively support local nonprofits and entrepreneurs that are directly tackling challenges on the ground in neighborhoods throughout Los Angeles County. We work hands-on with community developers to build their capacity and help to make their projects feasible. We then structure flexible loans to address the unmet capital needs of these developers. And we seek to foster new and innovative approaches to community development, such as facilitating greater community control over real estate assets and investing in models that significantly reduce the cost to develop affordable housing.

We believe that CDFIs must be nimble, creative, and take greater risks if we are to ensure that low-income people and communities have access to social and economic opportunities. This is particularly true in the face of mounting challenges that were accentuated in 2020. Genesis LA remains committed to creating the change that we want to see in underserved communities in Los Angeles. We thank all of our partners who contribute to the impact we have made and hope to continue making.

2020 HIGHLIGHTS

In 2020, 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 2020:

- ▶ **\$20 million in Genesis Community Investment Fund (GCIF) loans to 17 projects.**
- ▶ **\$42 million in New Markets Tax Credit (NMTC) allocation to 4 projects.**
- ▶ **Financed projects that will create or retain over 1,300 construction jobs, 200 predevelopment jobs during the development phase, and nearly 230 permanent jobs at project completion. These projects will serve more than 5,800 people a year.**
- ▶ **Grew Net Assets by \$6 million, a 20% increase.**
- ▶ **Accessed \$3.75 million in new debt capital to support our GCIF lending.**
- ▶ **Extended loan deferrals to 5 borrowers, which assisted 76 small business tenants affected by business disruptions caused by the COVID-19 pandemic.**

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 2020, we have deployed more than \$423 million to 151 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, over 75% 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 the Los Angeles region a more equitable place. Our investments have helped borrowers to create or retain 6,500 permanent jobs, serve over 91,600 individuals, and produce 2,370 units of housing.

CAPITAL INVESTMENTS

BLVD MRKT

ECONOMIC DEVELOPMENT

Since 2016, Barney Santos had a vision to redevelop a blighted commercial property into an indoor-outdoor food hall that could help to revitalize Downtown Montebello. In 2020, Genesis LA helped to turn Barney's dream into reality with the groundbreaking of BLVD MRKT. The project includes 8 minority-owned small food businesses and will create a community hub within Montebello. Barney's firm, Gentefy, focuses on cultivating minority entrepreneurs to catalyze community-driven economic development. He worked with each of the tenant businesses at BLVD MRKT to support their success, including two that are participating in a small business incubator program. This project was financed in part with support from the California FreshWorks program. **Total GCIF Financing: \$1.7 Million**



**“THROUGHOUT THE ENTIRE
EXPERIENCE, GENESIS LA
COLLABORATED WITH US,
EDUCATED US, CHALLENGED US
AND ENSURED THAT EVERY STEP OF THE
WAY WE WERE SET UP TO SUCCEED.”**

**– BARNEY SANTOS
(BLVD MRKT)**

UNION RESCUE MISSION

COMMUNITY FACILITY

Genesis LA provided NMTC financing to Union Rescue Mission to support the construction of a new transitional housing facility for homeless families. The project, known as Angeles House, will house up to 374 people at a time. It includes a commercial kitchen, indoor recreation and common areas, and a reading room with a library. Angeles House will provide critical onsite services such as daycare, medical, and dental services, with psychological and legal clinics made available to the broader community.

**Total NMTC Financing:
\$12 Million**





WATTS WORKS

HOUSING

Genesis LA provided construction financing to the Watts Works project, one of the only Permanent Supportive Housing projects to be developed in recent years without the use of tax credits. Watts Works is one of several projects that Genesis LA has been supporting to foster alternative financing and development models that can lower costs and expedite project completion. The 24-unit project is being developed by Daylight Community Development and The Decro Group, and utilizes several innovative strategies that include by-right affordable housing zoning policies, building on smaller parcels, and using modular construction methods. Partners for the Common Good is a participant lender in this loan.

Total GCIF Financing: \$2.8 Million

COMMUNITY OWNED REAL ESTATE (CORE)

ECONOMIC DEVELOPMENT

In 2020, Genesis LA worked in close partnership with Inclusive Action for the City, East LA Community Corporation, and Little Tokyo Service Center to implement the CORE project (originally closed in 2019). The CORE project allows these three nonprofits to directly control commercial real estate and prevent displacement of small businesses and nonprofits in neighborhoods on LA's Eastside. Despite the COVID-19 pandemic, our partnership succeeded in completing construction and rehabilitation of three CORE properties, with two remaining properties to be completed in 2021. We also extended support to new businesses that opened in the CORE properties and to existing businesses affected by the pandemic. The CORE project received support from The California Endowment and Weingart Foundation.

Total GCIF Financing:

\$5.6 Million

Total NMTC Financing:

\$10 Million





LINCOLN & ORANGE GROVE

HOUSING & ECONOMIC
DEVELOPMENT

Heritage Housing Partners will continue to redevelop a distressed neighborhood in Pasadena with the addition of its newest project, a 70,000 s.f. mixed-use development that includes 46 affordable homeownership units and 11,700 s.f. of commercial space for retail, office, and community uses. Genesis LA provided NMTC financing to ensure the project's affordability and the financial feasibility of the commercial spaces. The project will sell housing units to households earning between 80% and 135% of the Area Median Income, and will include commercial space for 3 to 4 small and minority-owned businesses.

Total NMTC Financing: \$9.5 Million

CLIFFORD BEERS HOUSING

WORKING CAPITAL & BRIDGE FINANCING

Genesis LA provided Clifford Beers Housing with a working capital loan to help complete construction of an affordable housing project that faced delays resulting from the COVID-19 pandemic. The loan will bridge to project stabilization and closing of permanent financing. This particular loan is funded through Genesis LA's New Venture Loan product, which is designed to provide small dollar, flexible balance sheet liquidity for socially-driven businesses and nonprofits.

**Total GCIF Financing:
\$250,000**



ALLIANCE FOR COMMUNITY EMPOWERMENT

COMMUNITY FACILITY

In late summer 2020, Alliance for Community Empowerment (ACE) saw their rent double overnight. ACE reached out to Genesis LA to see if this could be an opportunity to acquire a new facility. The Genesis LA team worked closely with ACE to structure flexible financing that allowed for acquisition of a new headquarters in the west San Fernando Valley. To close a financing gap, Genesis LA provided a flexible tranche of capital through its New Venture Loan program, which allows repayment from an ongoing fundraising drive. The new facility allows ACE to expand existing core services for youth between the ages of 12 and 25, including Youth Build, Gang Reduction and Youth Development (GRYD), and job training programs.

Total GCIF Financing: \$2.1 Million

**“GENESIS LA’S MISSION TO
SUPPORT UNDERSERVED
COMMUNITIES HAS BEEN
UNWAVERING, EVEN IN A
GLOBAL PANDEMIC.”**

– MICHELLE FUENTES-MIRANDA
PRESIDENT AND FOUNDER (ACE)

CHARLES DREW UNIVERSITY

COMMUNITY FACILITY

Genesis LA provided NMTC financing to Charles Drew University (CDU) to finance campus improvements that include a medical clinic, a student center, and main campus entrance.

The new clinic will provide health services to an additional 1,600 unique patient visits a year, within a designated “Medically Underserved Area.” CDU is recognized as a Historically Black Graduate Institution, and has graduated more than 575 physicians, 1,200 physician assistants, over 1,000 nursing professionals, and over 1,000 other health professionals. The campus improvements will support CDU’s continued growth in student enrollment and impact in the South LA community.

**Total NMTC Financing:
\$10 Million**



CAPACITY BUILDING

PROJECT DEVELOPMENT SERVICES

FINANCIAL STRUCTURING



75%

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

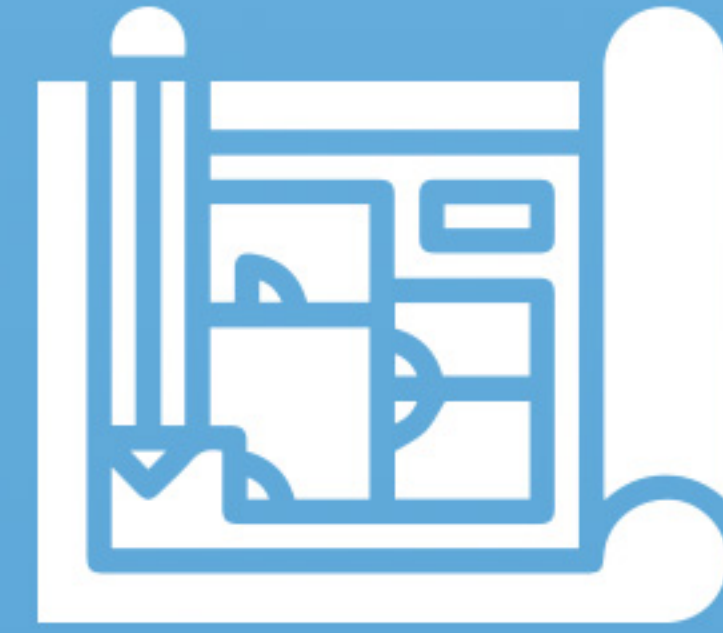
CAPITAL RAISING



40%

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



27%

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

78%

increased their annual revenues and/or net worth.

ACCESS NEW CAPITAL

65%

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

ADVANCE INNOVATION

56%

replicated their innovative community development model.

IMPACT STORY

“Genesis LA is a rare partner in that it helps organizations build their capacity as they develop innovative solutions to the challenges our community faces. They have been instrumental in Jovenes’ ability to envision creative ways to create affordable housing opportunities for homeless youth, and to successfully turn those visions into reality.”

Andrea Marchetti
- Executive Director -



JOVENES

In 2012, Genesis LA formed a unique partnership with Jovenes, a nonprofit serving at-risk youth in East LA. Named My Home, Mi Casa, the project sought to expand permanent supportive housing for transitional age youth by acquiring foreclosed and distressed properties for small-scale permanent housing. Genesis LA raised \$2MM from its own net assets, a community bank, and The California Endowment and worked hand-in-hand with Jovenes to develop a business plan, identify properties, engage contractors, oversee rehab work, and stabilize the properties. My Home, Mi Casa acquired and renovated 6 small properties that provide 20 units of housing.

At the project level, Genesis LA provided 100% of the acquisition, rehabilitation, and permanent financing in the form of debt and equity. As an equity investor, Genesis LA agreed to limit its annual returns and share remaining cash flow through a “youth equity-share” program that set aside a portion of each rent payment in a cash account for some youth, providing a safety net and the ability to build savings that often helped youth to move out to their next housing location.

Since launching My Home, Mi Casa, Jovenes has increased its capacity and impact in the community. Today, Jovenes serves 380 youth per year, tripling the amount of youth served since Genesis LA’s initial investment in Jovenes in 2012. Jovenes has also increased their annual income by \$5MM since 2012. Today, Genesis LA’s partnership continues with Jovenes, with a new program that builds upon My Home, Mi Casa and will create housing to support the success of community college students who are homeless or at risk of homelessness.

COMMUNITY IMPACTS



\$423
million deployed



6,500 permanent jobs
10,500 construction jobs
created or retained



542
small and locally-owned
businesses located in
Genesis LA projects



151
projects financed

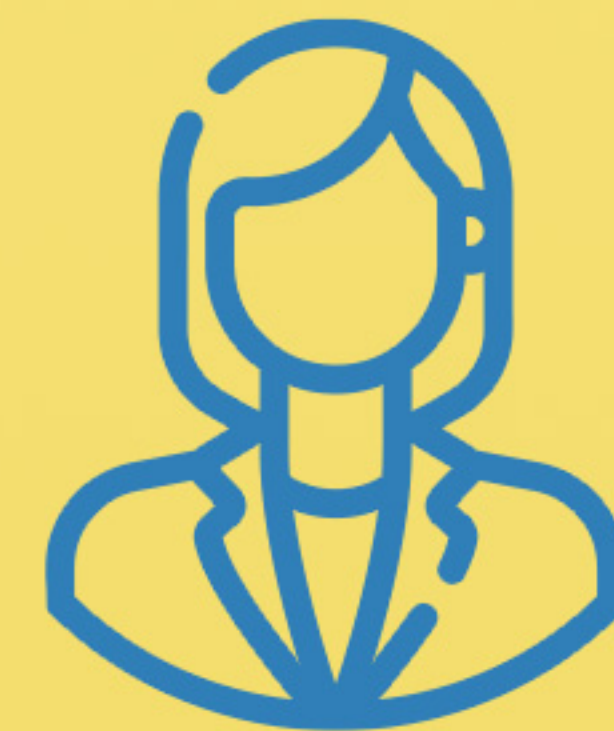
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663,000
low-income residents now
have increased access to
commercial goods and
services



\$2
billion leveraged



58%
of borrowers are women
and/or minority controlled
enterprises



91,600
end-beneficiaries

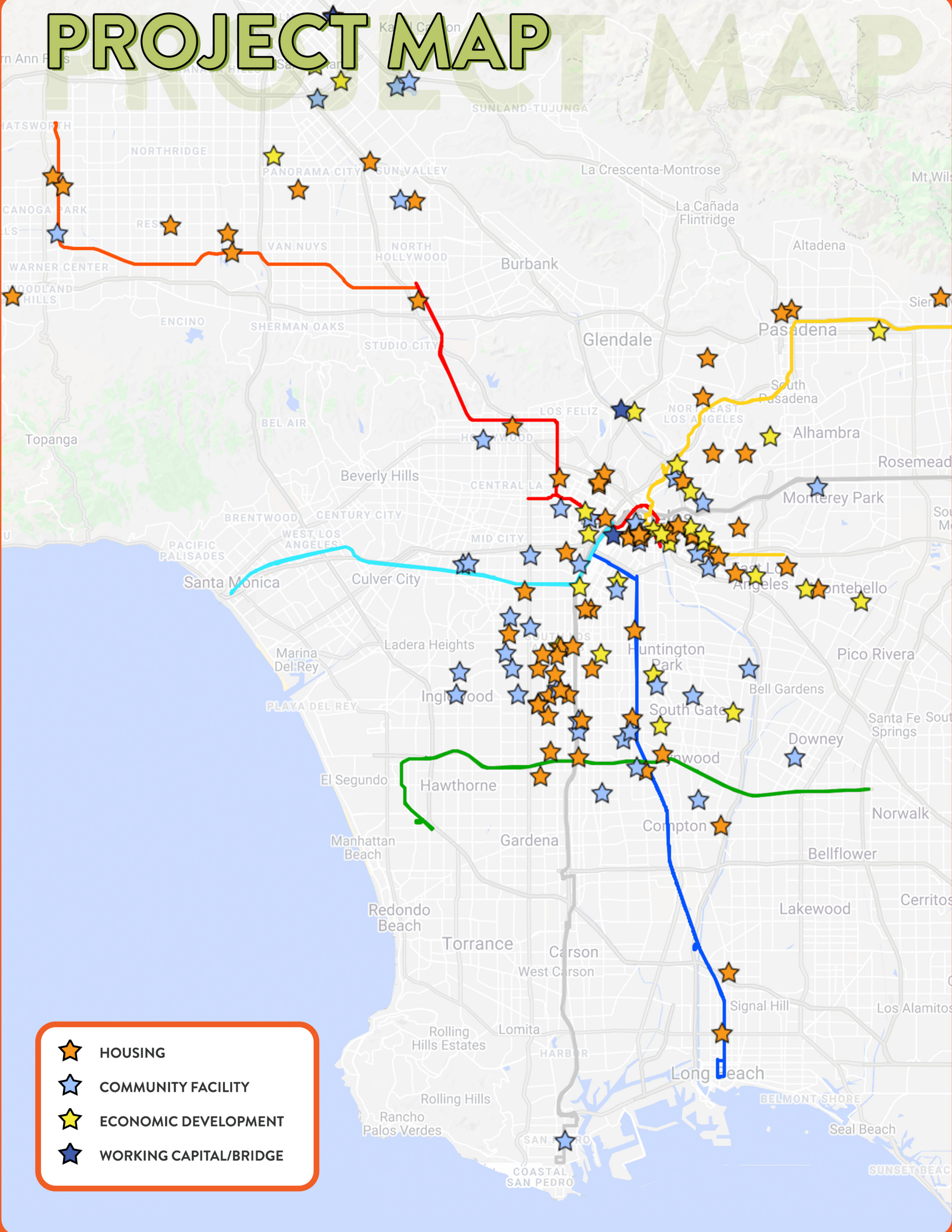






107 single-family units
1,296 multi-family units
967 Permanent Supportive
Housing units



81,000 clients served
annually by our borrowers,
including **18,800** youth

PROJECT MAP



-  HOUSING
-  COMMUNITY FACILITY
-  ECONOMIC DEVELOPMENT
-  WORKING CAPITAL/BRIDGE

BOARD, STAFF & PARTNERS

BOARD OF DIRECTORS

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Manatt, Phelps & Phillips, LLP
Partner

Lee Kanon Alpert – *Chair Emeritus*
Alpert, Barr & Grant
Partner

Pattie Ehsaei – *Secretary*
First Bank
Senior Vice President

Robert Oehler – *Treasurer*
Pacific Alliance Bank
Chief Executive Officer (retired)

Dutch Ross
Economic Resources Corporation
President & CEO (retired)

Cindy Miscikowski
The Ring Group
Managing Director

Keith Weaver
Sony Pictures Entertainment
Executive Vice President,
Global Policy and External Affairs

Marcia Choo
Wells Fargo
Vice President/Community
Development Manager

Steve Rolfe
ProAmerica Bank
Chief Credit Officer (retired)

Paul Chen
Chen & Fan Accountancy
Corporation
Managing Partner & CEO

STAFF

Tom De Simone
President & CEO

Jessica Waybright
Real Estate Attorney &
Compliance Manager

Jem Dicioco
Controller

Pavlin Buchukov
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Anthony Santana
Loan Officer

Elias Salgado
Loan Administrator

Alma Hernandez
Executive Assistant

Zeinab Albatal
Accounting Associate

COMMUNITY ADVISORY BOARD

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Capital One

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Development

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Southern California Edison

Eric V. Ibarra
Las Fotos Project

Anne MacAulay
LA Commons

Shane Phillips
UCLA Lewis Center for Regional
Policy Studies

Max Podemski
Office of City Council Member
Nury Martinez

Alex Ramirez
LA Más

CAPITAL PARTNERS

Bank of America

Bank of Hope

Boston Private Bank & Trust

CDFI Fund

California Community Foundation

California Organized Investment
Network (COIN)

Capital One

Chan Zuckerberg Initiative/Silicon
Valley Community Foundation

CIT Bank

City National Bank

Community Bank

Conrad N. Hilton Foundation

Dignity Health

Federal Home Loan Bank

First Choice Bank

HSBC Bank

JP Morgan Chase

MacKenzie Scott

Manufacturer's Bank

Metropolitan Life

Opportunity Finance Network

The Ahmanson Foundation

The California Endowment

UniHealth Foundation

Union Bank

United Way of Greater Los Angeles

Weingart Foundation

Wells Fargo

LENDING PARTNERS

California FreshWorks Fund

California Statewide CDC

Capital Impact Partners

Enterprise Community Partners

First Choice Bank

Housing Trust Silicon Valley

JP Morgan Chase

LA County Development Authority

LA Development Fund

LA Housing + Community
Investment Dept.

Low Income Investment Fund

Local Initiative Support Corp

Nonprofit Finance Fund

Raza Development Fund

The California Endowment

US Bank

Weingart Foundation

Wells Fargo