

2021 ANNUAL REPORT



MESSAGE FROM GENESIS LA

Over the past two years, the pandemic has forced our society to confront many challenges, not least of which has been the failures within our social and economic systems. We knew these failures existed before, but the pandemic was the proverbial “slap in the face” that gave us no choice but to look these societal shortcomings right in the eye.

In our city, the crisis of homelessness is one of the starkest manifestations of these failures. The homeless crisis results from many social and economic inequities. However, there are many other contributing factors, including failures of public policy, inflexible bureaucracies, and sometimes just the lack of common sense. In reality, these factors are obstructions to so many of the things that we in the community development sector are trying to achieve, from building affordable housing, to growing small businesses, to revitalizing underinvested communities.

At Genesis LA, our work seeks to overcome these obstructions. To be successful, we must continually ask if our loans are going far enough to solve the problems we aim to address. This requires that we maximize creativity in structuring financing, be flexible with lending terms, think differently about risk, and create the kind of partnerships that let us do more than we could otherwise do alone.

We thank all of the people who support us in our efforts, including philanthropy, investors, policy makers, and most importantly, the visionaries on the ground who love this great city as much as we do. Thank you for the opportunity to be your partner in creating a better Los Angeles!

Tom De Simone
President & CEO

HIGHLIGHTS

In 2021, 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 2021



\$22 million in CDFI loans made to **17 projects**.



Financed projects that will create or retain **1,650 construction related jobs**, and serve **627 people** per year.



Grew Net Assets by **\$15.8 million**, a **43% increase** since 2020.



Accessed **\$4.25 million** in new debt capital to support our GCIF lending.

OUR STRATEGY

CAPITAL

We offer flexible and customized financing through direct CDFI loans from our Genesis Community Investment Fund (GCIF) and through New Markets Tax Credits (NMTC).

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.

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.

HOUSING INNOVATION

WILLOWBROOK *Housing*

Neighborhood:	Willowbrook
Partners:	Restore Neighborhoods LA (RNLA) & Lehrer Architects
GCIF Loan Amount:	\$775,000
Loan Type:	Construction & Permanent

This 7-unit permanent supportive housing development is part of Genesis LA's RETHINK Housing program, which is designed to reduce total project costs by developing smaller affordable housing projects on underutilized infill sites and leverage more private financing into projects. The RETHINK Housing model has resulted in a significant reduction in the cost per unit when compared to typical affordable housing projects financed with Low Income Housing Tax Credits (LIHTC). The total development cost per unit for this project is approximately \$230,000 per unit.



BUNGALOW GARDENS *Housing*

Neighborhood:	Vermont Knolls / South LA
Partners:	Restore Neighborhoods LA (RNLA)
GCIF Loan Amount:	\$920,000
Loan Type:	Construction & Permanent

Genesis LA provided financing to construct this 8-unit permanent supportive housing project, which is the first bungalow court style housing project to be built in Los Angeles in about 70 years. The project consists of four buildings clustered around a common shared space. The project is part of Genesis LA's RETHINK Housing program and utilized Transit-Oriented Communities (TOC) development standards to eliminate parking requirements and lower development costs. The total development cost per unit for this project is approximately \$220,000 per unit.

LA MOTEL

Housing & Community Facility

Neighborhood:	Mid City
Partners:	Brilliant Corners, LA County Dept of Health Services
GCIF Loan Amount:	\$1,250,000
Loan Type:	Rehabilitation

In 2018, the City of Los Angeles adopted an Interim Motel Conversion Ordinance to incentivize the conversion of motels into supportive and transitional housing. Genesis LA worked with Brilliant Corners and LA County DHS to convert one of the first motels under the ordinance, consisting of a 20-room motel located in the Mid City neighborhood. The conversion will create transitional housing for 33 formerly homeless individuals. The rehabilitation loan will finance structural repairs, systems upgrades, and habitability improvements. This Ordinance, in combination with other State of California programs like Project Roomkey, has resulted in the conversion of thousands of motel rooms throughout LA County into housing for homeless Angelenos.



AVALON

Housing

Neighborhood:	Wilmington
Partners:	Brilliant Corners
GCIF Loan Amount:	\$550,000
Loan Type:	Predevelopment

Genesis LA provided predevelopment funding that enabled the redevelopment of a 20,068 s.f. vacant grocery store into 54 permanent supportive housing units. The redevelopment process will adaptively reuse the grocery store building into space for on-site amenities, including office space for social services, a community room, recreational space, and on-site laundry, and a new building will be added to create additional space for housing units. The project includes \$7 million in funding provided through the City of Los Angeles HHH Housing Innovations Challenge.



COMMUNITY ECONOMIC DEVELOPMENT

CLIFFORD BEERS *WORKING CAPITAL*

Neighborhood:	Sylmar
Partners:	Clifford Beers Housing (CBH)
GCIF Loan Amount:	\$350,000
Loan Type:	Working Capital

Genesis LA provided a working capital loan to support Clifford Beers Housing's Metamorphosis on Foothill development in Sylmar. The loan assisted with out-of-pocket costs related to rising construction prices and accessibility requirements for which CBH was required to pay in order to obtain the project's Certificate of Occupancy. The loan is funded through Genesis LA's New Venture Loan product, which is designed to provide patient and flexible working capital to socially-driven businesses and nonprofits.



GO FOR BROKE

ECONOMIC DEVELOPMENT & COMMUNITY FACILITY

Neighborhood:	Little Tokyo
Partners:	Little Tokyo Service Center (LTSC)
GCIF Loan Amount:	\$2,000,000
Loan Type:	Predevelopment

The Go For Broke project will transform a city block into a vibrant, mixed-use community and will restore elements of the original Little Tokyo neighborhood's urban fabric. Genesis LA provided an unsecured predevelopment loan to support critical early-stage costs, including design, engineering, and permit fees. The project will repurpose a vacant City-owned lot into 260 affordable housing units and approximately 40,000 square feet of community serving commercial space for legacy restaurant and retail businesses, and community space for the Go For Broke National Education Center, which recognizes the role that Japanese Americans played in WWII.

LA GUADALUPE

ECONOMIC DEVELOPMENT

Neighborhood:	Boyle Heights
Partners:	Azure Development
GCIF Loan Amount:	\$2,500,000
Loan Type:	Construction & Permanent

Genesis LA provided financing to construct and build tenant improvements for the commercial portion of a mixed-used development. The project consists of approximately 7,500 square feet of ground floor commercial space that will be leased to local mom-and-pop businesses, and 44-units of affordable housing. The project is located across from the Mariachi Plaza Metro Gold Line station and will activate a key transit-oriented hub in Boyle Heights. The residential portion of the project will provide deeply affordable housing for homeless individuals and families.



TRUST SOUTH LA

HOUSING

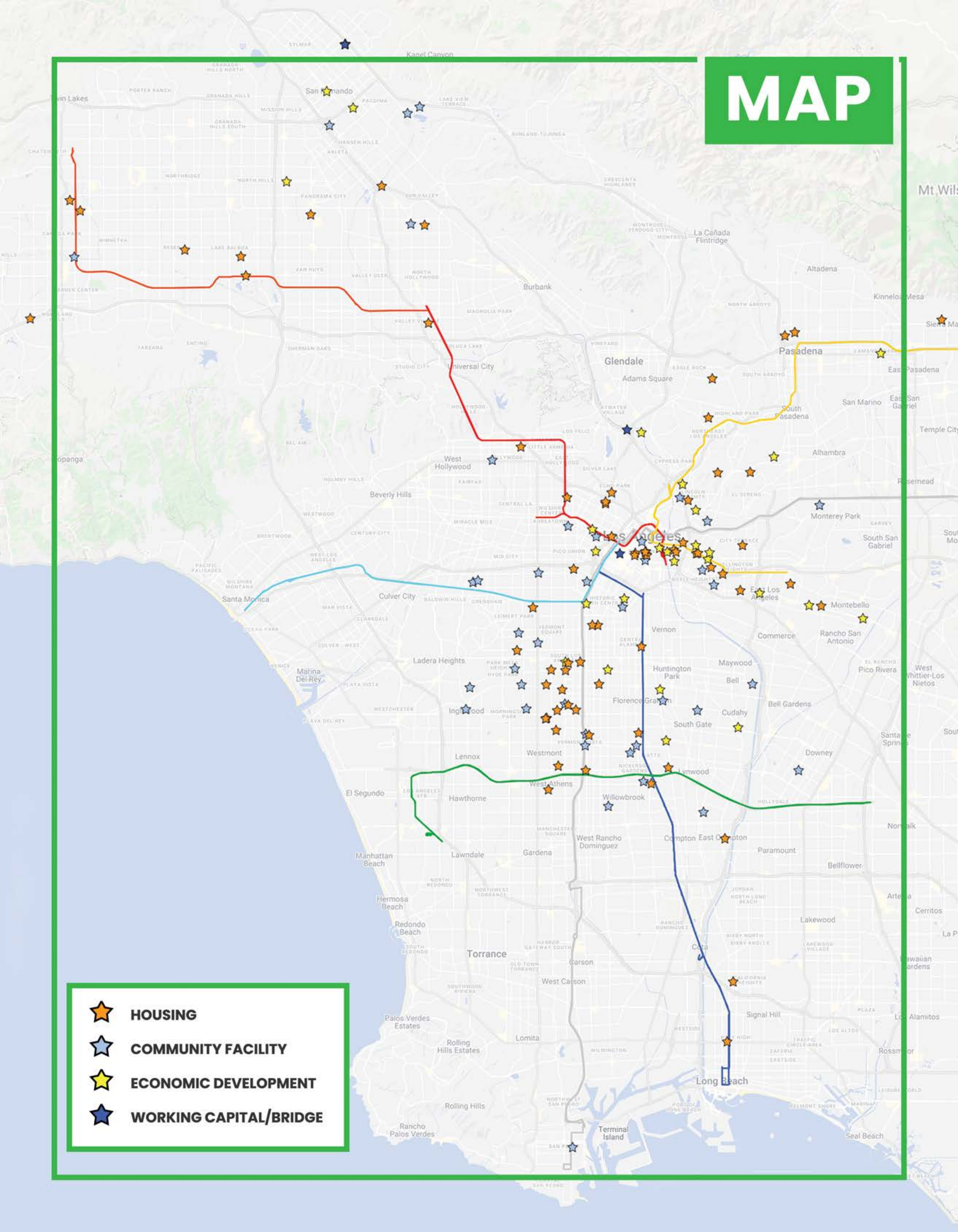
Neighborhood:	University Park / South LA
Partners:	TRUST South LA, Enterprise, LIIF
GCIF Loan Amount:	\$60,000
Loan Type:	Acquisition & Rehabilitation

During 2021, Genesis LA administered recoverable grants provided through the Strong, Prosperous, And Resilient Communities Challenge (SPARCC) to assist with acquisition deposits and due diligence costs for several Community Land Trusts (CLTs) that received funding through an LA County CLT pilot program. Genesis LA also provided small gap loans to CLTs, including a loan to TRUST South LA to acquire and rehabilitate an existing Naturally Occurring Affordable Housing (NOAH) duplex property in South LA. Our loan was combined with LA County funding to preserve affordable rents for the existing tenants and make physical improvements to the building.



MAP

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



CAPACITY BUILDING

PROJECT DEVELOPMENT SERVICES

FINANCIAL STRUCTURING

82% of projects benefitted from Financial Structuring services, which include customized financial products and terms to meet the unique needs of the borrower.

CAPITAL RAISING

33% 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 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

82%

increased their annual revenues and/or net worth.



ACCESS NEW CAPITAL

66%

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



ADVANCE INNOVATION

52%

developed or replicated their innovative community development model.

COMMUNITY IMPACT



DIVERSITY & INCLUSION

Genesis LA Invests primarily in Women or Minority Controlled projects.

Out of a total of 171 projects financed, 134 of those were either Women or Minority controlled and make up 78% of our projects.



\$292,875,197
deployed

66%
of total \$ deployed

78% (134/171)
of total projects FINANCED

PANDEMIC RELIEF

Genesis LA deployed \$550,000 in grants through the Wells Fargo Open for Business Program to support small businesses / entrepreneurs affected by COVID-19.

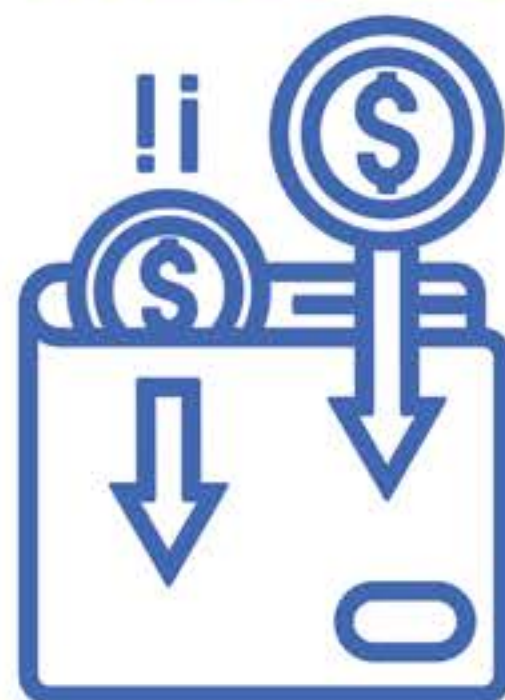


214
Small Businesses /
Entrepreneurs supported

\$550,000
deployed in grants

INCOME SAVINGS

Genesis LA has financed 2,114 affordable housing units resulting in lower rent for tenants and more cash savings to pay for other vital goods and create savings.



\$1,453
saved per unit, per month

\$17,433
per unit, per year

\$23,638,966
in total portfolio rental
savings per year

BOARD, STAFF & PARTNERS

BOARD OF DIRECTORS

Richard Maire, Jr.
Chair
Manatt, Phelps & Phillips, LLP
Partner

Lee Kanon Alpert
Chair Emeritus
Alpert, Barr & Grant
Partner

Pattie Ehsaei
Secretary
First Bank
Senior Vice President

Cindy Miscikowski
The Ring Group
Managing Director

Paul Chen
Chen & Fan Accountancy Corporation
Managing Partner & CEO

Steve Rolfe
ProAmerica Bank
Chief Credit Officer
(retired)

Robert Oehler
Pacific Alliance Bank
Chief Executive Officer
(retired)

Dutch Ross
City First Bank
Director

Marcia Choo
Independent Consultant

STAFF

Tom De Simone
President & CEO

Jessica Waybright
General Counsel

Jem Dicioco
Director of Finance /
Treasurer

Pavlin Buchukov
Senior Loan Officer

Anthony Santana
Loan Officer

Elias Salgado
Loan Administrator

Alejandro Gonzalez
Program Manager

Dianne Uy Bengke
Loan Portfolio &
Accounting Manager

Zeinab Albatal
Accounting Associate

Jonathan Lopez
Associate

Alma Hernandez
Executive Assistant

COMMUNITY ADVISORY BOARD

Juan Aquino
Capital One

Zoe Ellas
Deep Green Housing &
Community Development

Luis Gutierrez
LA Forward

Anne MacAulay
LA Commons

Shane Phillips
UCLA Lewis Center for
Regional Policy Studies

Alex Ramirez
LA Más

CAPITAL PARTNERS

Bank of America
Bank of Hope
Boston Private Bank & Trust
CDFI Fund
California Community Foundation
Capital One
Chan Zuckerberg Initiative/Silicon
Valley Community Foundation
CIT Bank
City National Bank
Community Bank
Community Vision
Conrad N. Hilton Foundation
Dignity Health
Federal Home Loan Bank
First Choice Bank
HSBC Bank
JP Morgan Chase
MacKenzie Scott
Manufacturer's Bank
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
JP Morgan Chase
LA County Development Authority
LA Development Fund
Los Angeles Housing Department
Low Income Investment Fund
Local Initiative Support Corp
Nonprofit Finance Fund
Raza Development Fund
TELACU
The California Endowment
US Bank
Weingart Foundation
Wells Fargo