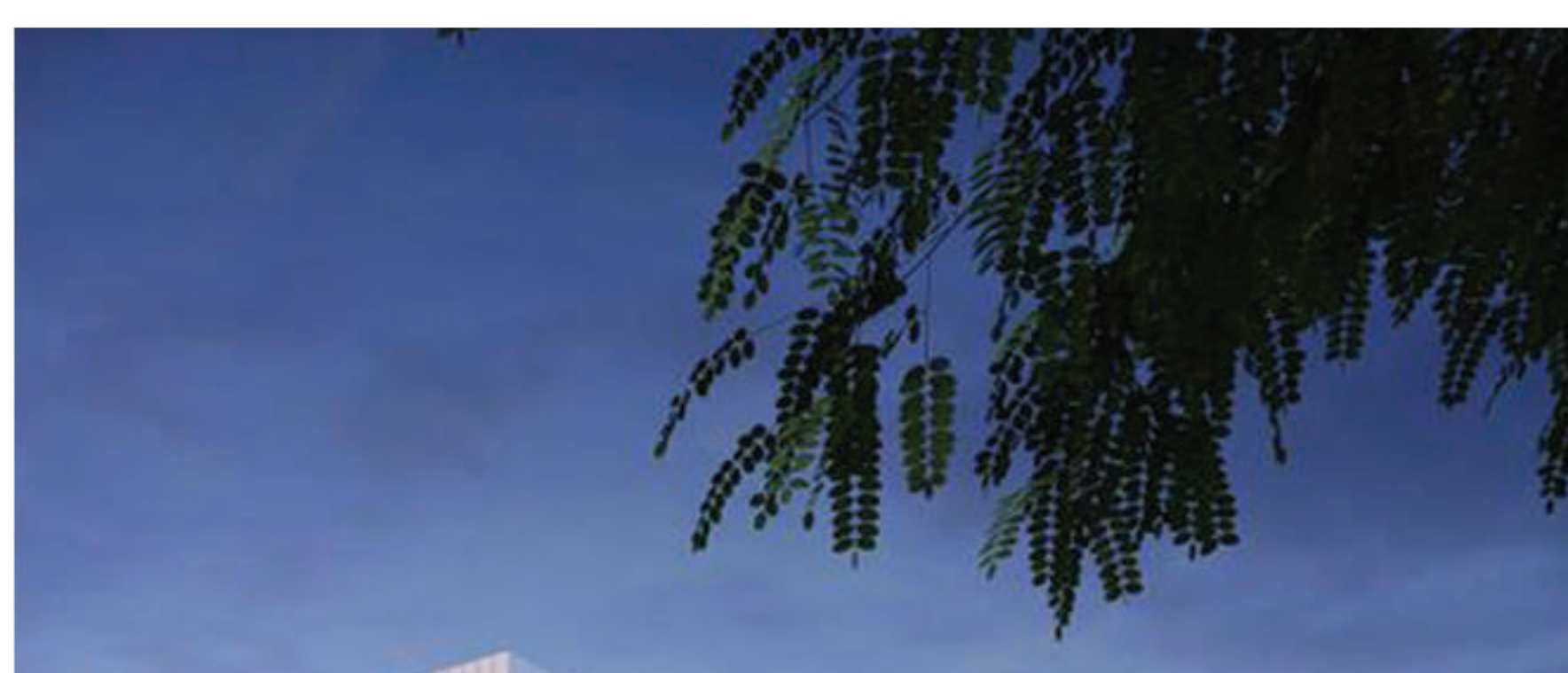
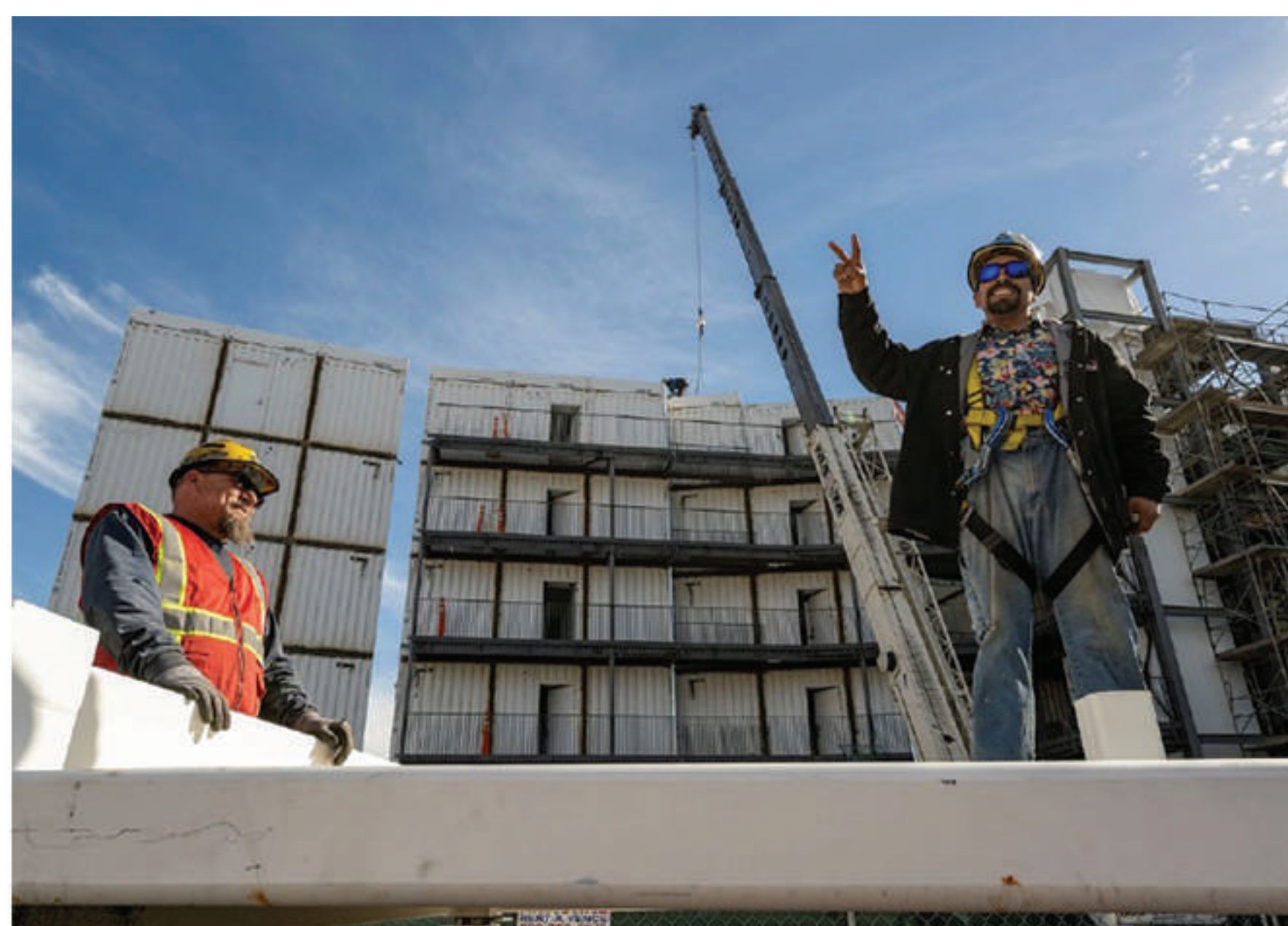




2022 ANNUAL REPORT



Back to Work...

Among the blessings that I count during 2022 is the return of our Genesis LA colleagues to regular, in-person work. If you've ever heard us talk about our staff, we often describe our team as a family. Part of that bond results from our relatively small size (we added our twelfth employee in April 2023), and that we are all located in a single local geography. But the bonds are really formed through our intentional and consistent personal connections – bonds that authentically form from being with one another, most of the work week, in-person.

As the pandemic recedes, I've been troubled by the fact that so few of our fellow community development colleagues regularly practice their trade in-person. I worry it is advancing a trend that seemed to be gaining steam within our particular CDFI sector even before the pandemic, where the people who do the work are increasingly disconnected from the people and the places for which we are supposed to be working.

The CDFI sector emerged to narrow the gaps between those who control capital and those who most need access to capital. However, in the last decade, the sector has seemingly become obsessed with promoting exponential growth in balance sheet size, loan deployment, and market coverage. Unfortunately, "achieving scale" in this way also tends to concentrate more capital in fewer CDFIs and centralize power and decision making far away from the places where CDFIs are investing. This was the very nature of the banking sector that CDFIs sought to rectify.

The pandemic only worsened this trend. Today, a growing number of CDFI practitioners never step foot in the city centers that they purportedly serve and many do not live in the same cities, states, or time zones as the places where they are investing capital. The same is true for many others in our aligned sectors – affordable housing developers, community development corporations, charitable foundations, even the municipal workers of our towns and cities, many of who never lived, and now are not even required to work, in the cities that they are charged with serving. Even as the economy and society have mostly returned to normal following the pandemic, I am struck by the conspicuous absence of community development practitioners from the central cities that we work to revitalize. This absence is actively contributing to the economic decline of places in which our sector is supposed to be investing.

At Genesis LA, I am grateful that our team has chosen to be together in-person, usually four days a week. Being together is infinitely more satisfying for our team – we huddle after meetings or calls to debrief together, we gather in the same room for weekly planning sessions, we walk to lunch together and share treats in the break room, and we engage in daily "water cooler" talk to learn about our families, our trials and triumphs, and share laughs. We also regularly attend site visits with borrowers and meet with community partners in-person. These bonds make us closer, more effective, and more connected to the people and the work that we do in the communities we serve.

So, as I do every year with this annual note, I thank our partners who make our work possible. But now, more than ever, I thank our team for choosing to be together, in the city that we all love and serve each day.

Tom De Simone
President & CEO

In 2022, 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 2022:



\$39.4 million in CDFI loans and \$27.4 million in NMTC loans made to 18 projects.



Financed projects that will create or retain 1,047 construction related jobs, and serve 1,349 people per year.



Grew Net Assets by \$6 million, a 13% increase since 2021.



Accessed \$13 million in new debt capital to support our CDFI lending.

OUR STRATEGY

CAPITAL

We offer flexible and customized CDFI loans from our Genesis Community Investment Fund (GCIF) and special purpose funds such as our Affordable Housing Initiative (AHI), created in partnership with United Way of Greater Los Angeles. We also make loans through the deployment of New Markets Tax Credits (NMTC).

CAPACITY

We work hands-on to build the capacity of community organizations, nonprofits, and local 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; deliver goods, services and housing to low-income community residents; and make the Los Angeles region a more equitable place.



Boyle Tower

Jovenes, Inc. 4th Street Housing

Neighborhood: **Boyle Heights**

Partners: **Jovenes, Restore Neighborhoods LA (RNLA), Lehrer Architects**

GCIF Loan Amount: **\$1,200,000**

Loan Type: **Construction & Permanent**

Genesis LA supported Jovenes, Inc. and Restore Neighborhoods LA (RNLA) to successfully respond to a City of Los Angeles RFP for a small infill development site in Boyle Heights, which had stood vacant for over a decade. The partners worked with Lehrer Architects to design a compact development that balances the demands for density, lower development costs, and the need to leverage private capital. Genesis LA closed on construction financing in 2022 and the project will create eight units of permanent supportive housing for youth at a total cost of approximately \$250,000 per studio apartment, less than half the cost of similar affordable housing units. This project is part of Genesis LA's RETHINK Housing program, which seeks alternative design and financing strategies to increase the supply affordable housing.



**Venice Community Housing
/Social Justice Learning Institute**

Boyle Tower Housing

Neighborhood: **Boyle Heights**

Partners: **Toledo Capital Development, LLC**

GCIF Loan Amount: **\$1,800,000**

Loan Type: **Construction & Permanent**

The Boyle Tower project introduces a unique design that maximizes density within a small, hillside parcel. This 9-unit housing development will provide improvements to a current 4-plex by adding five new housing units on a vacant hillside portion of the property. The tower structure will provide new housing for households that earn 30% - 80% of the Area Median Income (AMI). The project will retain its current tenants and serve as a model for adding cost effective density within underutilized infill sites. The total development cost is approximately \$335,000 per unit, significantly lower than traditional affordable housing development.



Jovenes, Inc. 4th Street

Venice Community Housing / Social Justice Learning Institute Housing & Community Facility

Neighborhood: **Inglewood, CA**

Partners: **Venice Community Housing, Social Justice Learning Institute**

GCIF Loan Amount: **\$2,500,000**

AHI Loan Amount: **\$5,100,000**

Loan Type: **Acquisition & Predevelopment**

Genesis LA provided acquisition and predevelopment financing to jumpstart the development of a mixed-use project that will include 119 affordable housing units serving households earning between 30% and 80% AMI in Inglewood. The site will also serve as the Social Justice Learning Institute's (SJLI) new headquarters, providing a permanent home for the delivery of social and youth development services to local residents.



Hollywood Arts Collective Community Facility

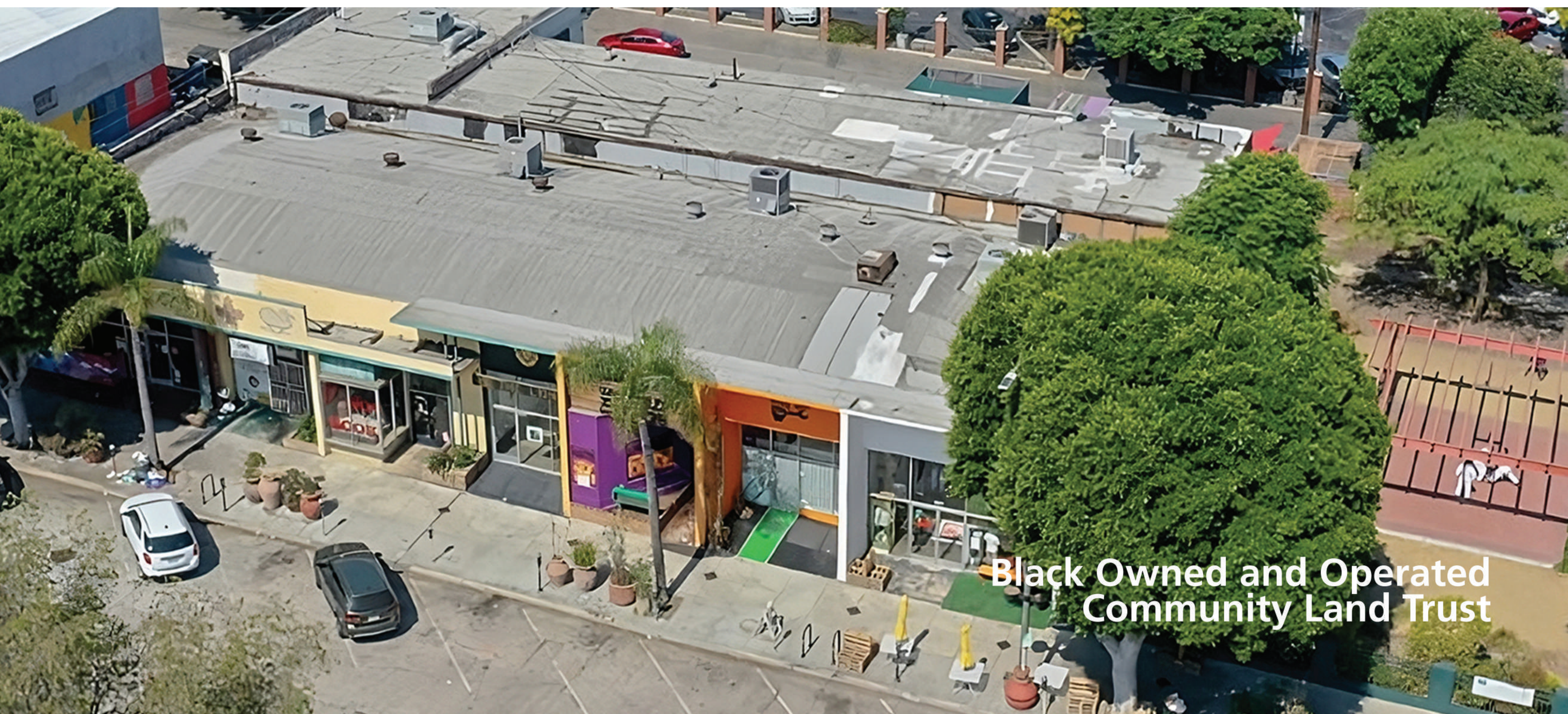
Neighborhood: Hollywood

Partners: Entertainment Community Fund

NMTC Amount: \$11,400,000

Loan Type: Rehabilitation & Permanent

The Hollywood Arts Collective project will rehabilitate an existing building into a below-market rate commercial space for non-profits supporting the creative arts sector. Services include a new career center to support financial stability among blue-collar workers in the entertainment industry, space for supportive services, gallery and performance spaces, and offices for nonprofit organizations. The NMTC project is part of a larger development initiative, which will provide affordable housing for low-income artists in the area. Genesis LA provided \$11.4 million in NMTC allocation to the project.



Evermont **Economic Development**

Neighborhood: **South LA**

Partners: **Primestor Development, Coalition for Responsible Community Development**

GCIF Loan Amount: **\$10,500,000**

NMTC Amount: **\$16,000,000**

Loan Type: **Construction & Permanent**

The Evermont project will transform a two-block stretch of South LA that has been blighted and underused since the 1992 civil unrest. This catalytic mixed-use project will deliver retail goods, groceries, a new Metro innovation center, and space reserved for small mom-and-pop businesses. The development team conducted an extensive community engagement process to design a project that addresses the lack of goods and services in the neighborhood and ensures local minority businesses can participate in the project's wealth generation. Genesis LA provided \$16 million in New Markets Tax Credit allocation and originated a \$10.5 million senior construction loan with a participation from Clearinghouse CDFI. Additionally, Genesis LA facilitated \$13.5 million in various public funding sources as a pass through lender.



Hollywood Arts Collective

Black Owned and Operated Community Land Trust

Economic Development

Neighborhood: **Leimert Park**

Partners: **Black Owned and Operated Community Land Trust, Wells Fargo, LA County**

GCIF Loan Amount: **\$1,500,000**

Loan Type: **Acquisition & Rehabilitation**

In 2019, Genesis LA began working with small business owners in Leimert Park who dreamed of acquiring the property where they rented space. In 2021-22, these business owners came together with the Black Owned and Operated Community Land Trust (BOOCLT) to acquire the building and preserve the local small businesses in this historic Black commercial district. Genesis LA assisted with raising and structuring of financing, which included grants from Wells Fargo and Los Angeles County. Genesis LA provided a \$1.5 million bridge loan to support community ownership of this important neighborhood asset.

CAPACITY BUILDING

Genesis LA recognizes that many community development interventions fail to launch, because community-based organizations lack a partner who can help them turn their ideas into viable and financeable projects. To overcome these challenges, Genesis LA provides nonprofits, community developers, and small businesses with the following capacity building services:

PROJECT DEVELOPMENT SERVICES

Financial Structuring

72% of projects benefitted 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.

Real Estate Technical Assistance

25% 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

85%

increased their annual revenues and/or net worth.



ACCESS NEW CAPITAL

63%

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



ADVANCE INNOVATION

56%

developed or replicated their innovative community development model.

CALCORE

In 2021, Genesis LA and Community Vision launched the California Community-Owned Real Estate program (CalCORE), a state-wide initiative that provides network building, trainings, and one-on-one technical assistance to cohorts of nonprofits who seek to acquire, rehabilitate or develop community-serving real estate projects. CalCORE focuses on building the capacity of Black, Indigenous and people of color (BIPOC)-led real estate organizations as well as Community Land Trusts, Community Development Corporations, and other community real estate entities. Over the past two years, 28 organizations have been served by the CalCORE program. Genesis LA has provided over 450 hours of training and technical assistance to our Southern California cohort members. We have also made loans to two CalCORE participants and deployed \$115,000 in grants to 3 organizations.



TRUEVOLUTION

TruEvolution – Project Legacy Community Facility

Neighborhood: **Riverside, CA**

Partners: **TruEvolution**

GCIF Loan Amount: **\$750,000**

Loan Type: **Working Capital / Bridge**

Following the start of the COVID-19 pandemic, the state of California launched Project Homekey, an innovative program to acquire and rehabilitate existing structures into housing for individuals experiencing homelessness. TruEvolution, an LGBTQ-focused healthcare and social services provider serving the Riverside area, utilized Homekey resources to acquire and rehabilitate five single-family homes and a commercial property spanning a city block and transform it into a multi-purpose campus that provides 49 beds of transitional housing, an on-site health center, and offices for TruEvolution. Genesis LA supported TruEvolution through our CalCORE program, a 12-month program that builds organizational and technical capacity of participants to acquire, develop, and maintain real estate through community ownership models. Genesis LA also provided a \$750,000 bridge loan to ensure TruEvolution had liquidity to fund construction prior to receiving reimbursements from public funding sources.

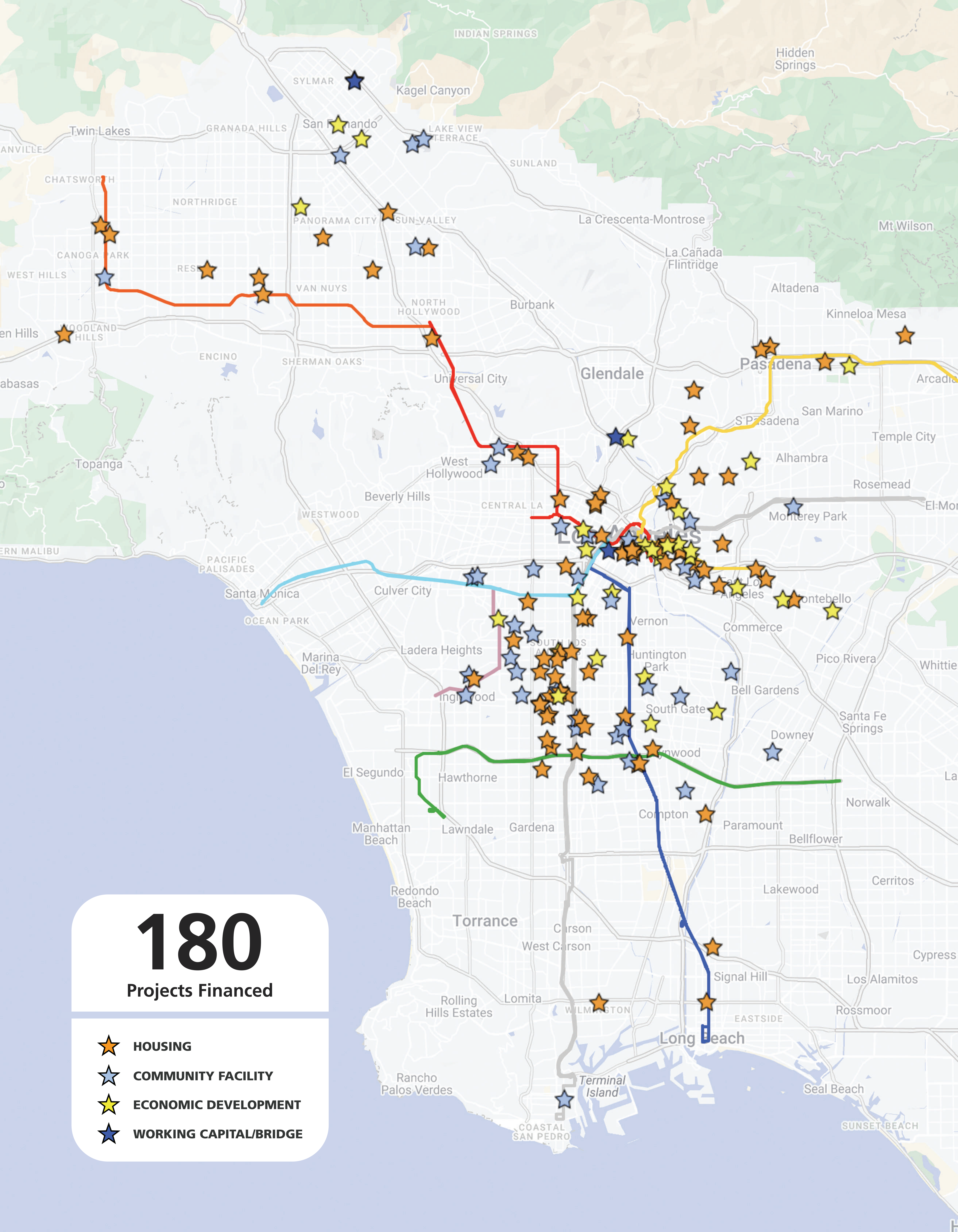
CALCORE: TRUEVOLUTION

CalCORE was made possible by the following sponsors:




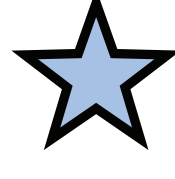
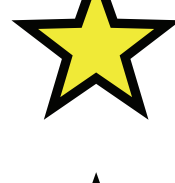
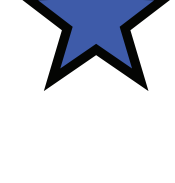
**JPMORGAN
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180

Projects Financed

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

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

COMMUNITY IMPACT



\$532
million deployed



180
projects financed



\$2.56
billion leveraged



128,478
end-beneficiaries served



7,331
permanent jobs and over
13,475
construction jobs created
or retained



523
small and locally-owned
businesses located in
Genesis LA projects



83%
of projects are women
and/or minority-controlled



955,000
low-income residents now
have increased access to
commercial goods
and services



115,374
clients served annually by
service provider borrowers,
including over
47,600
youth



121
single-family units
2,636
multi-family units
1,434
Permanent Supportive
Housing units

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