

CELEBRATING 20 YEARS



GENESISLA
Capital. Capacity. Community.

When Genesis LA was founded in 1998, out of the office of former Los Angeles Mayor Richard Riordan, our region faced daunting challenges. The civil unrest of 1992 left scars on the urban landscape and new investment eluded most of LA's urban core. As Genesis LA celebrates its 20th year, much has changed and new investment has poured into previously overlooked communities. Yet many of the same challenges exist: persistently high poverty, rising homelessness, and economic inequality. In fact, some of these challenges are even more pronounced as new investment and economic growth drive real estate prices and make the city less affordable for those living on the margins.

Throughout the past 20 years, Genesis LA has also changed. In the early years, we helped to establish some of the earliest double bottom line investment funds. Soon after, we seeded our internally-managed Genesis Community Investment Fund (GCIF) with a \$1 million grant and made our first loan for \$325,000 in 2002. In 2005, we received our first allocation of New Markets Tax Credits (NMTC), providing us with capital for larger community and economic development projects. And in 2010, we were certified as a Community Development Financial Institution (CDFI). Today, our GCIF loan fund is capitalized at over \$40 million and we have been awarded \$265 million in NMTC allocation. Our GCIF and NMTC capital sources have allowed us to finance 106 projects that have supported 11,700 jobs, serving 51,600 individuals, and producing 1,440 units of housing to benefit low-income Angelenos.

While these impacts are noteworthy, perhaps Genesis LA's greatest impact over the past 20 years has been our bold vision for how to invest in community development. We believe that CDFIs must be nimble, entrepreneurial, and innovative in their approaches to delivering capital. 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. These projects usually don't fit inside existing credit parameters, therefore, we customize financial products to ensure that promising community development interventions move forward. This culture has helped Genesis LA to be at the forefront of many of the most exciting community and economic development projects in Los Angeles County. And there is more to come! We thank you and all our partners who have been a part of our work over the last 20 years.

OUR STRATEGY



CAPITAL

We offer flexible and customized financing through direct loans from our internally managed Genesis Community Investment Fund (GCIF) and through New Markets Tax Credits (NMTC). Through 2017, we have deployed \$280 million to 106 projects, which has leveraged another \$1.2 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, we have provided 75% of borrowers with financial structuring, capital raising, and/or real estate technical assistance.



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 11,700 jobs, serve 51,600 individuals, and produce 1,440 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.

OUR THEORY OF CHANGE

Genesis LA seeks to influence certain short-and-mid-term conditions in order to bring about long-term community transformation in Los Angeles. We provide hands-on capacity building services and flexible, customized capital products to ensure that the most promising yet challenging community development projects have a real chance of success. Through this work, we hope to reshape what is possible in community development and build a more robust and impactful community development sector in Los Angeles.



GENESIS LA

- Develop a strong, nimble, and entrepreneurial CDFI that can be a local leader in community development finance.
- Provide hands-on capacity building services that can turn challenges and/or new ideas into viable, financeable projects.
- Customize flexible capital products that can solve unique financing challenges not being addressed by others in the market.



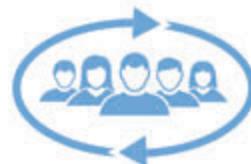
BORROWERS & PARTNERS

- Assist large organizations to access the capital they need to continue their success.
- Develop close relationships with smaller organizations to understand their goals and help to grow their capacity, track record, and reach.
- Collaborate with practitioners to incubate new community development strategies and models that can be tested and expanded.



COMMUNITY DEVELOPMENT SECTOR

- Grow and strengthen the network of successful community development organizations and practitioners serving the Los Angeles area.
- Bring new strategies and models to scale or share successes with the sector to inform future work.
- Attract new resources to the region.



LONG TERM COMMUNITY CHANGE

- Combat community deterioration.
- Ameliorate conditions of poverty, dependency, unemployment, community tensions, and social and economic disparity in disadvantaged areas.
- Revitalize economically depressed neighborhoods.
- Create wealth and opportunity for underserved communities.

PROJECTS FINANCED

Since inception, we have financed 106 projects, many of which are coordinated with broader community and regional plans, policies, and initiatives.

Transit Accessible & Walkable Neighborhoods:

Los Angeles has set goals to increase the number of trips taken by foot, bike, and transit, by directing future growth around the region's growing transit system. LA plans for most new housing to be built near transit and for the city's average Walk Score to reach 75 by 2025. Over 81% of projects financed by Genesis LA have a Transit Score of 50 or higher (good transit) and over 68% have a Walk Score of 70 or higher (very walkable).

Investing Along the LA River:

Over \$1 billion in local, state, and federal plans are underway to restore the LA River. These efforts will revitalize local ecosystems; connect low-income communities to new open space, walking and bike paths; and spur new investments in housing and jobs. Genesis LA has financed \$25 million to 9 projects located within a half-mile of the LA River, ensuring that low-income people benefit from the river's restoration.

Goods & Services to Underserved Areas:

Genesis LA's investments in commercial retail centers have helped to bring new affordable and high quality commercial goods and services (e.g. food, clothing, housewares, etc.) to more than 243,000 individuals living below the poverty line.

Innovations in Affordable Housing:

Los Angeles is the least affordable housing market in the U.S. and experts say that over 550,000 more affordable units are needed. To address this crisis, LA needs new approaches to designing, constructing and financing housing. Genesis LA has provided leadership in this area by building capacity and deploying capital for new housing models, such as shared housing, accessory dwelling units, preservation of naturally occurring affordable housing, and new construction of unsubsidized affordable housing.

Reducing Homelessness:

Approximately 60,000 individuals in Los Angeles County are homeless and the numbers are growing. Recently, the city and county have committed unprecedented new resources to providing housing and services to reduce the number of people experiencing homelessness. Genesis LA has deployed \$6.2 million to 6 projects that serve about 7,000 homeless individuals.

LEGEND

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



Los Angeles LGBT Center:

Located in the transit rich neighborhood of Hollywood, the Anita May Rosenstein (AMR) Campus will be a 211,000 s.f. mixed-use development consisting of services and housing for the most vulnerable populations in the LGBT community. This project has a walk and transit score of 94 (walker's paradise) and 62 (good transit) respectively, demonstrating a concerted effort to combine both housing and services in transit rich areas to reduce automobile dependency and create vibrant livable communities.

Total NMTC Financing: \$10 Million

LA River Campus:

Genesis LA financed the LA River Campus project because it has the potential to set the tone for new development along a revitalizing LA River. The project features 10,000 s.f. of commercial space for small and local businesses, and 40 live-work units (20% of which will be reserved for low-income families). We also worked with the developer on a comprehensive community benefits agreement.

Total GCIF Financing: \$1 Million

Total NMTC Financing: \$13.1 Million

Azalea Plaza:

This retail center, located in South Gate, provides 375,000 s.f. of quality commercial goods and services to low-income households in Southeast Los Angeles County. The project also created 1,300 permanent jobs of which 83% are local hires. Public gathering space provides for year-round community events and celebrations. After California ended its redevelopment program in 2011, Genesis LA's financing served as a critical source of capital to ensure the project moved forward.

Total GCIF Financing: \$2.5 Million

Total NMTC Financing: \$29.1 Million

Accessory Dwelling Units (ADUs):

With 500,000 single-family lots in the city of Los Angeles alone, ADUs can be a critical component to expanding LA's housing supply. Additionally, ADUs are more affordable because they have no land costs. Genesis LA financed the city's pilot ADU in Highland Park and is leading efforts to help low- and moderate-income families build and finance ADUs as part of our JP Morgan Chase PRO Neighborhoods initiative on small housing interventions.

Total GCIF Financing: \$172,000 (as of FYE 2017)

LA Family Housing:

Genesis LA collaborated with NFF to provide a NMTC leverage loan to LA Family Housing's new headquarters. The facility will feature a federally qualified health center, room for enhanced social services, housing and shelter for 2,000 individuals, and additional office space. LA Family Housing is the lead agency in LA County's Coordinate Entry System covering the east San Fernando Valley and this project will expand services in the area.

Total GCIF Financing: \$2,000,000

COMMUNITY IMPACTS

Our investments have created impacts that support long-term community change.



5,400

permanent jobs and
6,300
construction jobs
retained or created

Our financing has supported
the creation or retention of
at least 4,000 jobs that are
accessible to low-income and
at-risk individuals, and at least
3,500 that pay living wage levels
(Source: MIT).



2,500,000

square feet providing commercial
and community goods & services



94%

of capital deployed in highly
distressed census tracts



64%

of borrowers are women and/or
minority controlled enterprises

Increasing the rate of minority
and female entrepreneurship
may help to reduce the race and
gender wealth gaps, to reduce
income and wealth inequality,
and to increase social mobility
(Brookings Inst.).



57%

of projects are
environmentally sustainable
(LEED, Cal Green, Adaptive Reuse,
Environmental Clean-up)

Green buildings reduce carbon
emissions by 34% and consume
25% less energy and 11% less water
than non-green buildings (US Green
Building Council).



51,600

clients served annually by
our borrowers, including

15,800
youth

EDUCATION

Early childhood education can
improve social and cognitive
development, and improve
long-term educational attainment,
employment, income, and health
(CDC). Afterschool programs can
improve academic performance and
aspirations, school attendance and
behavior, and reduce the dropout
rate (Youth.gov).

DEVELOPMENTAL DISABILITIES

Appropriate training and services
can support self-determination
among adults with developmental
disabilities (U.S. Dept. Health &
Human Services / Univ. Oregon).

CIVIC & YOUTH ENGAGEMENT

Volunteerism and participation
in civic or service organizations
is correlated with lower rates
of disconnected youth, greater
economic opportunity, and lower
income inequality (Opportunity
Nation). Youth engagement
introduces college and career
opportunities, fosters independent
thinking, and builds self-confidence
and cultural understanding (USC /
CA Endowment).



1,440

housing units constructed or
rehabilitated

MULTIFAMILY

Stable, safe, and affordable
housing helps families save for
other vital goods (e.g. food,
utilities, transportation, daycare,
healthcare); reduces employment
and educational disruptions;
and improves mental health and
wellbeing (CA Dept. Housing &
Community Dev.).

SUPPORTIVE HOUSING

For every \$1 invested in
providing permanent housing and
supportive services to chronically
homeless individuals, Los Angeles
County government saves \$1.20 in
healthcare and other social service
costs (RAND Corp.).

HOMEOWNERSHIP

Homeownership is one
of the biggest ways that
low-and-moderate income
Americans gain wealth. Each
additional year of homeownership
boosts household wealth by an
average of \$6,000 -
\$8,000 (Harvard).



243,000

people living in poverty now have
access to affordable commercial
goods & services

Low-income communities have
lower densities of supermarkets,
drugstores, food service,
and other retail goods, and
low-income people generally
must travel further than
middle-and-high-income people
to access retail goods
(USC & JP Morgan Chase).



68%

of projects are located in very
walkable neighborhoods
(Walk Score)



81%

have good public transit access
(Transit Score)

Walkable neighborhoods reduce
transit costs and carbon footprints
while creating safer, healthier, more
democratic places to live (CA Walks).



480

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

On average, 48% of each
purchase at local independent
businesses is recirculated
into the local economy,
compared to less than 14%
of purchases at chain stores
(Civic Economics) and small
businesses create most new
jobs in LA (ICIC).



75%

of borrowers receive our capacity
building services



\$1.2 billion

leveraged from other
financial sources

ECONOMIC DEVELOPMENT

Invested \$120 million in 19 projects that revitalize communities, create quality jobs, provide commercial goods and services, and build wealth for low-income populations.



LA Prep

In 2014, Genesis LA was the first lender to provide a financing commitment to LA Prep. The first-of-its-kind facility, LA Prep redeveloped a warehouse in Lincoln Heights into 50 "turn-key" commercial kitchens for small and medium sized food businesses. LA Prep dramatically reduces barriers for these businesses to open and expand, by eliminating the need for individual businesses to incur the high costs of building facilities, obtaining licenses, and installing infrastructure. LA Prep proved so successful that it helped to reshape LA County's food business licensing rules and Genesis LA went on to finance a second LA Prep project located in South LA in 2017.

Total GCIF Financing: \$4.5 Million (to 2 projects)

Total NMTC Financing: \$10 Million

City Labs Boyle Heights

Genesis LA provided critical acquisition and rehabilitation financing to a local investor who sought to provide commercial space for community-serving firms. Our financing helped to convert a blighted warehouse in Boyle Heights into 6 new and affordable office spaces for community serving organizations. The project ensures that these local firms have access to quality facilities in the communities they serve – communities that are increasingly experiencing the pressures of gentrification and displacement.

Total GCIF Financing: \$1.06 Million



COMMUNITY FACILITIES AND SERVICES

Invested \$106 million in 33 projects that provide at-risk and underserved populations with direct services, including education, healthcare, social services, and civic engagement.

Sheen Education Foundation

Since 1971, the Sheen Education Foundation has served youth in Watts and South Los Angeles with educational and enrichment programs. In 2010, Sheen partnered with a charter school to construct a new campus and serve more students. The new charter campus displaced the original Sheen headquarters and Genesis LA provided Sheen with a loan to acquire and renovate a new "Sheenway House" located next to the new charter school. Today, Sheenway provides free and low-cost day school programs and afterschool enrichment to 41 youth.

Total GCIF Financing: \$330,000



MERCI

MERCI has served persons with developmental disabilities in East LA and the San Gabriel Valley since 1955. In 2010, MERCI embarked on a redevelopment and expansion of its Monterey Park campus, but faced a significant gap in financing for the project. Genesis LA helped to develop a viable financing structure by providing a combination of GCIF and NMTC financing for the project, working in partnership with Nonprofit Finance Fund. Our efforts assisted MERCI to secure additional equity and debt financing for the project, which was completed in 2016 and doubled the organization's service capacity.

Total GCIF Financing: \$1.35 Million

Total NMTC Financing: \$7.1 Million

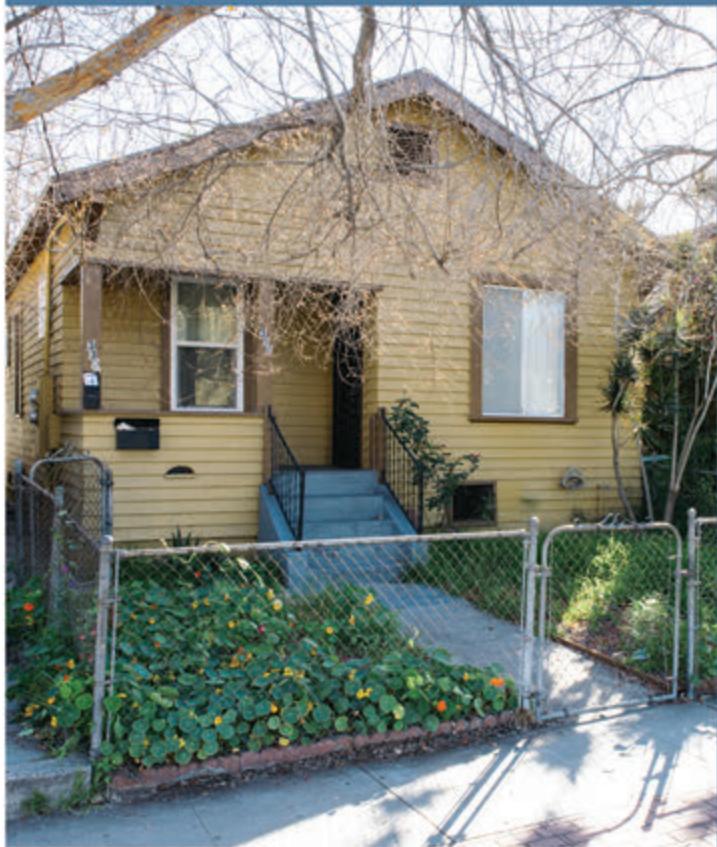
HOUSING

Invested \$50 million in 50 projects that provide small and large-scale housing options. These include developer loans for single-family home ownership, multi-family and supportive housing.

My Home, Mi Casa

In 2012, Genesis LA formed a partnership with Jovenes, Inc. to acquire 1-3 unit scattered-site properties as affordable housing for at-risk youth. This unique approach took advantage of low real estate prices during the Great Recession, and pursued moderate rehabilitation scopes in order to finance the project without any public subsidies. Genesis LA provided 100% of the financing and shares part of its financial return with tenants through a unique "youth equity share" program that provides cash savings to youth residents.

Total GCIF Financing: \$2.1 Million



Restore Neighborhoods LA

Genesis LA began working with Restore Neighborhoods LA (RNLA) by making loans for the rehabilitation and construction of homeownership opportunities for low-and-moderate income families. Through 2017, Genesis LA has extended nearly \$3.4 million in financing to support 15 homes. Today, we are working with RNLA to completely rethink the way that affordable housing is designed, constructed, and financed.

We are determined to find new ways to build more housing at lower cost and in less time.

Total GCIF Financing: \$3.4 Million

WORKING CAPITAL & BRIDGE FINANCING

Invested \$4 million in 4 projects to help nonprofits meet their cash flow needs, bridge to future project funding, and achieve community impact.



Community Coalition

Genesis LA provided a critical bridge loan that kept CoCo's headquarters redevelopment project on schedule. We later extended a permanent loan that allowed CoCo to install specific fixtures, furnishings, and equipment. This project sustains CoCo's important work in transforming the social and economic conditions in South LA, by building civic engagement to combat addiction, crime, violence and poverty.

Total GCIF Financing: \$566,000

Terasaki Budokan of Los Angeles

For over 20 years, the Little Tokyo community has been working to build a recreation center for the neighborhood. In 2017, the community's dream was finally realized when the 28,000 s.f. Budokan broke ground. Genesis LA helped to make the project possible by providing Little Tokyo Service Center with a loan that bridges uncommitted capital campaign fundraising. Our bridge loan allowed for the closing of a \$32 million NMTC financing. The Budokan will feature basketball and volleyball courts, martial arts spaces, arts and cultural spaces, youth activities, senior programs and an outdoor garden.

Total GCIF Financing: \$3,200,000



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