What It Takes To Build a Strong Bridge (Loan)

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2016 OPPORTUNITY FINANCE NETWORK CONFERENCE

About Genesis LA

Highly flexible loan products, including CDFI loans and NMTC
Development services, including real estate technical assistance, financial structuring and capital raising
Support innovative and growing organizations / businesses / projects that benefit end users in LMI communities
Community Coalition ("CoCo")

Community organizing in South Los Angeles

- Mission: to help transform the social and economic conditions in South LA that foster addiction, crime, violence and poverty by building a community institution that involves thousands in creating, influencing and changing public policy.
- Community organizing leader in the South LA community
- Redevelop CoCo’s headquarters
  - Larger community meeting spaces
  - New and more efficient offices and amenities
  - Modern technology and communications equipment
  - Improved and more open public façade to engage neighborhood

Financing details

- $4.1MM total project cost (after VE) and $2.1MM "as-complete" appraisal
- LIIF senior, RE secured loan – 90% LTV
- Nearly $600,000 gap
- Genesis LA made bridge loan to mostly uncommitted pledges; no RE security
- $1.38MM in grant prospects, many from prior funders
- Strong track record in fundraising, including annual gala with $200,000 net proceeds annually
- CoCo equity & LIIF loan funded first. Ultimately, grants awarded before Genesis LA loan needed.
- Genesis LA made separate 5-year, $700,000 loan to allow CoCo to restore several budget items removed from initial value engineering at first closing.
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Investors
Companies
Philanthropy
Banks
Government

Grants
Loans
Equity
Technical Assistance

Local Community Development Partners

Capital
Healthy Neighborhoods

Great Places to Live
Schools
Businesses
Jobs
Homes

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### LISC Lending at a Glance

<table>
<thead>
<tr>
<th>Geography</th>
<th>National</th>
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<tbody>
<tr>
<td>Primary Focus</td>
<td>Facilities-based financing for housing, education, healthcare, healthy foods, commercial and community development</td>
</tr>
<tr>
<td>Product Type</td>
<td>Acquisition, bridge, construction, mini-permanent, permanent, predevelopment, working capital</td>
</tr>
<tr>
<td>Portfolio</td>
<td>$265 million outstanding</td>
</tr>
<tr>
<td>Loan Officers</td>
<td>30 Local Office Underwriters; 7 National Program Staff; 6 Lending Department Staff</td>
</tr>
<tr>
<td>Average Loan Size</td>
<td>$1,052,000</td>
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### LISC Bridge Product Overview

| Purpose | To bridge the timing gap between project or program costs and receipt of cash from committed or anticipated sources. |
| Project Type | Rental housing; for-sale housing; community facilities; commercial and mixed-use projects. |
| Loan Amount | $100,000 - $6,000,000 |
| Interest Rate | 6% Fixed |
| Term | Up to 3 Years |
| Repayment | Interest-Only; Payable Monthly |
| Collateral | Bridged receipts and / or real estate collateral / membership interests (implied collateral)/ All Business Assets UCC |
Project Example: The Equity Project

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Bridge capital contributions to assist in the construction of a new six-story square foot facility for a middle school</th>
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<tbody>
<tr>
<td>Project Type</td>
<td>Charter School</td>
</tr>
<tr>
<td>Loan Amount</td>
<td>$2,700,000 (50% participated out to Building Hope)</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>5.8% Fixed</td>
</tr>
<tr>
<td>Term</td>
<td>36 month origination; 93 month term</td>
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<tr>
<td>Repayment</td>
<td>Interest-Only; Payable Monthly</td>
</tr>
<tr>
<td>Collateral</td>
<td>Committed Campaign Pledge; Government Grants; TEP’s Per Pupil Revenue and subordinate mortgage</td>
</tr>
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About Nonprofit Finance Fund
Linking Money to Mission for 35+ Years

- **Tailored Investments**: Financing options to help nonprofits grow, manage uneven revenue, purchase facilities; an advisor and fund manager
- **Strategic Advice**: Consulting practice provides solutions-based advice and partnerships to help nonprofits address change, challenge, or opportunity
- **Accessible Insights**: Produce research and speak widely about the nonprofit sector to cut through complexity and share practical solutions for common or systemic problems
LA Family Housing
Integrated housing, healthcare, and supportive services

- Mission: to help families transition out of homelessness and poverty through a continuum of housing enriched with supportive services
- Selected to lead the Coordinated Entry System (CES) in San Fernando Valley – a centralized intake model initially piloted in LA with local foundation support.
- The Campus: phased 80,000 sf renovation and new construction
  - Housing operated by LAFH
  - Dedicated CES spaces for both families and individuals
  - Health clinic operated by long-time FQHC partner
  - Additional space for other service providers

Financing details
Phase 2 NMTC financing
$18.7MM, including $8.35MM of debt from NFF, Genesis LA, and Dignity Health
- 2 NFF loans: $2.1MM of leverage debt serviced through NMTC structure from FQHC tenant income, and $6.25MM bridge loan
- Bridge loan is financing capital campaign equity, including some uncommitted pledges
  - Modest principal repayment required, plus all capital campaign proceeds as received
- Credit enhancement: $2MM loss guaranty from long-time LAFH donor
- Both loans secured by pledges, project real estate (indirect), and a second lien on another LAFH property
LA Family Housing
Project renderings