

The Lending Hand

GENESIS COMMUNITY LOAN FUND

SUMMER 2002

WHAT NEXT? DO MORE AND DO IT EVEN BETTER

Ten years ago this month the Genesis Fund made its first loan. We tested the lending waters by participating in a \$50,000 Coastal Enterprises construction loan to a new Bremen development for low-income homebuyers. Over the intervening ten years Genesis has supported projects in every county in Maine with financial and technical assistance, and the initial \$40,000 invested by four Lincoln County churches has grown into a \$2 million loan pool.

For some time we've had a hunch that the market for our services is growing. Not only have total funds lent quadrupled over two years, but the requests for technical assistance services have more than doubled as well. Still, as the board of directors and staff began to plan for the future, we thought we'd better have more than just a hunch about the demand side of business.

So, with a grant from the Treasury Department's CDFI Fund, we hired Stafford Business Advisors to assess the state of our market. Our goal, as guidance for shaping a wise growth strategy, was to find out if Genesis is offering the correct line of products and services to meet the needs of Maine non-profits and communities. Stafford interviewed 36 leading players in the field and conducted an in-depth analysis of Maine's markets for affordable housing and community facility resources. In February of this year, the consultants presented

the results of their market scan to the Board of Directors.

The following is an excerpt from their findings:

"Genesis is correctly focusing [the bulk of] its activities on the critical area of affordable housing, whether single-family or multi-unit, and whether or not combined with the provision of additional medical or social services... Overall, Genesis is undergoing impressive growth and doing many of the right things. Our

interviews suggest that Genesis is recognized in Maine's housing and community facilities communities as successfully reaching underserved markets with greater creativity and flexibility than other lenders. Its growth means it must now address strategic questions of staffing, targeting, and portfolio balance."

With these findings in hand, the Board of Directors has begun the

continued on page 2

LENDING FOR AFFORDABLE HOUSING AND COMMUNITY FACILITIES

Since January the Loan Fund has disbursed or committed \$988,250 in new loans to nine organizations for affordable housing and community facilities.

SPECIAL NEEDS HOUSING

- Community Housing of Maine, Rockland: \$80,000 for acquisition of property to develop five units of housing for persons with mental illness.
- Harbor Schools of Maine, Rockport: \$170,000 for the development of a supportive housing facility for eight adolescent boys with mental illness and substance abuse diagnoses.
- Housing Foundation, Bangor: \$130,000 for construction of transitional or respite housing for four persons with mental retardation.

FAMILY HOUSING

- Penquis Development, Inc., Searsport: \$100,000 to purchase a 36-acre property for the development of 16 units of rental family housing in the first phase and up to 25 single-family homes in the second phase.

ASSISTED LIVING

- Ashland Care Givers Association, Ashland: \$115,000 for construction of a six-resident care facility for low-income elders.
- ElderCare Network of Lincoln County, Bristol: \$120,000 for renovation of a property in the village of Round Pond as one of five linked eldercare homes in Lincoln County.

COMMUNITY FACILITIES

- Center Theatre, Dover-Foxcroft: \$45,000 for acquisition of an existing theater building that will be restored as the centerpiece of a downtown revitalization project.
- Family Focus, Bath: \$100,000 for acquisition of a building for use as a day care center and office facility.
- Hospice of Maine: \$128,250 for acquisition and renovation of a building to house offices and a community resource center for end-of-life concerns.

HOMELESS TEENS TO HAVE NEW CENTER



The city of Portland will soon have a spacious, well-equipped new drop-in center for its homeless teens, thanks to the success of an ongoing \$5 million capital campaign by the Preble Street Resource Center. Preble Street purchased the site—a vacant building on Cumberland Avenue—with a \$400,000 Genesis Fund acquisition loan and expects to begin renovations in mid-October, with completion expected by fall 2003.

In its current cramped Teen Center, which has operated for five years, Preble Street collaborates with a number of agencies to connect homeless clients, ages 12 to 21, with comprehensive services—housing, education, employment, health care, mental health and substance abuse counseling. The objective of outreach staff and caseworkers is to help young people build life skills and self-esteem, and move toward a productive future.



For more information on the Preble Street Resource Center, contact Executive Director Mark Swann (*pictured at left with the building to be renovated*) at 207-775-0026.

After Ten Years cont'd fr. p. 1

process of planning for the coming years. It is our intention to increase our ability to fully address community needs. The resounding theme is *to do more and do it even better*. Our new work plan will be summarized in the next newsletter. Meanwhile, if you would like a copy of the Stafford report, *Affordable Housing and Community Facilities in Maine*, please contact Debora Keller at 207-563-6073 or deb@genesisfund.org.

As a community lender, Genesis has developed a reputation for integrity, flexibility, and responsiveness, and for successfully blending professionalism and compassion. We are proud of our accomplishments and our reputation, and we look forward to doing more good work.

MILESTONES

(as of June 2002)

- Number of Projects Supported: 81
- Amount lent to borrowers: \$4,183,523
- Percentage of repayment by borrowers: 100%
- Housing units created: 548
- Community facilities assisted: 22
- Dollars leveraged: \$27,449,745
- Hours of assistance provided: 7,465
- Amount of subsidy dollars raised for projects: \$5.9 million

ANNUAL REPORT FY 2002 (April 2001 – March 2002)

FY02 Balance Sheet

ASSETS

Cash and equivalents	\$ 1,228,728
Loans Receivable	892,112
Other Assets	1,753
Net Fixed Assets	8,108
Total Assets	2,130,701

LIABILITIES AND NET ASSETS

Loans Payable	1,651,576
Other Payables	32,477
Temporarily Restricted	22,159
Unrestricted	424,489
Total Liabilities and Net Assets	2,130,701

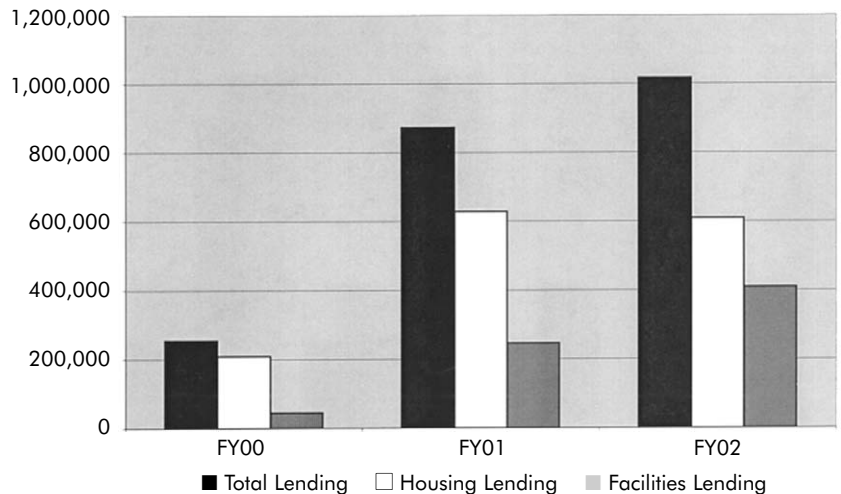
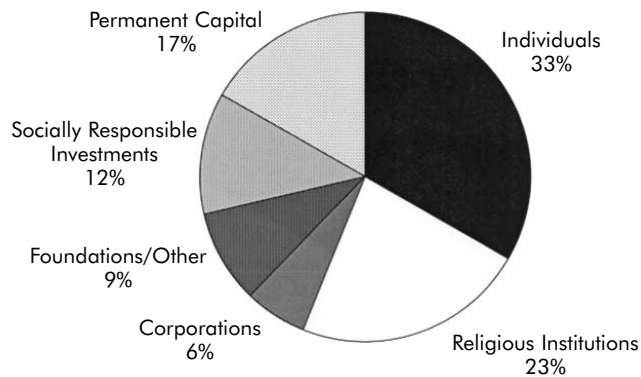
For a complete summary of annual audited financial statements, visit our website at: <http://www.genesisfund.org/FinancialStatements.html>

Thanks for your support in FY2002!

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Village Care Homes Recognized

In its March 2002 newsletter, Maine State Housing Authority featured work that the Genesis Fund has been doing with the ElderCare Network of Lincoln County to develop a network of five small family-like homes in village centers. Each Village Care Home serves six elders, the majority of whom are low-income. Homes are operating in Boothbay, Wiscasset, Waldoboro and Jefferson, and the final home in Round Pond is under construction. Genesis has served as project developer, lender, and cheerleader in this ambitious effort, and MSHA has contracted with us to help replicate the model statewide.

Coastal Communities Taking Action

People who have traditionally lived and worked along the Maine coast are being forced further and further inland by high housing costs. With assistance from the Genesis Fund, the towns of Bristol and South Bristol recently won a \$15,000 state grant to research measures to promote the availability of affordable housing. Consultant Charles Roundy will help the towns' housing committee develop an action plan.

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The Genesis Fund is among 32 statewide organizations that **MaineShare** helps to fund. **MaineShare** is a choice for payroll giving in over 100 worksites throughout Maine.

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