



Building Sustainable  
Communities is no  
longer just a vision  
or hopeful plan.  
We are putting this  
plan into action.  
And it is working.



# IN 2009

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## WHAT WE'VE INVESTED

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**\$607 million**, which has leveraged

**\$1.6 billion** in total development

## WHAT WE'VE ACCOMPLISHED

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**8,800** affordable homes and apartments

**2.8 million** square feet of retail and community space

**24** schools financed for 8,400 students

**7** child care facilities supported for 350 children

**15** playing fields renovated for 30,000 kids

# SINCE 1980

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## WHAT WE'VE INVESTED

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**\$9.7 billion**, which has leveraged

**\$31.3 billion** in total development

## WHAT WE'VE ACCOMPLISHED

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**271,000** affordable homes and apartments

**40 million** square feet of retail and community space

**132** schools financed for 46,200 students

**157** child care facilities supported for 16,500 children

**225** playing fields renovated for 420,000 kids

## OUR MISSION

The Local Initiatives Support Corporation (LISC) is dedicated to helping nonprofit community development organizations transform distressed neighborhoods into healthy and sustainable communities—good places to work, do business and raise children. LISC mobilizes corporate, government and philanthropic support to provide local community development organizations with:

- loans, grants and equity investments
- local, statewide and national policy support
- technical and management assistance

LISC is a national organization with a community focus. Our program staff is based in every city and many of the rural areas where LISC-supported community development takes shape. In collaboration with local community development groups, LISC staff helps identify priorities and challenges, delivering the most appropriate support to meet local needs.

LISC's efforts to build sustainable communities include five goals:

- Expanding investment in housing and other real estate
- Increasing family income and wealth
- Stimulating economic development
- Improving access to quality education
- Supporting healthy environments and lifestyles

Visit [www.lisc.org](http://www.lisc.org) for more information.

## LETTER FROM THE CHAIR &amp; PRESIDENT

Robert E. Rubin,  
*Chair*

Michael Rubinger,  
*President & CEO*



Statistical milestones can be benchmarks of achievement. They speak to size and scope, longevity and experience. They represent the many prospects that have been realized, and chart the progress that has been made. They raise expectations for the future.

And so it is with LISC. Over the past 30 years we have invested \$9.7 billion in capital to support 271,000 affordable homes, 40 million square feet of retail and community space, 225 playing fields, 157 child care facilities and 132 schools, among other things.

We are proud of those results. They are significant, well beyond what was envisioned when we began. But we also know that our numbers do not define us. Our impact does. And that is a much more complicated reality than any tally sheet can describe.

Genuine, lasting community revitalization is gradual, sometimes halting. It defies an easy calculus of dollars in and dollars out. It requires both patience and ambition, and it couples a pin-point, block-by-block focus with a broader vision of what can be.

That last point is particularly important in our current climate. Among the many lessons to be learned from the recent financial downturn is that what happens on your street affects what happens on mine. As such, our national economic competitiveness is linked to the health of traditionally distressed areas that have, in recent years, worked to reinvent their futures such as Logan Heights in San Diego, Humboldt Park in Chicago and Constitution Hill in Woonsocket. We are a nation of communities. Some may be healthy and growing, others disadvantaged and struggling. But, collectively, their financial health influences all of ours.

*Building Sustainable Communities* offers disadvantaged neighborhoods a way forward for developing stability and promoting growth. It helps transform streets marked by chronic poverty and stagnation into good places to live, work, do business and raise children.

That's why we believe LISC's *Building Sustainable Communities* strategy is important. Over the last three years, it has proven to be a promising agent of change, one that is flexible, innovative, and responsive to local conditions. It reaches into every corner of a community's life with a comprehensive approach that can help change the trajectory of disadvantaged neighborhoods. It gives energy to places weary from decades of disinvestment. It promotes opportunity and growth.

How does that play out in practice? It means a child can stroll safely down his once drug-littered street. She can attend an effective school and play in a refurbished park where a new neighborhood playing field is home to a range of recreation programs. He can shop with his family at the affordable urban farmers market that has set up shop down the street from the area's revitalized commercial corridor. They can live in new affordable housing, where reasonable rents leave the family with more disposable income to spend in the neighborhood. And parents can access a range of health care, child care, financial counseling and employment services that help them stabilize their family's outlook and build assets for the future.

The key is that all these things and more are taking place simultaneously in targeted communities. They are part of an overarching local plan rooted in the collaboration of residents, business leaders, policy-makers, institutional stakeholders and local non-profits—brought together with technical assistance, training and funding by LISC. The results are tangible not just because of the numbers of houses, schools, parks, businesses and jobs that *Building Sustainable Communities* helps to generate, but because of the lasting improvements in quality of life that it underpins.

LISC's work on foreclosure prevention and mitigation were certainly part of that in 2009. We developed programs, convened local partners, led coalitions, assembled funding and provided technical support to respond to the crisis. That work continues to be vital, with devastating unemployment hitting low-income families so hard.

But the context is also important. Our foreclosure efforts are not a stand-alone silo. They aren't just about housing. They fit within our comprehensive view of healthy communities, linked closely with safe streets, financial counseling and assistance, expanding job opportunities and so much more.

Pursuing those interconnected goals required us to pay close attention to our own organizational health as well. Thanks to the commitment of our funders, partners and staff, 2009 was a strong financial year for LISC. We exceeded our fundraising goals, despite the difficult environment. We won another significant allocation of New Markets Tax Credits, making LISC the largest allocatee in the Treasury program's history. We developed new sources of lending capital, even as the market contracted. And we dealt quickly with challenges to the performance of our loan portfolio, while moving aggressively to protect our invested assets.

And now, with 30 years of experience on which to draw, we move forward. Ours is no longer just a vision or hopeful plan. *Building Sustainable Communities* offers disadvantaged neighborhoods a way forward for developing stability and promoting growth. It helps transform streets marked by chronic poverty and stagnation into good places to live, work, do business and raise children. We are putting this plan into action. And it is working.



Robert E. Rubin  
CHAIR



Michael Rubinger  
PRESIDENT & CEO

# THE BUILT ENVIRONMENT

Building and preserving affordable homes and other real estate is a cornerstone of community development. It provides the early fuel for broad-based revitalization by preserving affordability, improving the physical surroundings, providing space for essential services and amenities, and stimulating new investment.

It is, in short, crucial to the strength of neighborhoods. It anchors the economic and social infrastructure that nurtures a community, and it is the foundation for dramatic improvements in quality of life.



## SOMERVILLE, MASS.

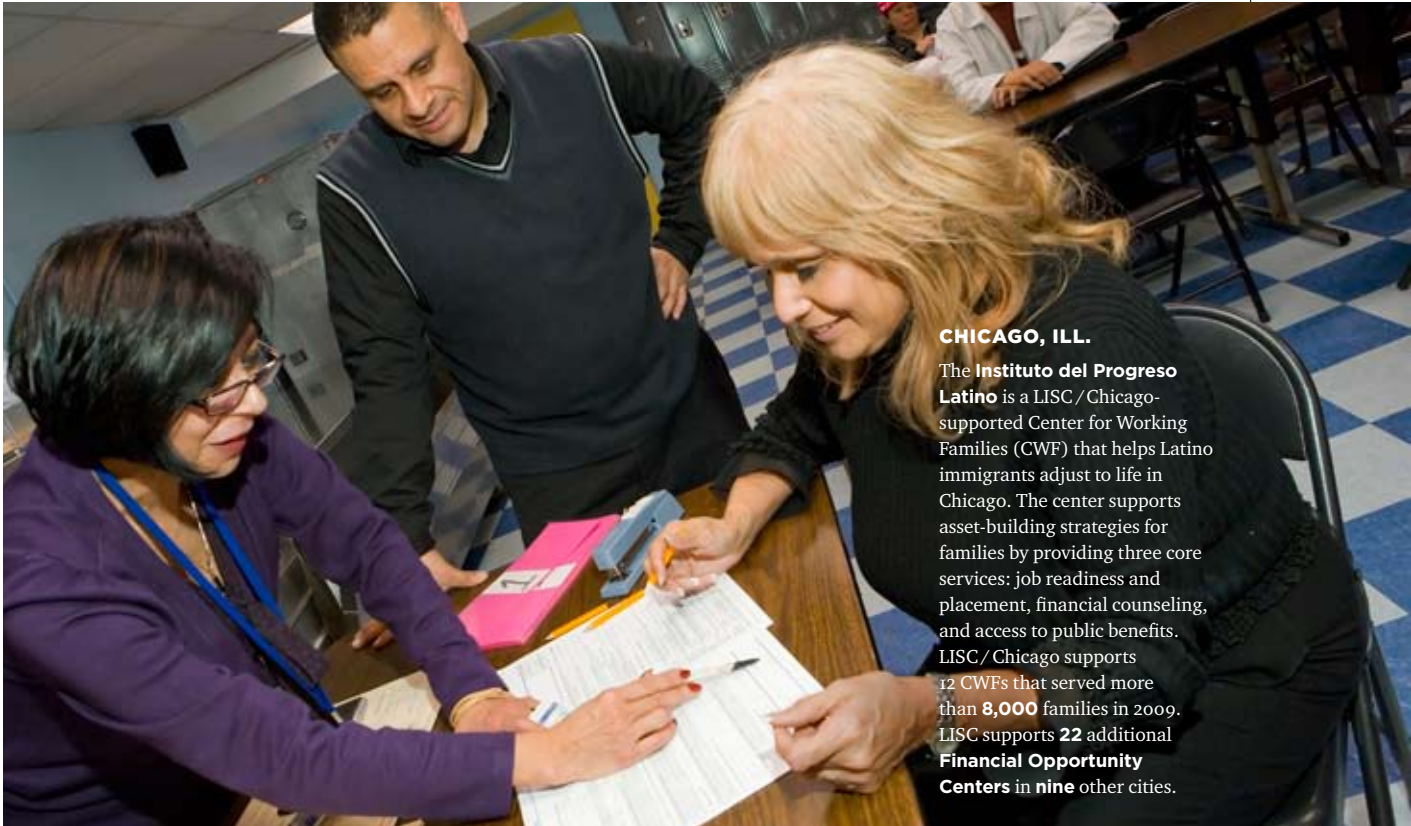
Photovoltaic panels, solar thermal collectors and a green roof are just some of the advanced green features at **St. Polycarp Village Apartments**, a 24-unit LEED-certified project. Families living here, who are mostly low-income, are expected to save 25 percent in utility costs. It is an example of the innovative green housing that LISC has supported, where we have invested **\$600 million** and produced **20,000** affordable green homes and apartments in the past five years.



## ALAMEDA, CALIF.

NEF invested \$7.4 million in **Shinsei Gardens**, a LEED-certified supportive housing project that provides a safe and healthy living environment for formerly homeless veterans with special needs. All 39 units were designed to accommodate individuals with disabilities, and the project is conveniently located near schools, retail, parks, social service agencies, and public transportation. Overall, in 2009, NEF invested **\$365 million** in equity in projects throughout the country.

# FAMILY INCOME & ASSETS



## CHICAGO, ILL.

The **Instituto del Progreso Latino** is a LISC/Chicago-supported Center for Working Families (CWF) that helps Latino immigrants adjust to life in Chicago. The center supports asset-building strategies for families by providing three core services: job readiness and placement, financial counseling, and access to public benefits. LISC/Chicago supports 12 CWFs that served more than **8,000** families in 2009. LISC supports **22** additional **Financial Opportunity Centers** in **nine** other cities.

Opportunity is oxygen for communities. A *Sustainable Community* is a place where lower-income families can afford to live and feel at home; where they envision a future with improved circumstances; where there is a blueprint for how to expand their income, build assets, and invest in businesses.

LISC supports proven and successful programs that open doors to higher-wage, higher-skilled jobs; encourage entrepreneurship; and expand small businesses.



## DETROIT, MICH.

The **Northeast Guidance Center** provides essential community-based services to residents of Detroit's east side. This LEED-certified facility provides clients with the resources to learn and practice real-life job training and offers families affordable education, health care, counseling, and recovery services. To date, more than **6,000** adults and children have received assistance from the center. LISC provided a \$490,000 loan to complete an expansion of The Conner Campus in 2009.

# ECONOMIC VITALITY

Commercial development is a proven part of the community development playbook. That's because families of every income level benefit from a vibrant local business community, where businesses can start-up, succeed, provide essential goods and services, and supply jobs.

LISC makes strategic investments that help community organizations and business associations create environments that encourage enterprise, attract investment and bring vitality to neighborhood commercial districts.



## COLUMBIA FALLS, MONT.

**WBC Building Components** and Community Action Partnership of Northwest Montana in Kalispell formed a business partnership that supplies building materials for self-help home construction. The partnership fulfills two important needs in the rural community, affordable homes—16 have been purchased thus far—and preserving 19 much-needed jobs. In 2009, Rural LISC supported 61 partner CDCs in **488 rural counties** in 31 states.



## LOS ANGELES, CALIF.

A signature project in the redevelopment of downtown/South Los Angeles, **Adams & Central** replaced a vacant lot with a modern mixed-use building that includes an 18,000 square foot Fresh & Easy Supermarket, two additional retail storefronts, 80 affordable apartments, and a community service center. The supermarket is a vital amenity in a well-known "food desert" in L.A. LISC provided **\$10 million** in New Markets Tax Credits for the project, which also created **250** jobs. Overall, in 2009, LISC's New Markets Support Company invested **\$108 million** in economic development projects across the country, helping create nearly **5,000** jobs.

# EDUCATION

Access to quality education is a defining characteristic of a *Sustainable Community*. The future of neighborhoods eager to attract a diverse blend of residents, businesses and services is securely tied to the educational opportunities that are available to the families who live there. There is no clearer path out of poverty.

That's why LISC has invested so heavily in charter schools and early child care centers, and has been expanding its partnerships with school districts, parent-teacher groups, colleges and universities, and after-school programs. Our goal is to make first-rate, local education an integral part of the community improvement arsenal.



## BILOXI, MISS.

For more than four years after Hurricane Katrina, **Moore Community House** operated out of temporary space. In 2009, a new modern child care center opened, doubling its services to 75 children. It is part of a larger campus that also provides comprehensive family services and job training. Early childhood education is a cornerstone of every sustainable community, and in 2009, LISC's Community Investment Collaborative for Kids program invested **\$2.2 million in seven centers** serving **350 children**.

## WASHINGTON, D.C.

LISC supports innovation in education to help meet the needs of low-income residents. In Washington, D.C., that meant a \$14 million New Markets Tax Credit investment to renovate **KIPP DC's Douglass Campus** in Ward 8, which will be LEED-certified. The seven-acre campus now offers 1,500 students in grades pre-K–12 a modern learning facility that provides enhanced educational opportunities. Nationwide, LISC and our Educational Facilities Financing Center invested **\$10.4 million** during 2009 to support **24 schools** serving **8,400 students**.





# HEALTH AND ENVIRONMENT

## NEWARK, N.J.

With support from the NFL Grassroots program, LISC provided \$200,000 to renovate **Andre Tippett Field**, a new synthetic turf field at Barringer High School. Named after NFL Hall of Fame player and Barringer alum Andre Tippett, the field will be used for football and other recreational sports for the school and community. Now in our 12th year collaborating with the NFL, LISC has provided more than \$28 million to finance 225 new or improved playing fields, including **15 fields** for **30,000 kids** in 2009.



## DULUTH, MINN.

LISC's Community Safety Initiative (CSI) brings police and community residents together and builds long-term partnerships to help improve safety in troubled neighborhoods. The **Duluth Community Safety Program** addressed property management practices and illegal drug activity that helped reduce incidences of crime in the neighborhood, paving the way for increased development and improved quality of life. Overall, the CSI program works across **41 neighborhoods** in **23 cities** and has helped reduce crime by up to **70 percent** in target areas.

Residents can't feel good about their communities if they don't feel safe there. Or, if their kids have nowhere to play. Or, if they can't find a home free from environmental hazards, or a primary care doctor to meet their medical needs. A truly *Sustainable Community* contributes to the physical well-being of the people who live there.

For LISC, this takes many forms: support for quality playing fields and recreational facilities; community-police partnerships; local health clinics; and environmentally sound building and design. They are all important components of quality of life.

# FINANCIAL SUMMARY

## Condensed Statement of Financial Position

As of December 31, 2009

### ASSETS

Cash and investments	\$ 201,876,984
Contributions receivable	47,277,477
Loans to community development corporations and affiliates, net	188,250,905
Other assets	85,916,241
<b>TOTAL ASSETS</b>	<b>\$ 523,321,607</b>

### LIABILITIES AND NET ASSETS

Grants payable	\$ 20,434,299
Loans and bonds payable	256,386,823
Other liabilities	50,100,655
<b>Total liabilities</b>	<b>326,921,777</b>
<b>Net assets</b>	<b>196,399,830</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 523,321,607</b>

## Condensed Statement of Activities and Changes in Net Assets

### REVENUE

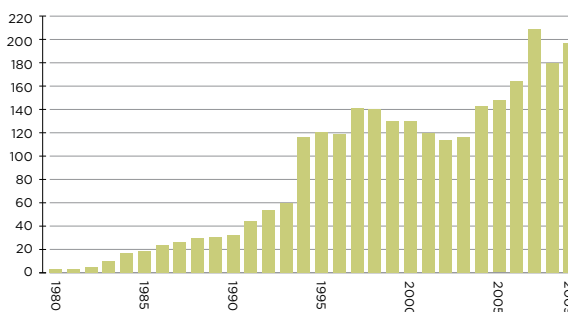
Contributions	\$ 53,520,062
Government contract revenue, interest, investment income and fees	94,302,203
<b>TOTAL REVENUE</b>	<b>\$ 147,822,265</b>

### EXPENSES

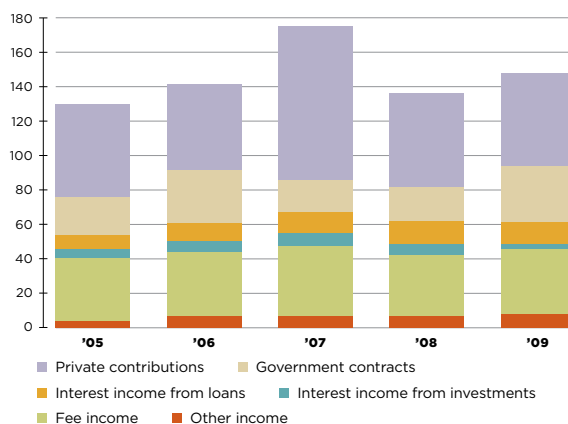
Program services	\$ 112,721,642
Management and general	18,190,437
Fundraising	6,096,619
<b>TOTAL EXPENSES</b>	<b>\$ 137,008,698</b>

Change in net assets before investments	\$ 10,813,567
Realized and unrealized gains on investments	5,921,869
Change in net assets	16,735,436
Net assets, beginning of year	179,664,394
Net assets, end of year	\$ 196,399,830

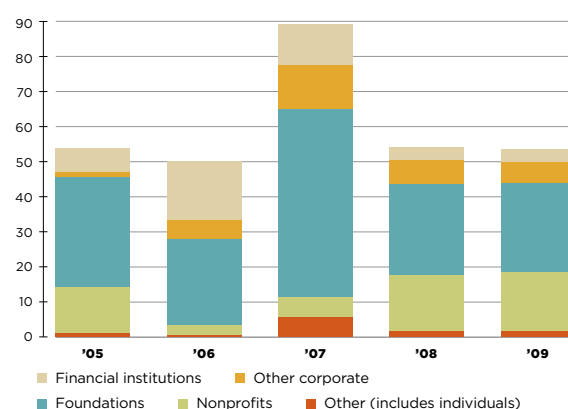
Total Net Assets, 1980-2009 (In Millions)



Total Revenue By Type, 2005-2009 (In Millions)



Private Revenue By Type, 2005-2009 (In Millions)



The condensed financial statements of the Local Initiatives Support Corporation (LISC) include the financial activities of LISC and its affiliates National Equity Fund, Inc. (NEF), New Markets Support Corporation (NMSC), The Retail Initiative, Inc. (TRI) and Local Initiatives Managed Assets Corporation (LIMAC), LISC Louisiana Loan Fund (LLLF), LLC, Columbia Pointe, LLC, Community Development Restructuring, LLC (CDR), Neighborhood Properties, LLC, and Cook County, LLC. These preliminary financials do not consolidate the entities for which NEF, NMSC or TRI serves as general partner or managing member of (as prescribed by EITF 04-05, Determining Whether a General Partner or the General Partners as a Group Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights). Copies of the audit reports and the complete financial statements will be available in the fall of 2010 upon request to Elizabeth Pugh, CFO at LISC, 501 Seventh Avenue, 7th floor, New York, NY 10018.

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#### **Design**

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#### **Writing**

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Connecticut Statewide

Detroit

Duluth

Gulf Region

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