

In community
development, we often
say that numbers don't
really tell the story.

*This is not
one of those
times.*

In 2015

\$1.3 billion

in grants, loans and equity invested

\$4.2 billion

in total development

21,000

affordable homes

3.3 million

square feet of commercial, retail
and community space

2015 was the best year in LISC's history, and the numbers themselves underscore an expanding level of local impact. Last year, LISC did more to fuel a better quality of life for low-income people than at any time in our 36 year history.

That record includes a number of program and investment milestones. We financed 21,000 affordable homes and apartments, for instance—the most ever for LISC in a single year. Those investments were often the catalyst for additional development that reduced blight and crime. We opened our 80th Financial Opportunity Center and in many centers expanded the programs to help clients build a more stable financial future. We also established multiple new partnerships in communities across the country that more directly take on poverty as a public health crisis while simultaneously energizing economic development projects in dozens of urban and rural areas.

All of that contributed to our \$1.3 billion in program and investment activity for 2015, by far our most productive year to date. We are carrying that momentum into this year and look forward to a strong 2016 both for LISC and the communities where we work.

This annual report captures our hope for even better results, but for us, this is also a moment of nostalgia. With Michael stepping down after 17 years as CEO this summer, this is our last annual report with both of us at the helm of this great organization. We have shared a tremendous partnership and friendship over those years—one that helped us push LISC into untested waters to drive greater change and at other times to hold steady when challenges threatened our progress.

When we met back in 1999, as the new chairman and new CEO of LISC, the organization was facing substantial hurdles. Some were of our own making and others were connected to the inevitable trial and error required to advance the field of community development. The lessons we learned then, as well as in the years since, are part of why we are flourishing today, stronger financially and programmatically than ever before and more effective in helping low-income families and improving the places where they are struggling to get by.

Though LISC's work is vastly different than it was 17 years ago, our measuring stick for success endures. We evaluate our investment and outcome numbers, and use them to

help build plans for the years to come. But we also never forget our true bottom line: are we really helping to make these places better and the people who live there better off? That's our "so what" question. Certainly, the data show that the communities where LISC works are more resilient than similar areas where we don't. But metrics can't replace a walk down the street. Community development doesn't happen "for" neighborhoods or "to" neighborhoods; it happens "with" the local people who know their neighborhoods best. When we succeed, we can see it, but they can feel it in the quality of their parks and shops and homes and schools. They know.

This year's annual report offers a particular focus on housing—a subject of some controversy in recent years as debates about fair housing escalated and the national shortfall in affordable housing deepened. Housing was our focus at our founding in 1980 and it remains central to our work.

Toward that end, the National Equity Fund (NEF), our investment affiliate, closed a record \$970 million in investments in 2015—a staggering figure for those of us who were around when the Low Income Housing Tax Credit was created in 1986 and when we launched our first NEF fund for less than \$14 million the following year.

None of the work we do is possible without the commitment of funders and the remarkable efforts of local nonprofit and community leaders who are the real trailblazers. They're on the front lines fighting every day to test new ideas, build community consensus and scale up promising programs. It is a daunting task. And even as we celebrate a record year we don't underestimate the challenges ahead. More than 50 years after President Johnson's landmark War on Poverty, millions of Americans still anguish every day over how to keep a roof over their heads, food on the table and their families safe and healthy. Those numbers—their struggle—is why LISC exists. We are working hard to extend our reach, so they can live in places that give them the chance to extend theirs.

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Robert E. Rubin
Chair

Michael Rubinger
President & CEO





Help for Veterans in the City of Angels: The Six, named for a military term that means “got your back,” offers affordable apartments and wrap-around services for formerly homeless and at-risk vets near Los Angeles’ Skid Row.

Since 1980

\$16.2 billion

in grants, loans and equity invested

348,000

affordable homes

\$48.5 billion

in total development

56 million

square feet of commercial, retail
and community space

202

early childhood centers serving 21,500 children

78

healthy food projects

191

schools financed serving 75,000 youth

25

theaters and performance spaces

325

recreational spaces

100s

of other retail, arts, and community projects

62

health-related projects



5+ million
people live in better communities!

The Imperative of Home

America is in the midst of an affordable housing crisis—a crisis that has left nearly 14 million people severely rent burdened, foregoing basic needs in order to remain in their homes, or homeless. And yet today more than ever, evidence shows that a stable, affordable home is the foundation for wellbeing, for a child’s healthy development, for a life of social connection and opportunity.

The imperative of home is what inspired LISC into being 36 years ago, and continues to drive the heart of our work today. Since embarking on our very first projects in the South Bronx and Boston, in redlined neighborhoods where blight and crime had decimated community life, we have invested more than \$13.5 billion to create and preserve affordable homes in cities and rural areas across the country. In 2015, LISC channeled a record \$1 billion into the creation or preservation of 21,000 affordable homes and apartments. Our subsidiary, the National Equity Fund, broke its own record by investing in a total of 90 affordable housing developments.

But we know there is so much more to be done. As the reports from every single one of our local offices bear out, the cost burden of housing is one of the most urgent issues facing their communities. At the same time as the need for shelter for the lowest income families increases, tens of thousands of affordable units are lost annually to market forces and gentrification, deterioration and expiring federal contracts and affordability controls.

So we’ve looked harder at what works, and are constantly thinking about new ways to expand the pool of affordable units to counter that drain. As a result, LISC is supporting a broader range of housing solutions than ever before, tailored to communities, conditions and assets of local places, and inspired by neighborhood leaders and residents who know best what makes sense.

It’s local input that has prompted us to emphasize preserving existing affordable homes on the brink of demolition or gentrification, as with our work through HUD’s Rental Assistance Demonstration program in San Francisco that will keep 3,500 aging public housing units intact for low-income renters. In Boston, Washington D.C., San Diego and many other cities, our local staff are working overtime to insure that people have lasting access to good housing in the places they’ve long called home, regardless of how hot the market becomes.

We also target the urgent needs of vulnerable populations, such as veterans, the elderly and formerly fostered youth, many of whom suffer homelessness. There are “Victory Place” in Phoenix and “The Six” in Los Angeles, both campuses of stylish apartments with wrap-



Reports from all of our local offices stress housing cost burden as an urgent community issue.

See local reports on our interactive map at:

[www.lisc.org/
annualreport/2015/local.html](http://www.lisc.org/annualreport/2015/local.html)

around services for homeless and at risk vets. And San Diego Square, a refurbished high-rise for low-income seniors that will remain affordable for the next 65 years in a city where vacancy hovers around two and a half percent.

As each local story attests, our housing work is integral to the comprehensive approach we take to community development, investing on multiple fronts to improve education, health, safety and financial stability in communities. Take the Scholars House in Northern Kentucky, an apartment complex with a pre-school on site to accommodate single, college-enrolled parents with children. Or the many cities, including Minneapolis-St. Paul, Phoenix and Indianapolis, where we support development that puts low-income residents close to transportation to make it easier for them to access jobs as well as all the amenities they need and deserve.

Sustaining all these efforts through federal advocacy is the work of our policy team in Washington D.C. Last year, LISC helped secure legislation to increase the flow of investor capital through the Low Income Housing Tax Credit. And by safeguarding other federal funding streams for local nonprofits, such as HUD's HOME program, we helped insure that they can keep working to close the housing gap for low-income residents.

Ultimately, we know that our investments in affordable housing are extraordinarily good ones. Whatever the cost of construction or renovation, we know it's worth it. Because the cost of not having adequate affordable housing is far greater. Housing instability exacts a stratospherically high price from individuals, who lose income, health, peace of mind and dignity as a result. And from neighborhoods and cities, which lose their social and economic vitality—in fact, their very heart—if residents live in deteriorated housing, if commerce shrivels, if people move away in search of something better.

In the short and long run, LISC's enduring commitment to expanding access to quality, affordable housing, is a commitment to everyone: to individuals and families, to communities and to the health of our country.

Above: In Toledo, where LISC is helping homeowners with repairs and mortgage support, residents make the case for quality, affordable housing.

Below: In California's San Joaquin Valley, drought-stricken homes have received new wells and water tanks through our partner, Self-Help Enterprises.





Left: Before LISC helped Detroit create the unprecedented Zero Percent Interest Home Repair Loan Program, 80 percent of applicants were denied FHA-backed home repair loans.

Residents like Lillie Gibson, who used a zero percent loan to repair her dangerously leaky roof, have made some \$8 million in improvements, thanks to the initiative.

Right: In Buffalo's West Side, the Massachusetts Avenue Community Houses—green, affordable apartments—are part of a \$13.4 million development supported by LISC that aims to prevent displacement of low-income residents in a gentrifying area.



Condensed Statement of Financial Position

As of December 31, 2015

Assets

Cash & investments	207,797,513
Contributions receivable	21,078,942
Loans to CDCs & affiliates, net	190,460,307
Investment in affiliates	66,361,791
Other assets	45,260,796
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TOTAL ASSETS	\$530,959,349

Liabilities And Net Assets

Grants payable	27,715,109
Loans & bonds payable	221,908,413
Other liabilities	21,220,162
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Total liabilities	270,843,684
Net assets	260,115,665
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TOTAL LIABILITIES & NET ASSETS	\$530,959,349

Total Net Assets 1980-2015



Numbers in millions

Condensed Statement of Activities and Changes in Net Assets

Revenue

Contributions	58,961,626
Equity in earnings of affiliates	11,912,674
Government contracts revenue, interest, investment income, fees and other	57,534,470
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TOTAL REVENUE	\$128,408,770

Expenses

Program services	92,911,461
Management & general	13,718,472
Fundraising	6,203,899
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TOTAL EXPENSES	\$112,833,832

Change in net assets before investments	15,574,938
Realized & unrealized gains (losses) on investments & derivatives	(850,370)
Change in net assets	14,724,568
Net assets, beginning of year	245,391,097
Net Assets, end of year	260,115,665

The condensed financial statements of Local Initiatives Support Corporation (LISC) include the assets, liabilities, revenues of LISC Parent Only as well as its equity interest in the net assets of its controlled affiliates National Equity Fund, Inc. (NEF), New Markets Support Corporation (NMSC), The Retail Initiatives, Inc. (TRI) and Local Initiatives Managed Assets Corporation (LIMAC), LISC Louisiana Loan Fund (LLLF), LLC, Neighborhood Properties, LLC, and LISC Cook County, LLC. These financials do not consolidate the affiliates nor the entities for which NEF serves as general partner of managing member of (as prescribed by FASB ASC 810-20). Copies of the audit reports and the complete financial statements will be available in the fall of 2016 upon request to Michael Hearne, CFO at LISC, 501 7th Avenue, 7th floor, New York, NY 10018.

LISC Local and Regional Offices

Boston	Greater Newark
Buffalo	Peoria
Chicago	Philadelphia
Greater Cincinnati & Northern Kentucky	Phoenix
Connecticut Statewide	Pittsburgh (Neighborhood Allies)
Detroit	Rhode Island
Duluth	Rural LISC
Hartford	San Antonio
Houston	San Diego
Indianapolis	San Francisco Bay Area
Jacksonville	Toledo
Greater Kansas City	Twin Cities
Los Angeles	Virginia
Michigan Statewide	Washington, DC
Milwaukee	Washington State
New York City	

National Programs

AmeriCorps
Creative Placemaking
Economic Development
Education
Financial Stability
Health
Housing
The Institute for Comprehensive
Community Development
Policy
Research & Assessment
Safety
Sports & Recreation

Investment Companies

The National Equity Fund, Inc.
The New Markets Support Company, LLC
The Community Development Trust

Board of Directors

Robert E. Rubin (Board Chair)

Former U.S. Treasury Secretary
Current co-chairman
Council on Foreign Relations
New York, NY

Lisa Cashin (Vice Chair)

Former Chief Credit Officer, LISC
New York, NY

Greg Belinfanti

Managing Director
One Equity Partners
New York, NY

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CEO, Institute for Sustainable Investing
Head of Global Sustainable Finance Group
Morgan Stanley
New York, NY

Larry H. Dale

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The National Equity Fund, Inc.
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Fifth Avenue Committee
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Sally Durdan

Executive Vice President
Head of Strategy for Chase Consumer and Community Banking
JPMorgan Chase
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President & CEO
Raza Development Fund
Phoenix, AZ

Dean Esserman

Chief of Police
New Haven Police Department
New Haven, CT

Ellen Gilligan

President & CEO
Greater Milwaukee Foundation
Milwaukee, WI

Lisa Glover

Executive Vice President & Chief Risk Officer for Consumer
Banking Sales and Support
U.S. Bank
Milwaukee, WI

Colvin W. Grannum

President & CEO
Bedford Stuyvesant Restoration Corporation
Brooklyn, NY

Lisa Hasegawa

Executive Director
National CAPACD
Washington, DC

Kevin Johnson*

Mayor
City of Sacramento
Sacramento, CA

Tim McFadden

President & CEO
State Farm Florida, Indemnity & Guaranty Companies
Vienna, VA

Brandee McHale

President and CEO
Director of Corporate Citizenship
Citi Foundation
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Kathy Merchant LLC
Senior Fellow
StriveTogether
Cincinnati, OH

Ronald Phillips

Founder & President
Coastal Enterprises, Inc.
Brunswick, ME

Andrew D. Plepler

Global Corporate Social Responsibility & Consumer Policy
Executive
Bank of America
Charlotte, NC

Rey Ramsey

President
Opterna International
Partner
Next Sector Capital
Washington, DC

Rip Rapson

President & CEO
The Kresge Foundation
Troy, MI

Lata Reddy

President
The Prudential Foundation
Newark, NJ

Jerry Rickett

President & CEO
Kentucky Highlands Investment Corporation (KHIC)
London, KY

Michael Rubinger

President & CEO
Local Initiatives Support Corp.
New York, NY

Nilda Ruiz

President & CEO
Asociación Puertorriqueños
en Marcha
Philadelphia, PA

George H. Walker

Chairman & CEO
Neuberger Berman Group
New York, NY

Dennis White

President & CEO
MetLife Foundation
New York, NY

*term ended in 2015

For a listing of all contributors
to LISC in 2015, please visit:

[www.lisc.org/annualreport/
2015/supporters.html](http://www.lisc.org/annualreport/2015/supporters.html)

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.

OUR STRATEGY

LISC's strategy—Building Sustainable Communities—seeks to revitalize neighborhoods and improve the quality of life for families who live there. To accomplish this, we work in five areas:

- 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

LISC

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4.2 billion