

In this issue:

- [2006: A Milestone Year for Bay Area LISC](#)
- [Green Loans for Healthy Homes](#)
- [A Win-Win for Low-Income Residents & Sterling Bank](#)
- [Funder Spotlight: State Farm](#)

Letter from the Director

2006 was a great year for Bay Area LISC. We are improving the quality of life for thousands of people today and positively affecting generations to come. Our new Green Connection Loan Fund, featured in this issue, is a good example. The fund will create healthy living environments for those most in need. Our commercial corridor revitalization efforts are expanding opportunities and resources to local residents with partners like Sterling Bank.

Our success has been made possible through our collaborations with community leaders, foundations, corporations, and other key supporters who share our vision and commitment to transform communities and neighborhoods into healthy ones—good places to live, do business, work, play and raise families. This month we highlight State Farm, a good neighbor to so many.



Stephanie Forbes, Director

2006: A Milestone Year for Bay Area LISC

This past year marked our 25 th anniversary as a leader in building healthy communities for all. Our positive impact on nonprofit organizations and the neighborhoods and people that they serve was substantial. Here are just a few notable 2006 accomplishments:

Developing Housing Choices

We facilitated the development of **1,100 units of affordable housing** and more than 35,000 square feet of community-serving commercial and mixed-use development with \$9.4 million in loans and \$275,000 in grants to community development organizations.

**Revitalizing Neighborhoods**

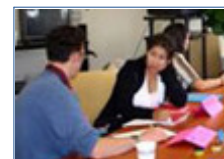
We created or saved **208 jobs**, helped start **over 100 new businesses**, and led community-based revitalization efforts in ten commercial corridors around the Bay Area.

**Educating for Change**

We published *State of CDCs: An Assessment of Community Development in the Bay Area* to highlight what policymakers can do to ensure that community development corporations remain a vital force in building and changing communities. We published [Against All Odds: The Business of Managing Affordable Housing](#) to bring to light the challenges property managers face and how we, as a region, can protect and maintain affordable housing long into the future.

Training Leaders

We provided over **500 hours of training** that drew more than **1,000 community leaders** and placed **19 AmeriCorps volunteers** on the ground in Bay Area communities.

**Green Loans for Healthy Homes**

Bay Area LISC is pleased to announce our **Green Connection Loan Fund**. The fund will provide nonprofit developers with



preferred financing to help incorporate green, sustainable materials and design features into affordable housing. Loans of up to \$250,000 will be made to community development organizations with a strong commitment to sustainable building. "The Fund is unique," says Green Connection Program Officer Jennifer Somers, "in that the loans are *only* available for green and that Bay Area LISC will provide direct technical assistance along with the loans." Our Green Connection program provides technical assistance on everything from assessing potential energy savings for existing properties undergoing retrofits to green planning and design strategies for new affordable housing construction. "Our goal," says Somers, is to help transform the way in which affordable housing is built to create healthy, environmentally friendly places for people to live."



For additional information, please contact Jennifer Somers at 415-397-7322 x 28 or jsomers@lisc.org. Bay Area LISC thanks **Catholic Healthcare West** for providing a \$500,000 investment to help launch the fund.

A Win-Win for Low-Income Residents & Sterling Bank

In 2006, **Sterling Bank & Trust** made a risky move and opened a branch in a low-income neighborhood of San Francisco. Bay Area LISC facilitated Sterling's entrance to the neighborhood through our Neighborhood Marketplace Initiative with the City of San Francisco.



The new branch is on San Bruno Avenue, and conventional wisdom says that opening a bank in a low-income area is not good business. "We decided to take a shot, and it's been phenomenal," says Regional Branch Manager Steve Adams. And indeed it has. Even Sterling underestimated the possibilities. Having opened the doors in July, Adams expected to have \$4 million in deposits after six months. The branch now has nearly **\$8 million** and counting.



The key to Sterling's success is its commitment to the local community. The bank has addressed local needs with products like loans for homes and small businesses, and has won neighbors' trust by hiring neighborhood residents to staff the bank. "They know everybody," says Adams of his employees. "It's their turf." As a result, people who hadn't previously held accounts have been coming to Sterling in droves: they are **banking the unbanked**, and it's a win-win situation. The bank has seen its deposits soar and the community has found a trusted partner.

Funder Spotlight: State Farm

Bay Area LISC helps neighbors build communities, and like a good neighbor, **State Farm** is right by our side. "State Farm is committed to being a good neighbor in every sense, which includes supporting organizations that are responding to important quality of life needs in the communities we serve," said Dan Krause, Bay Area Vice-President of Agency.



State Farm supports Bay Area LISC's comprehensive community-building programs including affordable housing, education, and commercial corridor revitalization. In the past six years, State Farm has given Bay Area LISC **\$878,500 in grants and \$4.4 million in loans**. Nationwide, State Farm has provided LISC with a total of \$24.2 million in grants and \$37 million in loans.

At Verde Elementary School in North Richmond, one of the most challenged schools in California, Bay Area LISC partnered with State Farm in 2004 to sponsor Verde Involving Parents (VIP), a team effort of parents, teachers, and the county with a simple goal: to get children to school every day on time and ready to learn.



By the 2005/06 school year, VIP had cut Verde's absentee rate in half, gaining the school **a further \$50,000 a year** in attendance-based state financing. "We are proud of LISC's significant accomplishments at Verde Elementary School and in their countless other endeavors around the Bay Area and we look forward to advancing this important partnership," added Mr. Krause.

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