



# State Farm® and LISC PARTNERSHIP REPORT

## Helping *good* Neighbors Build Communities

**OVER THE PAST SIX YEARS**, State Farm® has emerged as one of LISC's strongest and most generous partners, providing \$16 million in grants and \$27 million in loans, including \$5 million from State Farm Bank®. While initially focusing on commercial corridor revitalization, small business development and large-scale commercial real estate projects, our partnership has grown to support underserved communities in quality of life initiatives including housing, education, health care, safety, recreation, social services and more. This report describes some recent accomplishments of our partnership.

### IMPACT OF OUR PARTNERSHIP TO DATE

- \$488 million in total development costs
- 800 businesses attracted, expanded or retained
- 10,500 jobs created or retained
- 2.5 million-square feet of commercial, retail and community facilities developed
- 1,300 apartments and homes built or rehabilitated
- 400 façade improvements and 150 streetscape upgrades
- 2,000 students served by service-learning and other education programs
- 130 community-based organizations supported



# Washington Park

## A MODEL OF COMPREHENSIVE, GEOGRAPHICALLY-FOCUSED INVESTMENT

State Farm and LISC are deeply involved in the comprehensive redevelopment of Washington Park, an 80-square block neighborhood on Milwaukee's near west side. The map below highlights State Farm and LISC-supported projects that are helping to improve quality of life and economic opportunities for area residents. Other key partners in the redevelopment efforts include the City, The Annie E. Casey Foundation, Harley-Davidson and Habitat for Humanity.

### DEMOGRAPHICS FOR WASHINGTON PARK

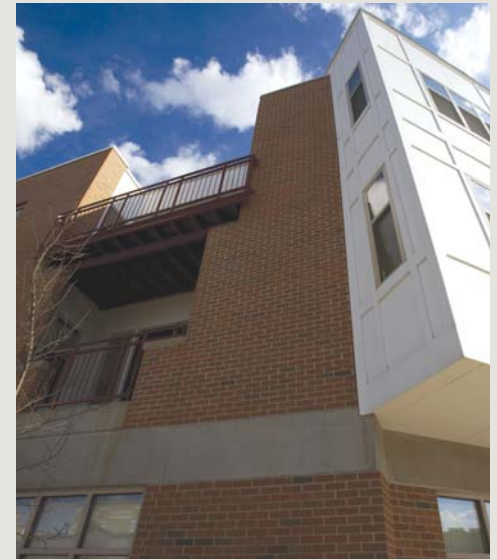
- Population = 9,500
- 75% of families are African American and 14% are Asian
- 55% of residents live below the poverty line
- 52% of the population is under the age of 18
- 93% of students receive free or reduced lunch
- 57% of households are headed by single females
- 40% of parents have a high school diploma, GED or equivalent

### TOTAL LISC INVESTMENT IN THE NEIGHBORHOOD

- \$7.4 million (\$288,000 in grants from State Farm)



Captain's Restaurant,  
North Avenue



Columbia Square



■ Investments along the North Avenue commercial corridor helped produce 15 new and expanded businesses, 11 storefront improvements, a Tax Increment Financing district and a banner project recognizing prominent local African Americans.

■ Two mixed-use projects with total development costs of \$8 million:

- Columbia Square: 22 apartments with 7,500-square feet of commercial space (completed).
- Gateway Plaza: 24 apartments and town homes with 10,000-square feet of commercial space (completed).

■ Converting the vacant St. Thomas Aquinas Church into a family resource center will offer local residents mental health services, educational tutoring and other after-school programs (under development).

■ The Youth Memorial Wall dedicated to victims of violence will include public art work and a green space (under development).

■ Seventy sixth- and seventh-graders at Bethune Academy participated in service-learning projects to promote fire safety and lead poisoning awareness that also reinforce math and science lessons. Partners include City Fire and Health Departments, and Public Works.

■ Sixty-nine new homes and apartments have been developed throughout the neighborhood, generating 47 new homeowners. Four projects under construction will create an additional 20 for-sale homes and 40 rental apartments.

# A Comprehensive Approach

**THE STATE FARM AND LISC PARTNERSHIP** pursues a comprehensive strategy for community revitalization, where efforts in housing, retail development, community facilities, safety and education come together to build communities that are sustainable for long-term success. All of the accomplishments described here were undertaken with the support of our partnership.

## HOUSING

*The revitalization process often begins with housing. Together State Farm and LISC are creating a mix of affordable options for many kinds of families and residents.*

■ In the State Farm headquarters city of **Bloomington**, Illinois, LISC is helping Mid Central Community Action undertake its first major real estate development project. Scheduled to break ground in 2007, the \$3.7 million project will create 24 single-family homes on the site of a former candy factory.

■ In **Phoenix**, the National Farm Workers Service Center is developing the 61-unit Glendale Haciendas for very low-income senior citizens. All units will include hand rails, four units will be designed to house the physically disabled, and two units will accommodate the visually and hearing impaired. Construction on the \$5.4 million project started in May 2006.

■ In the Near North neighborhood of **Chicago**, LISC and State Farm are working with Mercy Housing Lakefront to develop 96 units of supportive housing for very low-income disabled adults and former public housing residents. The project broke ground in Fall 2005 and incorporates a wide range of green building practices, including renewable energy systems.



*The conversion of a long vacant public school into 41 units of housing in Southeast Washington, DC helped dozens of families become new homeowners.*

## LARGE-SCALE REAL ESTATE DEVELOPMENT

*The creation of shopping centers, mixed-use developments and other commercial buildings are improving residents' access to goods, services and jobs while serving as catalysts for other local development.*



*Fruitvale commercial district in Oakland, California*

■ In **Washington, DC**, the 110,000-square foot Shops at Park Village on the site of a former Army base will bring the first new supermarket to the Congress Heights neighborhood in nearly a decade. The \$21 million project, which broke ground in March 2006, is expected to generate 250 jobs. LISC's investment of \$18.6 million includes New Markets Tax Credits and \$40,000 from State Farm for predevelopment grants. We have completed similar projects in **New York City** and **Kansas City**, Missouri.

■ With construction scheduled to finish by Fall 2006, renovation of the historic 14,000-square foot Odd Fellows Hall into modern office space completes the redevelopment of a key intersection of West Vernor Highway in Southwest **Detroit** where three other mixed-use buildings have recently been rehabilitated. Twenty storefront improvements have also been completed along the busy thoroughfare, including one where State Farm agent Jim Saucedo opened a new office.

■ Just steps from the Fruitvale commuter rail station in **Oakland**, California, our partnership recently renovated two commercial buildings totaling 27,000-square feet. The buildings, which house a Latino-owned pharmacy and an indoor public market, are adjacent to the \$60 million, 90,000-square foot Fruitvale Transit Village that opened in 2003 with financing from State Farm and LISC.

## COMMERCIAL CORRIDORS

*Through small business assistance, physical improvements and promotional activities, State Farm and LISC are helping to transform struggling neighborhood commercial corridors into vibrant shopping and entertainment destinations.*

■ In **Indianapolis**, the Fostering Commercial Urban Strategies Program provides a range of resources to seven targeted neighborhood business districts. In the past two years it has helped to attract or expand 52 businesses, create or retain 89 jobs, improve 52 storefronts, and clean up five contaminated sites and 12 green spaces. The recently capitalized \$2 million Small Business Loan Fund, Strategic Acquisition Fund and Brownfield Redevelopment Fund will further spur growth along the corridors.

■ With support from State Farm and LISC, ReStore **Cleveland** launched the award-winning marketing campaign, *Got It! In the Neighborhood*, which uses public information kiosks, posters and a website to promote neighborhood businesses and encourage people to shop locally. In total, ReStore Cleveland has created, expanded and/or retained 177 businesses and 247 jobs.



*Sheldon Green, State Farm Agency Field Executive, at ReStore Cleveland marketing campaign launch*

■ Community developers nationwide are using arts and culture to stimulate activity in neighborhood commercial corridors. In **Minneapolis**, the *Arts and Eats in Northeast* campaign leverages Central Avenue's reputation as an arts district to attract visitors to ethnic restaurants offering global cuisine. In **Philadelphia**, shops and restaurants host poetry readings and concerts, and in a partnership with the Mural Arts Program, visitors tour more than 30 murals along State Farm and LISC-supported corridors.

## COMMUNITY FACILITIES

*The development of facilities for child care, health clinics, youth centers and social service providers are bringing residents the amenities that help create healthy lifestyles.*

■ In May 2005, LISC and State Farm celebrated the opening of the 6,700-square foot Korean Youth and Community Center, which provides affordable child care to 55 families in the Koreatown/Mid-City area of **Los Angeles**. Similarly, a child care center in the Walker's Point neighborhood of **Milwaukee** serves 275 children.



*Korean Youth and Community Center child care facility in Los Angeles*

■ Through Rural LISC, our partnership helped medical and dental clinics in **Uniontown**, Pennsylvania expand twice, adding full-time doctors and dentists and 7,000-square feet. This growth has doubled the facility's capacity to serve the community, increasing medical patients to 2,000 and dental visits to 6,000 a year. Other State Farm and LISC-supported health care clinics in **Oakland** and **San Diego** will break ground in 2006.

■ In **Los Angeles**, new facilities for two charter schools, View Park Prep and the School of Arts & Enterprise, opened in the past year, providing quality learning environments for a combined 900 students. With support from State Farm, we have also completed charter schools in **Houston** and **Milwaukee**.

■ In uptown **Phoenix**, a recently acquired and renovated 84,000-square foot building serves as a new headquarters for three Native American nonprofits that provide affordable housing, health care, workforce development, family counseling and education services to tribal populations throughout the Southwest. Located on the path of the future light rail system, the building is a "one-stop" service center for the urban Native American community.



*New headquarters for Native American nonprofits in Phoenix*

## COMMUNITY SAFETY

*Partnerships among local police, nonprofit community developers and residents are reducing crime and increasing public confidence, paving the way for investment in physical development and programs targeting at-risk youth.*



*Blue Parkway Town Center in Kansas City, Missouri*



*Mural created by youth in a Venice, California community safety program*

■ Police and residents joined together to address safety issues along Blue Parkway in **Kansas City**, Missouri. Through this partnership illegal dumping and drug activity diminished, making possible the development of a 150,000-square foot shopping center anchored by a grocery store that opened in November 2005. The police consulted on the design plans for the shopping center, which includes a state-of-the-art security system and police substation. The shopping center is located near a State Farm and LISC-financed 72,000-square foot office building that opened in 2002.

■ Another community-police partnership in **Kansas City** targeting the Charlie Parker Square apartment complex succeeded in closing two nearby drug houses, and significantly decreased crime in the area. The CDC is promoting it as a best practice model for safety strategies in multi-family housing with area property managers.

■ In the Venice area of **Los Angeles**, youth-focused community safety initiatives include a truancy reduction program targeting 50 at-risk students from a local high school; a "Teen Court" program in which youth offenders are judged by their peers with oversight from the district attorney's office; and case management services for youth recently released from prison.

## EDUCATION

*Through service-learning initiatives, parental engagement programs, after-school enrichment activities and teacher housing assistance, our partnership is improving educational opportunities for youth in underserved communities.*

■ A program to increase parent involvement at Verde Elementary School in **Richmond**, California has resulted in a 47% drop in full-day absences and a 70% decrease in unexcused absences. In recent standardized tests, Verde's scores showed the highest increase of all elementary schools in the district and ranked among the top five increases of all elementary schools across the San Francisco Bay Area.



*Students at a State Farm check presentation ceremony in Richmond, California.*

■ Through one of four Rural LISC-supported education programs, 100 students from McCaskey High School in **Lancaster**, Pennsylvania are engaged in a service-learning project to survey quality of life needs for local affordable housing residents. A forum on housing issues and studies of survey design and evaluation prepared students to assess resident needs. During the upcoming phase, students will identify some options for how these needs can best be met. The State Farm and LISC partnership is also supporting service-learning programs in **Milwaukee**, **Chicago** and **Indianapolis**.



*Students receive after-school tutoring at an affordable housing development in rural Pennsylvania. We also support after-school enrichment programs in Philadelphia, Kansas City and Washington, DC.*

■ In 2005, more than 100 public school teachers in **Chicago** became homeowners for the first time with help from the Teacher Housing Resource Center, which provides financial counseling and down payment assistance. LISC is also working with State Farm to develop affordable housing in the Little Village neighborhood for student-teachers from Illinois State University.

# Q & A

## Mike Fernandez

VICE PRESIDENT, STATE FARM  
CORPORATE COMMUNICATIONS AND EXTERNAL RELATIONS

**‘Being a good neighbor is more than an advertising slogan.’**

*In May 2006, Mike Fernandez assumed leadership of the State Farm corporate communications and external relations functions. He recently took some time to talk about his plans for advancing the company's efforts to build sustainable, healthy communities.*

**What is your vision for growing the already successful community development programs at State Farm, and how does the State Farm partnership with LISC support this vision?**

State Farm is committed to meeting the needs of our communities. By working with responsible neighborhood organizations such as LISC who share our objective of healthy neighborhoods, we hope to stay focused on a comprehensive approach and driving results. After all, good places to live are also good places to work and do business in.

**What role do you see State Farm community partners playing in advancing the company's philanthropic and business objectives?**

Organizations like LISC are essential to helping us identify the specific needs of a community.



We count on them to help us effectively and efficiently execute efforts to provide training, technical expertise and well-focused capital. The aim of the State Farm Good Neighbor Citizenship® (GNC) program, the umbrella for our charitable efforts, is to help build safer, stronger and better educated neighborhoods through community alliances across the U.S. and Canada. Our Safe and Strong Neighborhoods initiatives, in particular, center on auto, home and personal financial safety programs, disaster prevention and recovery services, and programs that enable home ownership, create affordable housing and build stronger communities. We count on friends like LISC to help us achieve those aims.

**You've led public relations activities for such major corporations as ConAgra Foods, US WEST, CIGNA and Eastman Kodak Company. How will your experiences with these companies inform your oversight of State Farm community partnerships?**

Whether you are a company that sells food, phone services, pictures or insurance, your success is ultimately dependent on how well you manage relationships with employees, customers, shareholders or policy holders, vendors and with the communities you do business in. While my career has been made in public relations, marketing and public policy, I was trained in accounting and finance. Fundamentally all businesses want to sustain themselves as going concerns. Long-term businesses have a symbiotic relationship with the communities they work and do business in. It's hard to sustain business in troubled neighborhoods, and it's hard to sustain neighborhoods where most of the businesses are in trouble. State Farm is one of the companies that has long understood this and acted accordingly. Being a good neighbor is more than an advertising slogan; for State Farm it describes the company and the people who serve as its associates and agents. I am thrilled to be a part of it.

# About LISC

**L**ocal Initiatives Support Corporation (LISC) is dedicated to helping nonprofit community development organizations transform distressed neighborhoods into healthy and sustainable communities of choice and opportunity – 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 local priorities and challenges, delivering the most appropriate support to meet the needs.

**S**ince 1980, LISC has marshaled more than \$7.1 billion from 3,100 investors, lenders and donors. In over 300 urban neighborhoods and rural communities nationwide, LISC has helped 2,800 organizations build or rehabilitate more than 196,000 affordable homes and almost 27 million-square feet of retail, community and educational space—totaling \$16.7 billion in development. As a result, hundreds of thousands of people have better lives and brighter futures.



*ABOVE: The former Hungarian Embassy was converted into the Josephine Butler Parks Center, a nonprofit office and event space in Washington, DC ON THE COVER: Top: Bethune Academy, Milwaukee, WI MIDDLE: Las Rosas town homes, Kennett Square, PA Bottom: Small business owner, San Francisco, CA*

