



# BUILDING SUSTAINABLE COMMUNITIES

## A PROVEN STRATEGY

In many ways, 2010 was a year of contrasts for LISC. We saw communities continue to be shaken by the ongoing economic decline, as relentless unemployment, distressed housing markets, and funding shortfalls for everything from schools to social services took an increasing toll, particularly in low-income areas.

But we also witnessed great progress in many of the neighborhoods where we work. Local stakeholders continued to implement comprehensive community development plans that not only help promote long-term stability, but counter some of the most damaging economic fallout. Those plans are connecting better schools and community safety initiatives with job creation, affordable housing, economic development and family asset building, among many other things. Certainly, the recession has impacted these communities, but in some respects they have been able to move forward and grow in spite of it. They are still energized and hopeful.

Much the same is true of LISC. Have we felt the recession? Most certainly. But we developed strategies to respond and today find ourselves in a stronger financial position than before the downturn began. In 2010, we expanded our program activity in significant ways, and our investing, lending and grantmaking topped the \$1.1 billion mark. Some of that reflects the remarkable performance of the National Equity Fund, our tax credit syndication arm, which posted record results for 2010. But it also speaks to a recovery in our lending, solid fundraising and new partnerships that have attracted fresh capital to important programs. Given overall economic conditions, we were quite pleased with what we were able to accomplish throughout the year.

## BUILDING ON 30 YEARS

It seemed particularly fitting as we marked our 30th anniversary in 2010—a milestone we will officially celebrate on March 23-25, 2011, at our 30th Anniversary Symposium and Gala in Washington, D.C. Our overarching goal when we made our first loan back in 1980 was to help residents and community-based organizations rebuild blighted neighborhoods so they could improve their quality of life. We knew then that it would be a long-term proposition, one that required nurturing and commitment as well as funding. All of that is still true.

But LISC today is a vastly different organization than we were in 1980, and not just because of the passage of time or our national expansion during the intervening years. Back then, we were largely testing the theory that locally driven redevelopment could succeed where large-scale, top-down government programs had failed. If LISC could arm residents with the right financial tools and technical know-how, they could revitalize their own neighborhoods. And so we did. Blighted buildings were returned to productive use as retail space and affordable housing. We expanded our support



KIPP Impact Middle School; Jacksonville, Fla.

to other development projects, like child care centers, charter schools, health clinics, and athletic fields. In some places, this building-by-building revitalization began to change the community's outlook. The progress was significant and heartening.

But over the years something else became clear: investing in affordable housing and other physical redevelopment was not enough to ensure sustainable change. We needed to do more to improve quality of life.

That was the genesis of *Building Sustainable Communities*. Launched in 2007 as an expanded strategic direction for LISC, it is today our overarching approach to community development. From revitalized commercial corridors to early childhood education facilities, and Pop Warner football to green retrofit programs, it recognizes that a healthy community is much more than a place on the map. It roots families,

energizes economies and underpins some of the most fundamental aspects of quality of life.

## ON THE GROUND RESULTS

In practice that plays out in many different ways for LISC. Beyond supporting thousands of new affordable homes every year—which continues to be a high priority—*Building Sustainable Communities* includes our **\$40 million** investment in community-based health centers like those that opened in Milwaukee, Kansas City and Chicago in 2010. It means we collaborate with the Department of Justice, local law enforcement and community organizations on programs that tackle the drivers of crime and violence, expanding promising pilot programs from places like Providence and Boston to numerous neighborhoods in other cities.

We hone in on critical economic development needs, like the LISC-financed grocery store that now stands in a former south Los Angeles food desert and the new big-box retailer that is helping energize a blighted pocket on Chicago's north side. Both projects integrated affordable housing into their retail development plans. Both countered blight. Both created jobs. And both are having a significant positive impact on their communities.

Education is also central. We have invested **\$127 million** to support charter school facilities across the country, including 2010 school openings in Indianapolis and Jacksonville. And we are fueling innovative service learning and after-school programs that build the capacity of at-risk youth to learn and compete in a 21st century global economy.

*Building Sustainable Communities* ties these critical projects together. Likewise, it's what frames our support for new recreational facilities, sports programs and green space, such as Nat Turner field in Newark's largest city park; or Clyde Park in Duluth, where a new hockey facility, athletic field, and restaurants replaced an abandoned industrial park.

This work creates and connects to jobs in the communities that need them most—construction jobs generated by real estate development, retail positions created by economic



Children's Campus of Kansas City; Kansas City, Kan.

## IN 2010, WE INVESTED

**\$1.1 billion**  
which leveraged

**\$2.2 billion**  
in total development, creating  
**10,000**  
affordable homes and apartments

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

**9**  
schools financed for 3,955 students

**5**  
child care facilities for 788 children

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

development, teaching positions that come from new charter schools, to name just a few. But *Building Sustainable Communities* is also more deliberate about the jobs challenge. We have been expanding our Financial Opportunity Centers—now operating or preparing to open in some 60 different communities—to help low-income families expand their incomes and build assets. Cincinnati, Detroit, Houston and San Diego are just a few of the cities that saw new funding to help Centers extend their impact in 2010 and beyond.

All of this is particularly critical in the current economic environment. More people and more neighborhoods find themselves skidding toward the same kind of distress that was so prevalent at LISC's founding. But unlike then, today we have a proven strategy to help them reverse course. *Building Sustainable Communities* is a product of our long and varied learning curve. It has reinforced our need to be nimble and responsive, ever-local, always listening and open to change.

Nearly four years into this plan, we are as energized and excited about what we can accomplish as we were 30 years ago, and gratified by the strong partnerships we have developed with so many organizations that make it possible. There is still much to be done, and so we continue.

Michael Rubinger  
President and CEO  
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