Celebrating 30 years of Building Sustainable Communities
Letter from the Chair and President

2010 marked 30 years of work for LISC helping to revitalize disinvested communities. And much has been accomplished over those three decades.

What began for us in 1980 as a creative way to rebuild the physical infrastructure of crumbling neighborhoods has grown into a broad, multi-faceted effort designed to help low-income families build a better quality of life and for their neighborhoods to flourish in the process. We call it Building Sustainable Communities.

Certainly, the world has changed a great deal since those early days. Communities once given up for dead have, in fact, become good places to live, work, do business and raise families. You need only stroll down the streets in some of these places to see that.

What some might not recognize, though, is how much the mindset about poverty has also changed. Over the last 30 years, LISC and the entire community development field have proven that the right partners, the right financial tools, and the right policy framework can move low-income families and communities toward stability and growth.

Even today, there is opportunity for even the most troubled places to move beyond their current struggles, just as so many have emerged from their disinvested pasts.

Back then, top-down government programs could not reverse the slide. Individuals could not shift it. And motivated community groups were just barely nudging the needle forward, as most lacked the financial or organizational capacity to enact lasting change. For much of America, the idea of entrenched poverty became just another evening news norm, with blighted neighborhoods viewed as a reality largely beyond our control.

Except, it wasn’t beyond our control — not in 1980 when LISC made its first loan and not now. Today, we have a comprehensive community development strategy that puts more tools than ever at our disposal. We have a federal government increasingly focused on breaking down silos between programs affecting communities.

We have a nationwide base of sophisticated community organizations with the experience and capacity to drive revitalization. And we have a wealth of experience gained from 30 years on the ground in what were once — and in some places continue to be — the most challenged communities in the country.

IN 2010

WHAT WE’VE INVESTED

$1.1 billion, which has leveraged $2.4 billion in total development

WHAT WE’VE ACCOMPLISHED

10,800 affordable homes and apartments
2.8 million square feet of retail and community space
7 schools financed for 4,000 students
7 child care facilities supported for 1,088 children
16 playing fields renovated for 32,000 kids

SINCE 1980

WHAT WE’VE INVESTED

$11.1 billion, which has leveraged $33.9 billion in total development

WHAT WE’VE ACCOMPLISHED

277,000 affordable homes and apartments
44 million square feet of retail and community space
139 schools financed for 50,200 students
164 child care facilities supported for 17,600 children
241 playing fields renovated for 450,000 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 fields:

• 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 for more information.

Visit www.lisc.org/annualreport/2010
We don’t know for certain what the next 12 months will hold for LISC or for the places we work. We do know that our financial position is as strong as it has ever been. Our loan portfolio is stable and growing. Our fundraising is solid and growing. The National Equity Fund, our Low Income Housing Tax Credit syndication arm, is investing record equity amounts and reinvesting half the net income it generates in LISC’s national efforts. And our New Markets Tax Credit business continues to aggressively pursue commercial development in high need areas, with the largest New Markets allocation in the country.

In short, LISC has come through the economic downturn much as we have the last 30 years — energized, do the same.

Robert E. Rubin
Chair
Michael Rubinger
President & CEO

Robert E. Rubin, Chair
Michael Rubinger, President & CEO

LISC’s 2010 performance illustrates that. We invested $1.1 billion in grants, loans and equity in new housing and improved schools, in innovative community safety programs and foreclosure mitigation efforts, and in family financial literacy and jobs. We helped spur economic development that revived commercial corridors with small entrepreneurial businesses as well as large retail and industrial employers. We supported new athletic fields, arts and entertainment development and community green space. We replaced environmentally contaminated areas with multi-purpose green development. And we promoted programs that brought healthy food to food deserts and health care services to places that had long gone without primary medical care. In 2010, we weren’t just investing in the built environment. We were investing in stability, opportunity and growth.

Most of that was not on our agenda in 2010. We were a housing organization, and that alone was a pretty daunting task at the time. So many of those challenges remain, but now we are focused on the overall prosperity of struggling communities as well as that of the people who live there. The implications are significant. When low-income families have a chance to succeed, not only do they raise their own standard of living, they contribute to our national economic engine.

This year’s annual report details how it is happening in very different communities across the country. We hope you take a minute to look through what we are doing as we work with Next Neighborhoods in the San Francisco Bay Area or GO Neighborhoods in Houston or Our Neighborhoods in Rhode Island or other similar programs in any of the 30 urban localities and more than 70 rural communities where we work.

Celebrating 30 Years

1975: The First Foundation produces a discussion paper — Communities and Neighborhoods: A Possible Private Sector Initiative for the U.S.— that calls for creation of a new organization to support the development activities of 50-100 capable community groups. LISC is founded in December 1979.


1982: In collaboration with local organizations, LISC far exceeds its initial goal, assisting 131 community development groups in 28 states and committing in excess of $50 million in loans, guarantees and grants. LISC establishes its first “areas of concentration” in the South Bronx, Boston, and Chicago, bringing the historical presence to LISC’s work.

1990s:

1990: With 10 local programs awarded from competition, LISC achieves a truly nationwide reach and its capitalization exceeds $70 million. Today, LISC has loaned or helped finance in 25 states across the United States and works in 41 rural counties in 11 states.

1995: Paul S. Grogan succeeds Max Sviridoff as LISC’s President. Norborne “Bunny” Berlich, a retired President of Chemical Bank, becomes Chairman. LISC’s capitalization reaches $100 million with the support of more than 300 businesses and foundations.

1996: LISC organizes a Neighborhood Development Support Coalition in Boston to provide community grants with multi-year, performance-based funding aimed at strengthening core operations and housing development activity. This unique approach has been replicated in 22 cities across the country.

1997: John F. “Jake” Mackey, CEO of The Corporation for National and Community Service, takes the helm of LISC as the new leader, bringing LISC’s strategic plan to fruition. LISC’s capitalization grows to $236 million, and the organization has relocated from Washington, D.C. to New York City. LISC’s capitalization exceeds $800 million.

2000: State Farm provides LISC with $3.3 million in grants, loans and equity-investments to implement our Building Sustainable Communities strategy. The strategy is proven to be a promising vehicle of change, one that is flexible, innovative, and responsive to local conditions.
Celebrating 30 Years

1. 30th Anniversary Gala Celebration at the Smithsonian
2. The Honorable Heather McTeer-Toney, Mayor, Greenville, Miss.
3. The Honorable Jack Reed, U.S. Senator, Rhode Island
4. Don Randel, President, Andrew W. Mellon Foundation; Col. Dean Esserman, Chief, Providence Police Dept.
5. Henry Cisneros, Executive Chairman, CityView and former HUD Secretary
7. Paul S. Grogan, President, The Boston Foundation; The Honorable Kevin Johnson, Mayor, Sacramento, Calif.
8. Robert E. Rubin, Chair, LISC
9. Lisa & Dick Cashin
10. Former Governor Edward G. Rendell, Pennsylvania; Kathy Wylde, President & CEO, Partnership for New York City
11. 30th Anniversary Symposium at the JW Marriott
12. The Honorable Thomas Menino, Mayor, Boston, Mass.
13. Ronald Phillips, President, Coastal Enterprises
14. 30th Anniversary Gala Celebration at the Smithsonian
15. Rick Gentry, President & CEO, San Diego Housing Commission
16. Assistant Secretary-Housing and Urban Development
18. Michelle Rhee, Founder & CEO, StudentsFirst
19. Andrew Plepler, Global Corporate Social Responsibility Executive, Bank of America
20. Gene Sperling, Director, The White House National Economic Council
21. Diana Aviv, President & CEO, Independent Sector
22. The Honorable Christopher Coleman, Mayor, St. Paul, Minn.
23. Asad Mahmood, Managing Director Global Social Investment, Deutsche Bank
24. Ray Suarez, Senior Correspondent, PBS NewsHour
25. The Honorable Kathleen Sebelius, Secretary, U.S. Dept. of Health & Human Services
26. 30th Anniversary Gala Celebration at the Smithsonian
27. Peter C. Goldmark, former President, The Rockefeller Foundation and former LISC Board Member
28. Paul C. Light, Paulette Goddard Professor of Public Service, NYU
29. Rey Ramsey, President & CEO, TechNet
30. Deputy Mayor Beatriz Otero, Washington, D.C.
31. Daniel Snyder, Owner, Washington Redskins
It's not enough to have a decent, affordable home. If we are to truly revitalize low-income communities we need to connect families with opportunities to stabilize their financial outlook. They need to build marketable job skills and get help with job placement. They need to gain the financial literacy that help them to more effectively manage their income, reduce their debt and build their assets. Residents can lay the groundwork for a more prosperous future when armed with the right coaching, counseling and financial tools. And in doing so, they can help build a stronger Sustainable Community.

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

physical redevelopment, especially as regards affordable housing, is fundamental to the recovery of places stung by years of disinvestment and decline. New construction and preservation efforts eliminate vacant, blighted properties and clean up environmentally contaminated land. They create quality, affordable homes that root families, and — by putting rents and mortgages within their reach — ensure they have more disposable income to spend on local goods and services. A more stable residential base supports growing neighborhood businesses, and a better physical environment helps drive neighborhood safety while attracting additional private investment.

The built environment is critical to a healthy Sustainable Community. It is the most visible evidence of new growth and opportunity; and it fuels wider related gains that have a lasting impact.

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The built environment is critical to a healthy Sustainable Community. It is the most visible evidence of new growth and opportunity; and it fuels wider related gains that have a lasting impact.
Economic development creates jobs, enhances neighborhood safety and contributes to a vibrant environment of activity and growth. By creating opportunities for retailers and service providers, we help ensure that residents can shop for the goods and services they need in their own neighborhood. Successful local businesses help forestall blight and crime, and they reinforce investments in housing and other development efforts. They transform decaying commercial corridors into centers for arts and entertainment, and incubate innovation that ranges from micro-enterprises to retooled industrial sites.

LISC invests in projects and plans designed to support entrepreneurship, attract new businesses to disinvested areas and stimulate job creation in the places that need it most.

Quality Education

Strong schools and quality early childhood education are not just critical for kids; they are central to the health of the communities where they live. Flourishing educational opportunities attract a diverse range of residents with a lasting commitment to their surrounding community. They contribute to family health and neighborhood safety as after-school programs, recreational programs, and school breakfast and lunch programs promote intellectual and physical well-being. They offer young people the chance to lift themselves out of poverty and give families the confidence that their children can realize the American dream.

LISC invests in public charter schools and early child care centers, while also supporting a variety of learning and community programs that go beyond the traditional classroom. Struggling families and disadvantaged communities need access to quality educational programs if they are to recover. In Sustainable Communities, successful community development is directly connected to successful schools.
Health & Environment

Positive, sustainable change cannot take hold in low-income communities where crime is rampant, health care is nonexistent and the only green space is dirty, deteriorated and dangerous. Sustainable Communities look much different. They include green development and design for buildings and their landscape. They offer safe corner playgrounds for kids, lush walking paths for seniors, community police partnerships that reduce violence, and new ventures that attract urban farms and markets, and new neighborhood grocery stores. Sustainable Communities are healthy places to live and work, places where quality of life relies on a close attention to wellness in all its many forms.

In practice, for LISC, this runs the gamut. We support quality athletic fields, recreational facilities, and art programs. We drive community safety efforts that mitigate foreclosure-related crime spikes. We fund the development of neighborhood health clinics, and we help connect farmers to urban food deserts so that low-income residents can access fresh produce and other healthy options. Healthy families build Sustainable Communities.

NORWALK, CONN.
Sleeping Stones Children’s Museum provides up to 60,000 children from low-income families with hands-on exhibits and educational programs that engage, inspire and teach. A recent facilities expansion financed with $9 million in New Markets Tax Credits from LISC allowed the museum to upgrade its green building features and create additional programming that focused on children from Norwalk Public Schools, a priority district within the state with significant academic need.

NFL GRASSROOTS PROGRAM, NATIONWIDE
A free mini football clinic led by Virginia State University was part of the grand reopening of Albert Jones Football Field in Petersburg, Virginia. The renovations, which were made possible by a $350,000 grant through the National Football League Grassroots Program and the Washington Redskins, include a newly-reveled field, new bleachers, lighted accommodations, a new PA system, and goal posts. Over the past 12 years, LISC and the NFL have invested $38 million in 32 clinics, leveraging an additional $106 million from local supporters, which has impacted the health and social well-being of more than 450,000 children.

Financial Summary

Condensed Statement of Financial Position
As of December 31, 2010

ASSETS
Cash and investments $219,827,649
Contributions receivable 95,201,008
Loans to community development corporations and affiliates, net 142,176,988
Other assets 83,965,065
Total assets $483,908,567

LIABILITIES AND NET ASSETS
Grants payable $35,181,138
Loans and bonds payable 116,355,085
Other liabilities 55,362,922
Total liabilities 198,898,145
Net assets 285,010,422
Total liabilities and net assets $483,908,567

Condensed Statement of Activities and Changes in Net Assets

REVENUE
Contributions $40,271,879
Government contract revenue, interest, investment income and fees 98,013,209
Total revenue $138,285,085

EXPENSES
Program services $118,069,509
Management and general 19,740,004
Fundraising 6,294,554
Total expenses 143,104,067

Change in net assets before investments $5,211,018
Realized and unrealized gains on investments 3,585,764
Change in net assets 8,796,782
Net assets, beginning of year 193,123,254
Net assets, end of year $191,926,036

Total Net Assets, 1980–2010 (in millions)

Financial Summary
LISC Board of Directors

*term ended in 2010

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8: (top to bottom) Eric Young Smith, LISC
9: (top to bottom) Courtesy of KIPP Houston, Cindy Larson
10: (top to bottom) Courtesy of Stepping Stones Children’s Museum, LISC

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Detroit
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Gulf Region
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