LISC issues $100M in GO bonds to fuel economic opportunity in low-income communities

S&P assigns ‘AA’ rating to inaugural offering from seasoned community development org

NEW YORK (April 4, 2017)—In a first-ever move of its kind, the Local Initiatives Support Corporation (LISC) is issuing $100 million in general obligation bonds to help accelerate its work around economic opportunity and drive investment capital into distressed urban and rural communities across the country.

Standard & Poor’s assigned a ‘AA’ rating to the bond issue, which includes term bonds of 10 and 20 years. The rating mirrors S&P’s issuer credit rating, assigned to LISC in September 2016, which highlighted the organization’s diverse and growing asset base, minimal loss exposure, and strong history of loan performance.

“Impact investors are looking for proven ways to help revitalize communities and restore economic mobility for people fighting to compete in the current economy,” said Maurice Jones, LISC president and CEO. “LISC has been leading that work for decades, building a track record that improves the quality of life for people all across the country.”

LISC is a national nonprofit and one of the nation’s largest community development intermediaries, having invested more than $17 billion to build up the economic infrastructure of disinvested places. Its offering represents the first time a Community Development Financial Institution (CDFI)—a designation for specialized lenders focused on the needs of low-income people and places—has tapped the bond market for growth capital. The LISC bonds have no geographic or programmatic restrictions, making them a flexible opportunity for a broad range of investors. Morgan Stanley is serving as the underwriter for LISC’s planned financing.

“It has never been more important for us to invest in local economies so families can raise their standards of living,” stressed Jones. “This new capital will not only help us fuel businesses, jobs and large-scale redevelopment efforts, but also help address the persistent social and economic challenges preventing people from maximizing economic opportunities.”

LISC has posted record results in the last two years, including investing more than $1.3 billion in 2016 grants, loans and equity to support economic development, affordable housing, health care, community safety, education, family financial stability and employment.

“From a pragmatic economic viewpoint, this work could not be more critical,” said Robert Rubin, former Treasury Secretary and LISC’s long-time chairman. “The lack of economic mobility we see in both large cities and small towns is having a profound effect on the
country. LISC addresses these challenges directly, while also acting as an incubator for innovation in community development, testing promising ideas and helping bring solutions to scale.”

LISC is headquartered in New York but is locally focused, operating through 31 urban programs and a rural development effort that touches more than 2,000 counties.

About LISC
LISC equips struggling communities with the capital, program strategy and know-how to become places where people can thrive. It combines corporate, government and philanthropic resources. Since 1980, LISC has invested $17.3 billion to build or rehab 366,000 affordable homes and apartments and develop 61 million square feet of retail, community and educational space. For more, visit www.lisc.org.