We all want options…

In this country, we are particularly fortunate to have a wide variety of selections that provide access to a good quality of life for ourselves and our families. For too many of our neighbors, however, alternatives are limited and sometimes only mediocre in quality. Through our strategic and thoughtful community rebuilding activities, Local Initiatives Support Corporation (LISC) and its partners help create good choices for families and neighborhoods of modest means.

Generating opportunities…

Since 1980 when we were created by the Ford Foundation, LISC has strived to bring business acumen and resource access to community-based leaders who have been catalysts for positive change. By bringing together and investing in the right people, ideas and resources, LISC has helped transform liabilities into assets…despair into hope…dreams into reality. Across America, in big cities and small towns, LISC has supported the development of child care centers, health clinics, alternative schools, shopping centers, manufacturing factories and playgrounds as well as quality apartments and homes for sale. Total community investments for these activities approach $14 billion.

LISC has been in the Virginia market since 1990 where we have primarily served the Greater Richmond capital region. Working through our community development corporation (CDC) partners, more than a dozen neighborhoods have received targeted, quality real estate investments. Approximately 3,000 families have been assisted to have access to opportunities for better housing, childcare and employment choices. Through the generosity of both private and public supporters, LISC and our partners have invested over $250 million into the Central Virginia region.

At the beginning of 2005, after a year-long business planning process, LISC was authorized to methodically expand our geographical footprint to include other metropolitan regions located throughout Virginia. Additionally, we strategically broadened our customer base to include high-performing CDCs, other non-profit agencies, for-profit real estate developers and public housing authorities. These two changes, coupled with a comprehensive array of services, support our 5-year goal of facilitating an additional $250 million of community rebuilding investments by 2010.

“In the same way venture capitalists help entrepreneurs turn good ideas into profitable businesses, LISC helps established community rebuilding partners turn good ideas into better places to live, work and play…better choices for many of our neighbors with modest economic resources. That’s why I like to think of LISC as venture capitalists for the American dream.”

John G. Finneran, Jr.
Executive Vice president and general Counsel
Capital One Bank
Chairman, Virginia LISC
LISC’s community rebuilding services…

Financial Products
LISC and its myriad of community, public and private partners invest in urban, suburban and rural areas of our country that traditional market forces have sometimes neglected. We provide grant support as well as patient, flexible financing for the development of affordable housing, commercial and community facilities. Specific products include:

- Planning and operational grants—limited availability
- Loan capital for pre-development, acquisition, construction and mini-permanent financing
- Equity investments for low income housing, historic and new market tax credit eligible projects

When alternatives are limited or illusive…
The accumulation of assets and wealth enables families to help the next generation acquire higher education, which in the 21st century has become the key to a productive workforce and a more self-supporting society. Home ownership is one of the principal ways by which working families accomplish this financial goal. For this reason, the community development industry has focused extensively on quality, affordable housing.

But while it is an essential human need, housing by itself does not ensure economically sound and healthy environments for families. This is why LISC and its partners create childcare centers, business incubators, health clinics and new retail businesses – mostly in markets where the private sector has not yet uncovered their full potential – to help reconnect isolated communities back to the economic mainstream and offer additional quality choices.

Helping to create successful choices…
Starting fifteen years ago and gaining traction over the last decade, CDCs have realized over $250 million of quality real estate investments in Central Virginia. LISC has played a critical role in assisting its community rebuilding partners to achieve regional success through our grant-making, lending, equity investing, capacity building and advocacy activities.
As an industry intermediary, LISC offers an objective view of both the qualitative and quantitative impact of community rebuilding investments. Utilizing technology, research and knowledge-sharing networks, LISC helps to shape public policies and private sector resource allocations that support quality, scaled community change. Support services include:

- GIS mapping and analysis
- Policy research and review
- Community development marketing
- Public relations and advocacy networking

“LISC helps bring planning and measurement resources to the community rebuilding industry to maximize positive neighborhood change and broaden public and private accountability through its research and impact analysis services.”

Lyn Boyer Haines, Executive Director – ElderHomes, Incorporated

Since 1990, LISC has:

- Provided over $18 million in loans and grants to CDC customers in support of the development of over 2,500 quality, affordable homes and apartments and nearly 150,000 square feet of community facility and/or commercial real estate.
- Placed over $35 million in equity into affordable housing development through our affiliate National Equity Fund.
- Raised nearly $13 million in local and national resources in support of community rebuilding within the Central Virginia region.
- Expanded access to regional public and private partners to influence program designs and subsequent resource allocations of strategies that support community rebuilding efforts.

LISC’s role in community rebuilding…

LISC is not a real estate developer, rather we help ensure that quality, sustainable development occurs by providing added-value to the community rebuilding industry. We are intimately involved in the real estate details of our partner’s projects, in a way that many of our investors are not. As such, we are uniquely positioned to direct limited financial and technical resources to the partners that are most capable of creating positive change in targeted communities.

Additionally, we provide critical first-in financial resources that support project feasibility analysis and in due course attract other requisite public and private investments for successful project completion. An investment into LISC is leveraged to return many times its value to families and neighborhoods.

“As we continue to expand the breadth of our community rebuilding activities, LISC has been an effective partner in helping us increase the scale and diversity of our real estate activities with the right development team members as well as access to essential financial and political support.”

Wallicia Gaines, Executive Director – Highland Park Community Development Corporation

Virginia LISC Supported Housing Production
Cumulative Totals

<table>
<thead>
<tr>
<th>Year</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>35</td>
</tr>
<tr>
<td>1995</td>
<td>200</td>
</tr>
<tr>
<td>2000</td>
<td>1,329</td>
</tr>
<tr>
<td>2005</td>
<td>2,645</td>
</tr>
<tr>
<td>2010</td>
<td>5,145</td>
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</table>

Projected
Virginia LISC

2005-2010 Business Plan:

Real Estate Production $3,500,000

Working through its partners, LISC will increase single-family home ownership opportunities, expand “service-enriched” housing development and foster more comprehensive community rebuilding strategies.

- Assist customers in the planning and execution of quality, scaled mixed-income residential developments in targeted communities.
- Promote mixed-use development strategies that create economically feasible residential, commercial and retail projects offering improved access to quality goods and services.
- Finance the production of approximately 2,500 housing units.
- Finance 100,000 square feet of commercial/community facility space.

Support Services $1,000,000

LISC will renew its commitment to encouraging our community rebuilding partners to utilize data as a prerequisite for planning, designing and implementing solutions to complex community development issues.

- Expand and maintain project and community data collection systems to document baseline statistics and capture economic and social impact of investments over time.
- Produce relevant industry reach and analysis that helps direct community rebuilding strategies and influences public policies that support equitable community change.
- Identify an expanded network of media contacts that are or need to be supportive of community rebuilding issues and develop strategies for their increased education about and engagement with the community development industry.
- Engage in initiatives that attract a broader base of partners to increase visibility and general awareness of the community development industry.
- Develop web-based services that offer more efficient and customer-friendly support to our community rebuilding partners.

Capacity Building $2,000,000

LISC will continue to help its high-performing CDC partners increase their capacity by offering support, training, and resources designed to enhance their ability to deliver high-quality, comprehensive real estate investments.

- Utilize CapMap assessments to capture baseline organizational capacity and to measure organizational progress in core competency areas for sustained growth.
- Support CDC partners in building their internal systems to better manage and sustain their organizational growth through technical assistance consultation, training opportunities and strategic operating grant support.
- Promote the sharing of knowledge and best practice experiences between high-performing CDC customers with industry research papers, online exchange opportunities and the creation of practitioner networks.

2005-2010 Business Plan Budget

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate Production</td>
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</tr>
<tr>
<td>Capacity Building</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Support Services</td>
<td>$1,000,000</td>
</tr>
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</table>

Total Virginia LISC Plan $6,500,000
Creating future choices...
As we look to the future, LISC has developed an ambitious plan to build on its fifteen year record of solid achievement to provide even more housing and community rebuilding opportunities. By providing technical, financial and operational expertise where necessary, LISC investments will add value to every project in which we are involved.
We are excited about our future that includes deepening our commitment to Central Virginia as well as strategically expanding our reach into additional markets located throughout our Commonwealth…creating more choices for many of our neighbors.
Economic Impact Analysis…

This analysis focuses on measuring the relative economic impact of building 500 single housing units, 2,000 multi-family housing units and 100,000 sq. ft of community/commercial space in the Richmond–Petersburg MSA. Its purpose is to provide objective information on the performance of investments made within LISC.

Construction activities generate considerable economic benefits in the regional economy in which it takes place. However, the economic impact of housing does not end when the construction is completed. As new residents move into the area and existing members of the community acquire access to greater equity, demand for goods and services increases generating an ongoing impact for regional businesses. This analysis demonstrates the extent of the relationship between the construction activities and job growth in the region by capturing the effect of this economic growth and the subsequent spending that occurs from income earned.

The estimated overall impact on the regional economy includes:

- Number of new primary jobs created: **1,390**
- Total payroll and regional income: **$64,284,348**
- Post construction – personal spending: **$32,142,174**
  
  *(Based on 30% leakage & estimated 20% of monies that are spent in outside markets)*

**Industry Examples**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit Savings Potential for Area Banks</td>
<td>$9,321,230</td>
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<tr>
<td>Housing</td>
<td>$6,333,584</td>
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<tr>
<td>Transportation</td>
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<td>Food</td>
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<td>Financial</td>
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<td>Other Vehicle Expenses</td>
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<td>Apparel</td>
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<td>Medical Services</td>
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Insert
LAC Leadership
2005-2010 Campaign Leadership
Donors (previous and current)
Community Rebuilding Partners
Virginia LISC brings together and invests in the right people, ideas and resources to create better communities for people to call home.

VENTURE CAPITALISTS for the American Dream