



Presentation to
Livable Centers Workshop
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Non-Traditional Finance CDFIs, CDCs, and More

Local Initiatives Support Corporation
Amanda Timm
Executive Director - Houston

LISC Mission

To help nonprofit community development organizations transform distressed neighborhoods into healthy and sustainable communities – good places to work, do business, and raise children.



2. Increasing family income and wealth



3. Stimulating economic activity, locally and regionally



1. Expanding investment in housing and other real estate



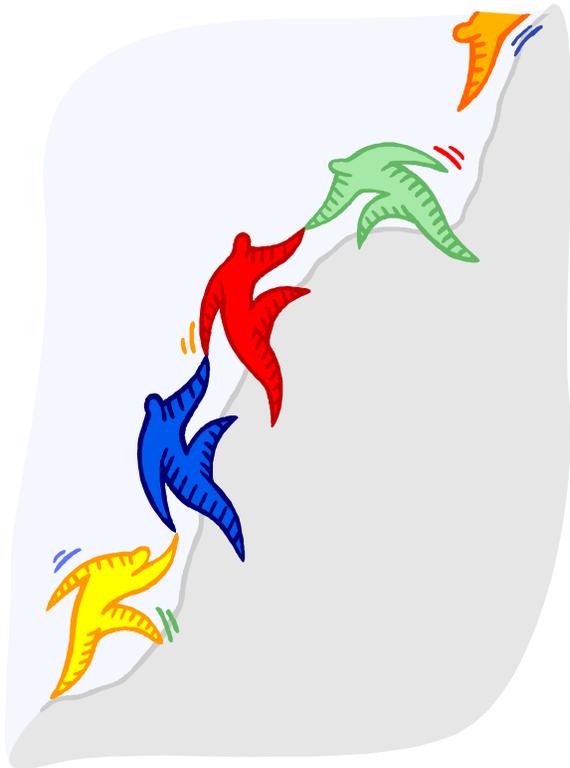
Five Goals of Building Sustainable Communities = Comprehensive Community Development

5. Fostering livable, safe and healthy environments



4. Improving access to quality education





Role

- LISC brings together corporate, government, and foundation support to **invest in creating sustainable communities.**
- As a intermediary, LISC provides **financial resources** (loans, grants, equity); **technical knowledge and resources; training; relationships;** and **public policy support.**
- As a nonprofit CDFI, LISC provides **financing and creative solutions** not feasible for private sector and public sector to offer – we fill major gaps in the market

Definition: CDFI

- Specialized financial institution working in niches **underserved** by traditional financial institutions
- **Unique range of financial products** and services in economically distressed target markets
- **Flexible underwriting and risk capital** for needed community facilities, and technical assistance, commercial loans and investments to small start-up or expanding businesses in low-income areas.



CDFI Basics



- Department of Treasury - CDFI Fund designation
- Nonprofit or For-profit
- Regulated institutions such as community development banks and credit unions
- Non-regulated institutions such as loan and venture capital funds.
- Community Development Corporations (CDCs)

Purpose

- Promote **economic development**
- Develop **affordable housing** and promote homeownership
- Provide **community development financial services**



Houston CDFI Examples

- LISC
- HBDI
- Covenant
Community Capital
- JPMorgan Chase
- Wells Fargo
- Alliance for
Multicultural
Community Services
- Accion Texas
- Bank of America
- Capital One

CDFI Resources Applicable to Livable Centers Implementation

| Type | |
|---------------------|---------------------|
| Loan Guaranty | Participation Loans |
| Predevelopment Loan | Working Capital |
| Acquisition Loan | Permanent Financing |
| Construction Loan | Line of Credit |
| Bridge Loan | |

New Markets Tax Credits

- Credit against federal income tax in return for new investments made in eligible businesses and commercial projects
- Qualified census tract
- Spur new investment of capital in low income communities
- Create jobs
- CDFIs receive allocation to invest in CDEs

Value of Nonprofit Developers Community Development Corporations



- Mission Driven
- Understand Neighborhood
- Trusted by Community
- Access to Resources

LISC Contact Info:

Amanda Timm, Executive Director

Atimm@Lisc.org

Tina Council, Senior Program Officer

Tcouncil@Lisc.org

Local Initiatives Support Corporation www.lisc.org

Houston LISC www.lisc.org/houston

New Markets Support Company www.newmarkets.org