



2009 Results

Lending Activity and Impact

Of the loans that NeighborWorks[®] Capital (NC) closed in 2009, 40% were with new NWO customers. Interest in NC's loan products has grown, and we responded by originating more loans in 2009 than at any other time in our history. NC has:

- ✓ Provided pre-development and acquisition capital to **20 projects for 830 rental and 108 for-sale housing units**, of which 87% were affordable to individuals earning below 80% of area median income.
- ✓ Provided acquisition capital to a retail and grocery store project totaling 145,000 square feet.
- ✓ Originated **\$15.2 million in loans, leveraging \$263 million in permanent financing** (17:1 leverage).
- ✓ A loan portfolio that is geographically dispersed across all eight NeighborWorks America Districts -- located in major urban (29%), minor urban (17%), and rural (54%) communities.

Through the end of 2009, NeighborWorks Capital, combined with the lending history of the predecessor organizations, supported the Network members in the creation or preservation of:

- **7,000 units of affordable for-sale or rental housing, and**
- **350,000 square feet of office, retail and community space**

Since inception, NC's loan volume of **189 loans, totaling \$50.8 million**, has provided critical pre-development loan capital to start important community projects throughout the country, and has **leveraged \$1 billion in permanent financing**. In alignment with NeighborWorks America's Strategic Goals to increase housing production, one in nine of the for-sale or rental projects started over the past three years used NC's pre-development or acquisition loans.

NC continues to provide financing opportunities to NWOs that are undertaking important and exciting new projects nationwide. Some examples include:

Senior Rental Housing

- ⊕ Interim/Acquisition loan to **Umpqua CDC** for Brookside Court, a 50-unit rental preservation project for seniors in Roseburg, OR
- ⊕ Interim/Acquisition loan to **NeighborWorks Columbus** for the Solstice project, a 56-unit new construction LIHTC project for seniors in Opelika, AL
- ⊕ Interim/Acquisition loan to **Beyond Housing** for the Pagedale Senior project, a 40-unit new construction LIHTC project for seniors in St. Louis, MO

Family Rental Housing

- ⊕ Interim/Acquisition loan to **Charlotte Mecklenburg Housing Partnership** for Westinghouse Apartments, a 96-unit family project in Charlotte, NC
- ⊕ Interim/Acquisition loan to **Montgomery Housing Partnership**, to purchase Halpine Hamlet, a 67-unit garden-style apartment complex in Rockville, MD
- ⊕ Pre-development loan to **Cabrillo Economic Development Corporation** for design and pre-development costs for the 60-unit Azahar Place in San Buenaventura, CA

Commercial

- ⊕ Interim/Acquisition loan to **Beyond Housing** for the Pagedale Retail project, for land acquisition for a 100,000-square-foot grocery store in St. Louis, MO
- ⊕ Interim/Acquisition loan to **Southwest Housing Solutions** for 5716 Michigan Avenue, for bridge financing of New Markets Tax Credits of this 45,000-square-foot historic renovation of a former factory into community health care and counseling offices in Detroit, MI

Also, NC has expanded the allowable uses for its loan products beyond multi-family housing to include for-sale and commercial development projects.

Business Plan Goals

In its second year of combined operations, NeighborWorks Capital is pleased to report the organization successfully met the following goals in its Business Plan as set by the Board of Directors:

- ✓ Increased NeighborWorks Network member awareness about NeighborWorks Capital loan products through increased marketing and visibility
- ✓ Exceeded our lending goals by 6%, with an increase of 300% over 2008
- ✓ Expanded our market share of NWO customers by 15%
- ✓ Conducted on-line customer survey to determine market conditions and NWO borrowing needs
- ✓ Met our capital-raising goals in a transitioning capital market
- ✓ Expanded our partnerships with other community development lenders to provide more capital to our customers
- ✓ Increased net assets by 12%

Partnerships with other CDFIs

NC seeks loan partnerships with local, regional and national community development lenders who are committed to affordable housing and community revitalization. In 2009, NC worked with the following organizations to finance loans in the NeighborWorks Network:

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|---|------------------------------------|
| ➔ Detroit Investment Fund | ➔ Living Cities |
| ➔ Enterprise Community Loan Fund | ➔ Partners for the Common Good |
| ➔ Federation of Appalachian Housing Enterprises | ➔ Rural Community Assistance Corp. |
| ➔ Housing Partnership Network | ➔ Rural LISC |
| ➔ Leviticus Fund | |