The new 59,000-square-foot Hilltop Regional Health Center provides quality health care in a neighborhood with the highest health risk for infants and children in the state. LIIF’s allocation of New Markets Tax Credits enabled the nonprofit Community Health Care to finance the construction of a new $27 million state-of-the-art medical facility. Offering primary and urgent care, a dental clinic and a residency program, the Hilltop Regional Health Center is also part of a regional economic revitalization effort and is creating quality jobs for the local community.

HILLTOP REGIONAL HEALTH CENTER

**IMPACT IN TACOMA, WA**
- 17,000 patients served annually
- 130 jobs created

The Los Angeles Early Childhood Education Bridge Fund preserves critical child care services for Los Angeles County’s low income families by providing financing to early care and education providers affected by delays in state funding. The providers, often small businesses, face severe strain and possible risk of closure as a result of payment deferrals. Flexible and affordable financing from LIIF, the California Community Foundation and First 5 Los Angeles enables providers to keep their centers open, children learning and parents working.

LOS ANGELES EARLY CHILDBOOD EDUCATION BRIDGE FUND

**IMPACT IN LOS ANGELES, CA**
- 2,900 child care slots preserved
- $1.8 million deployed

**CONNECTING PEOPLE, PLACES & OPPORTUNITY**

Watch videos and read more stories of transformation at liifund.org/annual-report
The $18 million ReFresh project is part of a holistic redevelopment of a blighted corridor in New Orleans. LIIF used Healthy Food Financing Initiative funds to fill a critical gap in financing for the healthy food hub. The building will house a grocery, a social enterprise providing food industry job training for youth, a center for Tulane University Medical School students to learn about health care and nutrition and office space for a charter school organization that emphasizes healthy food education.

**IMPACT IN NEW ORLEANS, LA**
- **5,000 - 6,000** school lunches prepared daily
- **60,000** square feet of healthy food retail, educational & community space
- **110** jobs created

The Drew Charter Academy is the centerpiece of a transformation of Atlanta’s East Lake neighborhood. Once among the city’s most distressed areas, the East Lake Foundation worked with residents to create a community that has cradle-to-college education, mixed-income housing and community wellness programs. This resulted in a 73% decrease in crime, 57% increase in employment and the city’s top-ranked elementary school. LIIF’s New Markets Tax Credits are financing Drew’s new campus, which will double the school’s size to 2,000 students.

**IMPACT IN ATLANTA, GA**
- **98%** of students achieve or exceed state standards
- **$89 million** in increased lifetime earnings for students

Located in one of the most distressed neighborhoods of San Francisco, St. Anthony Foundation provides free meals, social services and medical care to the city’s neediest individuals and families. LIIF provided New Market Tax Credits to support the construction of a new facility that will double the number of meals St. Anthony’s serves and house its free clothing, food pantry and social work programs. St. Anthony’s new home is a mixed-use building that will connect a full spectrum of services with affordable senior housing on the upper floors.

**IMPACT IN SAN FRANCISCO, CA**
- **800,000** people served annually
- **1 million** free meals served annually

**THE LOW INCOME INVESTMENT FUND (LIIF)** is leading a bold new vision for building healthy communities by investing in What Works to connect people and places. LIIF invests in integrated, collaborative, effective strategies that knit together the elements that help people to succeed in life – homes, quality education, health care, healthy food and jobs. Based on the understanding that we can achieve more by working together, LIIF works alongside premier partners across the country to empower people and build neighborhoods of opportunity.

**LIIF’S IMPACT**
- **$30 BILLION** in social benefits
- **1.7 MILLION** people served
JOINT LETTER FROM LIIF’S CHAIR AND PRESIDENT/CEO

DEAR FRIENDS: During the past year, the Low Income Investment Fund (LIIF) has embarked on an effort to transform itself to better serve the people and places at the heart of our mission. Today, LIIF has invested $1.5 billion and served 1.7 million people. These community investments have created more than $30 billion in social impact. We have expanded our geographic reach to serve 50% of people living in poverty in the U.S. From this solid foundation, LIIF is ready, willing and able to take the next leap in our transformation. Our efforts will be guided by relentlessly asking one critical question: What Works to build healthy communities and give everyone a chance to thrive?

Community developers have worked at this for a half century. We have learned that it takes more than housing to stabilize families, more than good schools and early learning programs to build a child’s future and more than jobs to create economic mobility. We have learned that it takes all of these things together to ensure every person can live up to her full potential, no matter where she grows up or the circumstances of her birth. LIIF is committed to doing whatever it takes to make this a reality. First and foremost, this will take a comprehensive, holistic vision driven toward outcomes that measure impact on the everyday lives of low income families. It takes broad, coordinated collaboration with the private sector, other community developers and the public sector.

For LIIF, this means changing how we work, how we think and how we measure our impact. While maintaining our emphasis on mission, proven capital investment strategies and financial stability, LIIF will push itself to achieve new bold goals:

• **Achieve scale through impact** by expanding our reach; innovating capital solutions focused on integration and outcomes measurement; and forging collaborative alliances.

• **Discover**, capture and leverage what we learn in the field. Through our Discovery Lab, a new organization-wide exploration process, we are developing and testing new ideas to keep LIIF on the leading edge of the sector.

• **Transform** by sharing what we learn and creating knowledge networks. LIIF’s leadership on the *Investing in What Works for America’s Communities* book has spurred a national dialogue to rethink community development approaches. This led to the recent launch of Partners in Progress, a new $3.25 million national initiative funded by the Citi Foundation, putting the ideas in the book into action by funding 13 community quarterbacks in 10 cities across the country.

The next decade will be a period of innovation, discovery and adaptation to what we learn. With poverty alleviation as LIIF’s enduring goal, we have always believed that community development is a strategy to achieve human development. Increasingly, we understand that building truly healthy places without investing in people is impossible. Integrating the two is complex, but essential, if we are to fulfill our mission.

Sincerely,

DAN LETENDRE, Chair of the Board

NANCY O. ANDREWS, President and CEO
LIIF FAMILY

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City & County of San Francisco
Human Services Agency
Community Development Financial Institutions Fund
Every Child Counts - First 5 Alameda
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Signature Bank
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Sisters of Charity, BVM
Sisters of Charity of the Incarnate Word
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TD Banknorth, Inc.
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U.S. Trust Company N.A.
Wells Fargo Community Development Corporation

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Boston Community Capital
California Charter Schools Association
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Calvert Social Investment Foundation
Catholic Healthcare West
Century Housing Corporation
Citibank Community Capital
City of New York, Department of Housing Preservation and Development
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The Kresge Foundation
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Federal Policy & Government Affairs
Roxanne Huey, VP, Finance & Corporate Controller
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Kimberly Latimer-Nelligan
Chief Operating Officer & EVP
Community Investments & Programs
Donald P. Lofe, EVP, Chief Financial Officer & Chief Administrative Officer
Brian Prater, SVP, Strategic Development & Corporate Affairs
Liz Tracey, SVP, Western Region
Candace Wong, Director
California Child Development Programs
### Statement of Financial Position

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
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</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
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<td></td>
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<tr>
<td>Cash and investments</td>
<td>$22,280,504</td>
<td>$33,026,944</td>
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<td>Restricted cash</td>
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<td>Notes receivable</td>
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<td>Allowance for loan losses</td>
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<td>Other assets</td>
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<td>$10,452,065</td>
<td>$12,835,931</td>
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<tr>
<td><strong>Total assets</strong></td>
<td>$195,548,781</td>
<td>$192,789,956</td>
<td>$166,189,220</td>
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</tbody>
</table>

| **Liabilities and net assets** |            |            |            |
| **Liabilities**               |            |            |            |
| Notes payable                 | $95,022,438 | $99,219,454 | $87,897,454 |
| Funds held in trust           | $15,019,300 | $13,777,669 | $11,540,656 |
| Other liabilities             | $6,542,193  | $4,909,265  | $4,634,816  |
| **Total liabilities**         | $116,583,931 | $117,906,388 | $104,072,926 |

| **Net assets**                |            |            |            |
| Unrestricted                  | $35,421,513 | $32,686,482 | $29,300,413 |
| Temporarily restricted         | $43,543,337 | $42,197,086 | $43,815,881 |
| **Total net assets**          | $78,964,850 | $74,883,568 | $62,116,294 |

| **Total liabilities and net assets** |            |            |            |
|                                   | $195,548,781 | $192,789,956 | $166,189,220 |

### Statement of Activities

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
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<tbody>
<tr>
<td><strong>Revenue</strong></td>
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<td>Interest and investment income – net</td>
<td>$7,807,331</td>
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<td>Technical assistance and consulting</td>
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<td>Grants and contributions</td>
<td>$4,306,759</td>
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<td>Other</td>
<td>$4,216,306</td>
<td>$3,101,549</td>
<td>$2,624,462</td>
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<td><strong>Total Revenue</strong></td>
<td>$18,067,329</td>
<td>$29,612,970</td>
<td>$28,323,090</td>
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| **Expenses**      |            |            |            |
| Program expenses  | $10,186,710 | $13,510,974 | $10,527,986 |
| Supporting expenses | $3,799,337  | $3,334,722  | $2,910,602  |
| **Total Expenses** | $13,986,047 | $16,845,696 | $13,438,588 |

| **Change in net assets** |            |            |            |
| Change in unrestricted net assets | $2,735,031 | $3,386,069 | $2,814,977 |
| Change in temporarily restricted net assets | $1,346,251 | $9,381,205 | $12,069,525 |
| **Change in total net assets** | $4,081,282 | $12,767,274 | $14,884,502 |

DESIGN: EDSON DESIGN | PHOTOGRAPHY: ROB CANNON, JOHN PAUL HENRY, ETHAN PINES, KEN TSUTHIWONGSE
As a leading national community development financial institution, the Low Income Investment Fund (LIIF) invests capital to support healthy families and communities. LIIF employs a holistic approach by investing in strategies that connect people, places and opportunity: affordable housing, child care, quality education, health and transit-oriented development. LIIF provides loans, grants and technical assistance and works to advance policies that increase economic opportunity and mobility for low-income people.