

2006 INVESTOR REPORT

Over a given 10-year period, it is estimated that the inventory of affordable housing stock available to households at 30 percent of median income plunged by 1.2 million.¹ In a one-month period of time, nearly one-quarter of a million people are likely to experience chronic homelessness.²

2006 marked the 20th anniversary of the Low-Income Housing Tax Credit (“LIHTC”), a federal program that has been instrumental in meeting the country’s critical affordable housing shortage. Since 1986, the LIHTC has been a key financial resource in the production or rehabilitation of approximately 1.8 million affordable rental homes across the country. In partnership with top financial institutions and leading corporations, Enterprise invested in 8,771 housing units last year. This ultimately will result in an additional 23,000 adults, children and seniors having an opportunity for an affordable place to call home. Over 20 years, Enterprise and its partners have provided more than 85,000 affordable housing opportunities through the Low-Income Housing Tax Credit.

NEW LIHTC INVESTORS

We expanded our investor base in 2006 and made an even greater commitment to meet the objectives of our partners.

- Bank of the West
- City National Bank
- Silicon Valley Bank
- TD Banknorth
- Union Bank of California, N.A.
- Verizon Credit Inc.

Leveraging our financial products and development expertise to provide community development solutions, Enterprise achieved measurable results across our four strategic priorities:

GREEN COMMUNITIES

In a marketplace that increasingly demanded healthier, higher-performing affordable housing, developers incorporated Green Communities criteria into their development plans, gaining a competitive edge in tax credit allocations.

- Enterprise closed or committed \$173 million in LIHTC equity for 1,338 units of sustainable housing in 19 cities.
- Policy efforts resulted in seven states allocating extra points in 2007 Qualified Allocation Plans for developments meeting Green Communities criteria. Nine additional states are evaluating criteria.

GULF COAST OUTREACH

Enterprise forged partnerships with local developers, market experts and policymakers to advance rebuilding efforts in distressed Gulf Coast communities, where 265,000 homes suffered substantial hurricane damage. Approximately half of these homes housed very low-income families.

- Enterprise met with local New Orleans leaders to better understand the market and seek solutions to mitigate underwriting risks for equity investments.

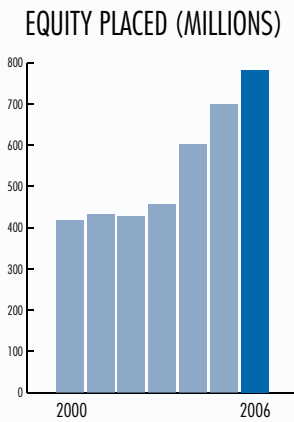
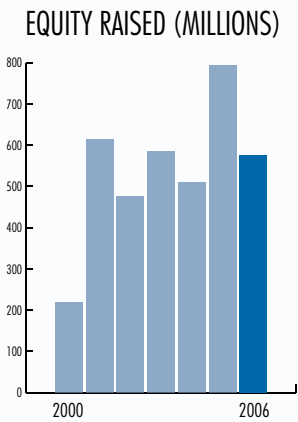
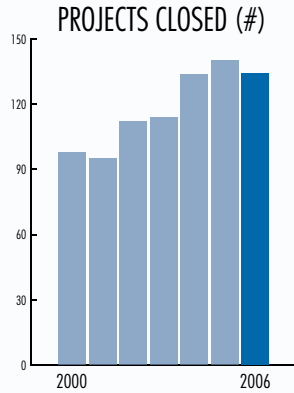
EVERY 60 MINUTES, ANOTHER FAMILY HAD AN OPPORTUNITY FOR DECENT, AFFORDABLE HOUSING BECAUSE OF ENTERPRISE, ITS PARTNERS AND THE LOW-INCOME HOUSING TAX CREDIT.

2006 LIHTC PORTFOLIO

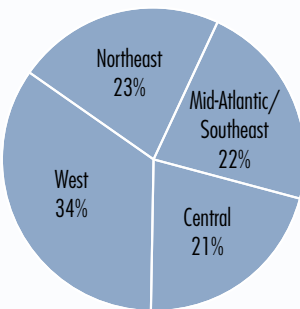
Raised \$576 million in capital in 10 new and existing single- and multi-investor funds.

Closed \$784 million in equity, representing 134 projects nationwide.

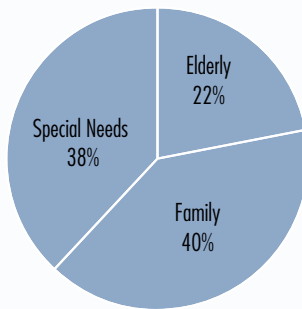
Increased LIHTC investment portfolio with an additional 8,771 units.



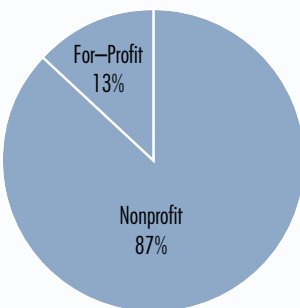
ACQUISITIONS BY REGION



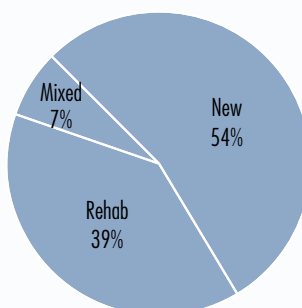
ACQUISITIONS BY PROPERTY TYPE



ACQUISITIONS BY SPONSOR TYPE



ACQUISITIONS BY CONSTRUCTION TYPE



All pie charts reflect data based on number of projects closed, not equity placed.

- Working with Catholic Charities in New Orleans, we identified a portfolio of proposed tax credit properties where equity is critical to preserve affordable housing options.

AFFORDABLE HOUSING PRESERVATION

Enterprise preserved existing affordable housing through HUD Section 202 refinancings, Year 15 disposition strategies and partnerships with other financial intermediaries.

- Through Year 15 dispositions, 16 LIHTC properties, with more than 500 units, transitioned to sponsor ownership, and remain affordable to lower-income residents.

SUPPORTIVE HOUSING

Because supportive and service-enriched housing is a proven strategy to prevent, and ultimately end, the cycle of homelessness, Enterprise focused investments in significant supportive housing projects.

- Enterprise closed \$346 million in 53 projects that combine affordable housing with supportive and/or social services. Services for nearly 1,300 units include counseling, education, mental and physical health, referrals and more.
- Our partnership with the Corporation for Supportive Housing, alone, resulted in \$55 million in investment capital for 11 supportive housing projects in 2006.

In 2006, Enterprise continually demonstrated our ability to find and structure projects that meet our mission, investment partner requirements and prudent underwriting standards. Of the 142 projects that our Investment Committee approved,

- Approximately 40 percent of deal transactions had no conventional debt;
- Another 26 percent had less than \$20,000 per unit of must-pay debt;
- Nearly 50 percent of all deals targeted people earning less than 30 percent of the area median income; and
- Nearly half are located in urban centers, and in terms of strategic priorities, nearly three-quarters meet one of the following: green, preservation or supportive housing.

Our outlook for 2007 is both positive and challenging. Along with critical corporate and community leaders, Enterprise will continue to help create communities of choice. We will achieve this by connecting our core housing finance activities with economic development, supportive services and healthy, sustainable housing options.

Sources

1. Joint Center for Housing Studies of Harvard University, "The State of the Nation's Housing: 2006," Cambridge, MA.
2. National Alliance to End Homelessness, "Chronic Homelessness Brief," March 12, 2007, www.endhomelessness.org.

Properties pictured on cover:

High Point Seattle, Wash.

344 units of family housing with environmentally-responsible components.

St. Barnabas Minneapolis, Minn.

52 single room occupancy units with supportive services for formerly homeless or at-risk youth.

Mews at Cascadia Vancouver, Wash.

24 units of family housing with social services.

N Street Village Washington, D.C.

95 units preserved—both single room occupancy and family—with supportive services.



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