



LEADING WITH IDEAS

*Demonstrating through Action*

TRANSFORMING WITH CAPITAL

*Sustaining through Policies and Partnership*

# 2008 INVESTOR REPORT

 Enterprise™

# \$9.6 BILLION

*Raised and invested in communities across the U.S.*

**Enterprise** is a nationally recognized leader in creating innovative affordable housing finance and community development solutions. From pioneering the Low-Income Housing Tax Credit (LIHTC) legislation in 1986 to leading a paradigm shift in how communities think about healthy and sustainable design through Green Communities®, Enterprise has been at the forefront of the industry for more than 25 years.

Enterprise Community Investment, Inc. began as a socially motivated for-profit company committed to linking private investment capital to communities with the greatest needs, while providing a solid return on a sound investment. Enterprise leverages tax credit equity, debt, development expertise, public policy advocacy and technical assistance towards the creation of quality, affordable housing and vibrant communities.

*“Perhaps [Enterprise’s] most important accomplishment was helping to create the low-income housing tax credit that for 25 years has provided a way for the business world...to address the pressing social need for affordable housing while still making a profit.”*

— from *Fast Company* magazine<sup>1</sup>  
Enterprise was selected by *Fast Company* as “Social Enterprise of the Year” in 2008.

Despite the incredible challenges present in the affordable housing industry in 2008, Enterprise was one of the largest LIHTC syndicators in terms of equity volume and capital raised. Leveraging a conscientious business strategy, strong underwriting principles and staff, and a focused mission, Enterprise yielded positive results for investors, developers and communities alike. With our extensive LIHTC experience and successful track record for preservation, Enterprise is a trusted source for helping our investors and partners achieve their financial and community development goals.

**Our three strategic priorities address critical housing needs.**

## **GREEN COMMUNITIES**

As the first national framework for the development of environmentally smart, affordable housing, Enterprise Green Communities has invested more than \$615 million since 2004 to create 14,500 green, affordable homes. Enterprise recently launched the Green Communities Offset Fund, an innovative

way for businesses and individuals to offset their carbon footprint while supporting our efforts to bring green housing to low-income communities.

More than 30 percent of Enterprise’s 2008 LIHTC investments were in green properties, representing a total LIHTC investment of \$211 million in healthier, more sustainable affordable homes.

## **AFFORDABLE HOUSING PRESERVATION**

Of the 133 LIHTC properties sold through Year 15 dispositions, nearly every property transferred remained affordable, preserving 7,326 rental units. In addition, 298 families now own homes through a lease-purchase program sponsored by one of Enterprise’s premier partners. Enterprise also continues to preserve existing affordable housing through HUD Section 202 refinancings.

In 2008, Enterprise transferred 24 LIHTC properties to sponsors who are committed to long-term affordability, resulting in the preservation of 1,580 housing units.

## **SUPPORTIVE HOUSING**

Enterprise has a long history of successful investment in properties that house homeless and other people with special needs. We work closely with a wide range of development and advocacy partners to leverage our combined resources and increase investment in supportive housing at the local, state and national levels.

In 2008, Enterprise provided a total of \$101 million in equity, loans and grants to develop supportive housing, bringing our total investment to more than \$1.77 billion.

## **Key Business Highlights**

### **Low-Income Housing Tax Credit Equity**

The 2008 capital markets environment was the most challenging in the history of the program. Enterprise successfully raised \$682 million from investors in both proprietary and multi-investor funds. Enterprise invested \$737 million in LIHTC equity to create more than 6,400 units in 95 projects across the country.

### **Asset Management**

Enterprise’s Asset Management group oversees the company’s portfolio of LIHTC, Multifamily Mortgage and New Markets Tax Credit (NMTC) investments, from construction, lease-up and completion through the compliance period. Our diverse portfolio includes:

- More than 94,000 housing units in more than 1,570 LIHTC properties nationwide, and
- 198 multifamily rental and commercial properties financed with other Enterprise debt and equity products.

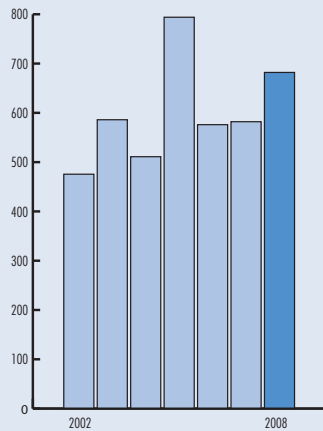
# 250,000

*Affordable homes created or preserved*

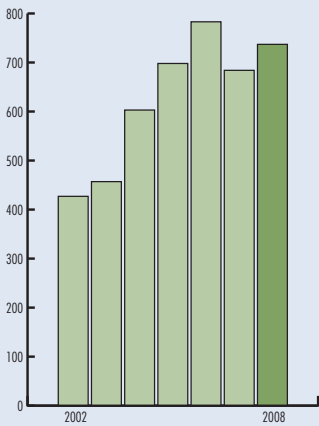
## 2008 LIHTC PORTFOLIO

- Raised \$682 million in LIHTC equity
- Closed \$737 million in LIHTC equity
- Increased LIHTC investment portfolio with an additional 95 projects

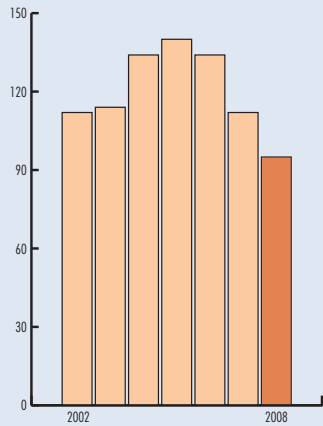
Equity Raised (Millions)



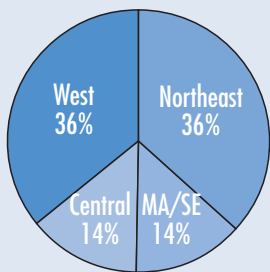
Equity Placed (Millions)



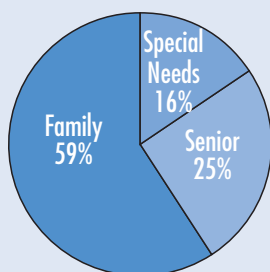
Projects Closed (#)



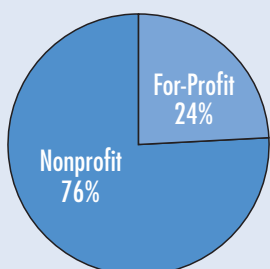
Acquisitions by Region



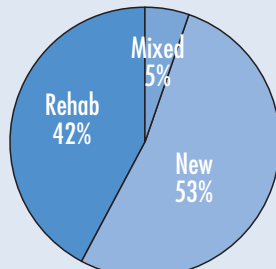
Acquisitions by Population Type



Acquisitions by Sponsor Type



Acquisitions by Construction Type



All pie charts reflect data based on number of projects closed.

## New Markets Tax Credit Equity and Consulting Services

Enterprise is one of the largest NMTC recipients in the nation. We use NMTCs to enhance financing for commercial and mixed-use projects that make a catalytic difference in underserved communities. Our consulting services provide training and expertise in all areas of NMTC financing, management and compliance.

- \$100 million in NMTCs invested in 9 mixed-use projects in 2008
- \$515 million in NMTC allocation has financed 42 projects in 18 states and Washington, D.C.

## Permanent Multifamily Mortgage Financing

Enterprise provides construction and permanent financing for affordable and market-rate multifamily, mixed-use and healthcare facilities. We are experienced in utilizing a wide range of lending products, including FHA, Fannie Mae DUS and USDA Section 538 Rural Development loans. In 2008, Enterprise closed the first Targeted Extended Amortization Mortgage (TEAM) loan, our own unique and innovative product that offers borrowers a 40-year amortization.

- \$543 million in permanent financing to date
- Nearly 16,000 affordable apartments and homes financed across the country

## Development and Consulting

Enterprise Homes, Inc. is an award-winning master developer of affordable housing and mixed-income communities. From development concept to construction to post-occupancy resident services, Enterprise Homes works with community stakeholders, financiers and others to create quality homes for people from all walks of life. Beginning in 2008, Enterprise Homes began building all developments to the Green Communities standards.

- 4,300 affordable rental and ownership units completed
- \$481 million in total development costs to date

## Predevelopment and Acquisition Lending

Enterprise Community Loan Fund is one of the largest nonprofit CDFI loan funds in the country. The Loan Fund provides flexible short-term financing that helps developers get their projects off the ground in the early stages of development.

- \$95 million in loans closed in 2008
- More than \$817 million in loans and 80,000 housing units to date in the portfolio

*Contacts:*

**Douglas M. Able III**

Senior Vice President, Capital Markets  
410.772.6005  
dable@enterprisecommunity.com

**Kari R. Fitzpatrick**

Vice President, Investment Management—Capital Markets  
503.553.5720  
kfitzpatrick@enterprisecommunity.com

**Bill Ostrye**

Vice President, Fund Management—Capital Markets  
410.772.2528  
bostrye@enterprisecommunity.com

**Megan Ryan**

Director, Investment Management—Capital Markets  
410.772.2506  
mryan@enterprisecommunity.com

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Source

1. “Edward Norton’s \$9,000,000,000 Housing Project (that’s \$9 Billion).” By Ellen McGirt. *Fast Company*, Dec. 15, 2008.

*Properties pictured on cover (clockwise from the top left):*

**Chuska Apartments**

Gallup, New Mexico

A green apartment community with supportive services designed for low-income and formerly homeless families, Chuska Apartments is Enterprise’s first Rural and Native American Initiative development. The property was financed in part with LIHTC equity.

**Merlo Station**

Beaverton, Oregon

A 128-unit affordable apartment complex designed to support low-income families with resident services and community gathering spaces, Merlo Station was financed in part with LIHTC equity.

**Miller’s Court**

Baltimore, Maryland

Miller’s Court is a green, mixed-use development with workforce housing for teachers and office space for nonprofits. Using \$9.4 million of its fifth round NMTC allocation, Enterprise provided equity to the project.

**Campbell Creek Apartments**

Dallas, Georgia

A rehabilitated apartment complex featuring 64 affordable and 16 market-rate apartments, Campbell Creek Apartments was funded by LIHTC equity and a \$1.5 million mortgage from Enterprise.

**990 Polk**

San Francisco, California

990 Polk is a 110-unit apartment building for low-income and formerly homeless seniors that includes resident services, retail space and green features. Financing included LIHTC equity.

**Ednor Apartments Phase II**

Baltimore, Maryland

Ednor II is the second phase of affordable apartments for seniors in the Stadium Place Retirement Community, built on the former site of a football stadium. Enterprise Homes and Govans Ecumenical Development Corporation (GEDCO) developed the property.



American City Building  
10227 Wincopin Circle  
Columbia, Maryland 21044  
www.enterprisecommunity.com  
www.enterpriseinvestor.com