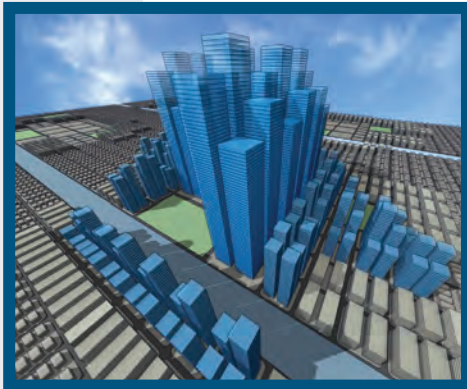


IN THE COMMUNITY

Community Development Newsletter



Finding Innovative New Solutions to Address Old Problems

There is much excitement brewing about the **Integration Initiative** – an ambitious, multi-year movement focused on bringing about long-term, positive change in urban communities across the country.

Launched in October 2010 by **Living Cities** (see inset), the Integration Initiative is a public, private, non-profit, and philanthropic partnership that is providing \$80 million in grants, loans, and program-related investments in five U.S. metropolitan areas: Baltimore, Cleveland, Detroit, Newark and the Twin Cities region of Minneapolis and St. Paul.

Recognizing the need for collaborative planning and coordination of resources, the various partners in each of the cities are working together on implementing innovative approaches to help tackle deep-rooted problems in the community and secure economic opportunity for lower-income people – focusing on education, housing, health care, transit and jobs.

A major key to the success of the Integration Initiative is the involvement of the financial institution members of Living Cities, who will provide \$55 million in commercial debt. The funds, which are provided at attractive rates and on favorable terms, are intermediate-term debt and may be used for a variety of purposes.

Each location has aligned with a community development financial institution (CDFI) or other financial intermediary to serve as the borrower of senior debt and program-related investment (PRI) funds – and JPMorgan Chase¹, which has been a long-time supporter of Living Cities, is proud to have taken the lead role among the seven financial institution members who are providing the senior debt on these projects. **Martin Cox**, Head of Chase Community Development, is also on the board of Living Cities.

What is unusual about the Initiative is that the stakeholders have been charged with challenging conventional methodologies and approaches and finding creative ways to tackle complex problems. While still too early to see any results of the Initiative, the potential outcomes are very promising.

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¹ Chase refers to JPMorgan Chase & Co and any of its subsidiaries or affiliates.

About Living Cities

Founded in 1991, Living Cities is a collaborative of 22 foundations and financial institutions focused on improving the lives of low-income people and the urban areas in which they live. Over the past 19 years, Living Cities has invested more than \$1 billion in American cities – leveraged into \$16 billion and making a demonstrable difference in neighborhoods throughout the nation.

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In **Detroit**, for example, the Initiative is creating a new model for older industrial cities. Efforts are being focused on the redevelopment of abandoned and underutilized properties along Woodward Corridor, connecting suppliers with business opportunities and creating new mixed-use and community facilities. The goal is to expand opportunities for lower-income residents, reuse vacant land, and attract both private and public investment that will result in long-term economic sustainability and viability of the area.

Initiatives being undertaken in the other 4 urban areas include the following:

Baltimore: Economic development in Central and East Baltimore via job linkages with anchor institutions, neighborhood improvement, and leveraging opportunities created by construction of a 14-mile transit line.

Cleveland: Development of a biotech corridor along Euclid Avenue between the Cleveland Clinic and the University Circle neighborhoods, in partnership with anchor institutions and focusing on procurement, hiring, employee incentives and capital investment programs that develop local jobs and businesses that benefit lower-income people in the region.

Newark: Driving wellness by enhancing access to healthy food, health services, quality housing and public spaces.

Twin Cities: Transit-oriented development program along rail transit corridors, including transformation of vacant and foreclosed properties into affordable housing and providing technical assistance and financing to small business.

Living Cities and its members are making a total investment of \$15 million in grants, \$15 million in program-related investments (PRIs), and \$50 million in commercial debt.

PRIs are flexible, low-cost loans provided at below-market rates to support charitable activity.



A Message from Bill Daley – Head of Corporate Responsibility, JPMorgan Chase

Chase has a long and proud history of supporting and investing in its communities. Looking back on our accomplishments for 2010, I am pleased to see how well we have continued our tradition of making a difference in the communities we serve.

Across our bank footprint, Chase continues to help meet the housing needs of diverse populations. By providing debt and equity financing as well as leadership and expertise, Chase is doing its part to ensure that quality affordable housing remains within reach of those who live and work within our communities.

Beyond housing, Chase is also very much a part of the fabric of the community. In a variety of ways, Chase is helping to improve the quality of life for its community residents – by investing in its youth and education, supporting job training programs,

promoting neighborhood revitalization and stabilization, funding entrepreneurship and business development, and financing the construction and expansion of health facilities, community centers, museums, and service providers.

Many of the projects and programs we support are done in collaboration with partners like you. In this issue, for example, we are pleased to spotlight **Native American Connections**, one of the many not-for-profits with whom we have a long-term relationship, and with whom we have partnered on many affordable housing projects in the Phoenix community. We recognize and value these important relationships, and thank all of you for your leadership and work in your communities.

As always, we are proud to share with you stories highlighting some of the ways Chase, in collaboration with our partners, is making a positive impact on the communities we serve.

As this year draws to a close, I would like to extend my sincerest wishes to all of you for a happy, healthy holiday season. We are looking forward to our continued good work and partnership in 2011.



*Diana Yazzie-Devine,
President and CEO of
Native American Connections.*

Spotlight on Native American Connections, Inc. – Phoenix, AZ

Native American Connections, Inc. (NAC) www.nativeconnections.org, founded in 1972, is a non-profit organization whose mission is to provide quality, affordable and supportive housing and behavioral health services in Arizona. NAC offers a continuum of affordable housing communities providing housing and supportive services to over 5,000 individuals and families annually. In addition, NAC has developed, owns, and manages 300 units of affordable housing to serve its target population.

Chase bankers, who have a long history and strong working relationship with NAC, worked with NAC and the other financing partners to develop Devine Legacy on Central, a 65-unit mixed-income, mixed-use multi-family affordable housing complex in a community for working families.

NAC purchased the half-acre property just north of the Native American Community Service Center (www.nacsc.org) to develop future workforce housing for those households whose incomes are less than 60% of the area median income. Construction began in summer 2010 and is estimated to be complete by early fall 2011.

Below, NAC President & CEO and JPMorgan Chase Community Advisory Board member Diana Yazzie-Devine, talks about this project and the challenges faced.

Tell us about how you worked with Chase and others in securing financing for this project.

Developing real estate in the greater Phoenix area over the last few years has not been easy to accomplish. Many of our national financing partners have been reluctant to finance real estate construction in the Phoenix market due to the high number of foreclosures and multi-family unit vacancies. However, in learning more about NAC, our services and capacity, and the excellent location of Devine Legacy on Central, our financing partners were eager to work with NAC to close the financing and start construction.

Multiple teams from the Chase Community Development Banking (CDB) group and JPMorgan Capital Corporation (JPMCC) worked together to secure financing for the project. Ultimately, the CDB provided a \$6.2 million construction loan to 4530 North Central, L.P., which is owned by NAC and whose limited partner has as its investor JPMCC, with an investment of \$9.75 million.

Other sources of funding included an Arizona Department of Housing HOME loan, a City of Phoenix HOME loan and a grant from the Federal Home Loan Bank's Affordable Housing Program (AHP). The Utah Community Reinvestment Corporation (UCRC) is providing the permanent loan.

Lessons learned/words of advice?

Patience, Patience, Patience! After 31 years I was honored and humbled to learn that the Board of Directors named the project after me to recognize my years of service to the agency and our clients. Devine Legacy on Central faced the typical real estate challenges – securing multiple funding sources, tight timeframes for permits and entitlements and rigorous underwriting from all of our financing partners.



Named after long-standing President & CEO Diana Yazzie-Devine, Devine Legacy on Central will be one of the first affordable housing communities along the Metro light rail route. The urban design will include a mix of studio, one, two and three-bedroom units (lofts, family flats and townhomes) and incorporate a number of green building features designed to meet LEED standards.

FINANCING AFFORDABLE HOUSING

Across its bank footprint, Chase remains committed to meeting the affordable housing needs of its communities. Through capital provided by Chase's Community Development Banking group and low-income housing tax credit investments provided by the J.P. Morgan Capital Corporation, Chase is helping to finance the construction and rehabilitation of hundreds of quality affordable homes for many different populations, including: families, working people, and seniors.

Cornerstone at Japantown – San Jose, CA



Cornerstone at Japantown is a 53-unit affordable family apartment community in Japantown that is being co-developed by Core Builders, a general contracting company that develops and builds market rate and affordable housing, and non-profit partner EAH Housing. The project, which is scheduled to be completed in early summer of 2011, will consist of three-story townhomes on two acres.

Given the difficulties related to the economic downturn, obtaining financing for this project was particularly challenging. Financing came from a number of sources, including Chase Community Development Banking and J.P. Morgan Capital Corporation, as well as federal stimulus funds.

Core Builders was able to obtain \$2 million from the federal government, thanks to the American Recovery and Reinvestment Act, but that was only part of the cost of this affordable housing complex.

Chase also stepped up to the plate by providing a \$13 million construction loan to finance the construction of this project. In addition, J.P. Morgan Capital Corporation provided \$14 million in equity.



Additional funding for this project was provided by the San Jose Redevelopment Agency, the City of San Jose, and Santa Clara Housing Trust.

The development of this affordable family rental project on the industrial edge of Japantown is a much needed addition and a welcome improvement for a neighborhood undergoing a residential transition and experiencing significant demand for affordable housing. As an added bonus, the funds from the federal recovery act are being used to create an estimated 200 jobs with the construction of this project.

Mirabella Apartments – Miami, FL

Mirabella Apartments, a low-income housing tax credit multi-family housing development, will be a 204-unit garden-style apartment complex consisting of 10 buildings on a 9.5 acre site. It also will house a clubhouse that includes a fitness center and computer lab. Other amenities include a swimming pool and playground area. Mirabella also will be the first LEED-certified affordable housing community in Miami-Dade County.



In support of efforts to rebuild this community, Chase originated a \$3.7 million construction bridge loan and a \$4.8 million construction-to-permanent loan to finance the site acquisition and construction of this project. In addition, JPMorgan Chase Capital Corporation invested \$18 million in the project.

The Cornerstone Group, the developer of this project, is the 2nd largest affordable housing developer in the state of Florida.

Tower at Dorsey Manor – Marietta, GA

It's not surprising that as the demographics have been shifting towards an aging population, the demand for quality, affordable senior housing has grown. Across communities, we are seeing the construction and rehabilitation of senior housing that is not only high quality and affordable, but also provides numerous attractive amenities, on-site programs and services, and convenient access to public transportation as well as retail and community centers.

The Tower at Dorsey Manor, in the downtown metro-Atlanta area of Marietta, for example, has been designed to provide a welcoming residential environment that not only offers a host of services and amenities, but also maximizes the connection of the site to the downtown area.

Built in 1971, the Tower, a 9-story vacated building, is being substantially renovated to include 71 units of low-income housing tax credit affordable housing units and 9 units available at market rates.

Amenities at the Tower at Dorsey Manor include a club house, exercise room, library and computer room. Outdoor amenities include a picnic area, community gardens, recreational activities, and a walking path. The housing complex also anticipates offering a variety of services to its tenants such as on-site transportation, and health and wellness services.

The Tower at Dorsey Manor is the second phase of a project being developed by New Columbia Residential, LLC and Marietta Housing Authority. Financing for this redevelopment project was provided by Chase Community Development Banking, which originated a 24-month \$4.95 million construction loan for the rehabilitation of the Tower. Other sources of funding included low-income housing tax credit equity, a permanent loan through a City of Marietta HOME Loan, a permanent mortgage through Marietta Housing Authority, and funds from the Tax Credit Assistance Program (TCAP) loan.



Crystal View Townhomes – Urbana, IL

State housing agency finance officials, along with affordable housing development related professionals, recently celebrated the grand opening of **Crystal View Townhomes**, a new development of high quality affordable homes in Urbana, Illinois, featuring green technology. Crystal View is a mixed-income 70-unit development comprised of single-family town homes and two-flat style structures.

Funding for this project came from several public and private sources, including the JPMorgan Capital Corporation, which invested \$10.7 million in equity through the purchase of low income housing tax credits in the project. Chase Community Development Banking also provided a \$9.7 million construction loan and an \$828M standby letter of credit to guarantee completion of site work.

Crystal View also received \$272,000 in energy efficiency grants from the Illinois Department of Commerce and Economic Opportunity to incorporate environmentally-friendly features including: solar panels, geothermal heating and cooling, and native landscaping – which will help keep energy bills down for the residents.



Gardenview Estates – Detroit, MI

In many communities across the country, mixed use developments are transforming the public housing communities of yesteryear.

Gardenview Estates, in northwest Detroit, for example, is a mixed-use residential and retail development that brings together all the components one might expect to find in a vibrant, sustainable, economically balanced neighborhood. The development includes a mix of both affordable and market rate rentals as well as single-family homes, a public school, a Boys and Girls Club, both private and commercial/retail development, infrastructure improvements, and community green space.



Formerly known as the Herman Gardens public housing project, Gardenview is part of a master redevelopment plan, originally approved by the Housing Urban and Development in 1996. The project, which was initiated with federal grants received by the Detroit Housing Commission to develop a mixed-used residential and retail community in the City of Detroit, represents the new model for revitalizing inner city neighborhoods. When fully completed, the Gardenview Estates development will consist of 833 new single family and rental homes.

All residents will be within close proximity to quality education, day care, retail shopping, health care, churches, highways, and a number of recreational and cultural facilities.

In May 2010, Chase provided a \$5.5 million 24-month construction loan to finance the development of Gardenview Estates IIC, the fourth phase of this redevelopment project. This phase involves the development of 48 low-income housing tax credit affordable townhouses and duplex

apartments that are being constructed on more than 4 acres of vacant land. In addition, J.P. Morgan Capital Corporation (JPMCC) invested \$20.6 million, or 38% of the capital in the Great Lakes Capital Fund for Housing, Fund XVIII – the equity fund for this project. JPMCC was the largest investor in this \$53.7 million fund. Additional development sources of financing were provided by the Michigan Economic Growth Authority in brownfield tax credits and the Detroit Housing Commission.

Both Chase and JPMCC are pleased to have been able to participate in the financing of this important new model for the development of affordable housing communities.

Hegeman Residence – Brooklyn, NY

Construction is underway at the **Hegeman Residence**, a 5-story supportive housing development in the Brownsville neighborhood of Brooklyn, New York. When completed, Hegeman, a low-income housing tax credit project, will include 161 studio apartments for: working people; individuals infected with HIV or AIDS who are homeless or at risk of homelessness; and individuals who have severe and persistent mental illness.

Amenities at this complex will include a computer room, an exercise room, and a community garden (open to the public at limited hours). In addition, Hegeman is being built to LEED Silver standards, with sustainable design elements such as a green roof, lighting and motion sensors, a building management system, storm water irrigation, and condensing boilers.

Common Ground, the project's developer, along with its affiliates, is a not-for-profit entity created to provide supportive housing and services for the formerly homeless and low-income population residing in New York City.

Continued on Next Page

Hegeman Residence (Continued from Page 6)

In support of this project, Chase issued a \$23 million direct-pay letter of credit to serve as credit enhancement for a \$22.8 million issuance of New York State Housing Finance Agency (HFA) variable-rate tax-exempt bonds for Hegeman Residence. The proceeds of the bonds and 4% low-income housing tax credits were used to partially finance the construction of this project. In addition to the HFA bonds, costs for this project were financed by federal HOME funds from the New York City Department of Housing Preservation and Development, a loan from the Brooklyn Borough President, a 2nd mortgage from the Homeless Housing and Assistance Corporation, Federal Home Loan Bank funds, an HFA Subsidy in the form of a Neighborhood Stabilization Program Grant, and low-income housing tax credit equity.



The Knoll at Tigard – Portland, OR

Affordable housing development is no longer just about providing safe, quality, modestly-priced homes with attractive amenities and on-site services. Nowadays, it's also about connecting the residents with the surrounding community – as is the case with **the Knoll at Tigard** in Portland, Oregon.

Currently under construction, the Knoll at Tigard is a 48-unit, seniors-only affordable housing tax credit development built on an urban in-fill site. The project includes a community room, library, "green" features, and outdoor spaces for the residents. What makes the Knoll particularly attractive is its relative proximity to the Tigard Senior Center, as well as the public library, transit center, and other local downtown services – all important components that will help keep residents connected to and integrated into the community.

The Knoll, which is part of Tigard's City Center Urban Renewal District, is being developed by Community Partners for Affordable Housing (CPAH), a local non-profit that builds affordable housing throughout Washington County and southwest Portland. This is the first large scale housing development project within the Downtown Urban Renewal District; it will not only help fill the demand for much needed housing for the community's growing senior population, but will also stimulate other redevelopment within the downtown area.

Chase is pleased to be contributing to the financing of the Knoll with a \$5.35 million construction loan. In addition, JPMorgan Capital Corporation provided \$6.4 million in equity through the purchase of the low income housing tax credits made available to this development. Other sources of financing were provided by the State of Oregon through their Housing Trust Fund, Weatherization, and Tax Credit Assistance Program (TCAP), Washington County HOME funds, Transit Oriented Development funding from Tri-County Metro District, and other grant sources for "green building" elements.



Silver City Townhomes – Milwaukee, WI

Chase is pleased to be providing a \$2.3 million construction loan to help finance the construction of **Silver City Townhomes**, a rent-to-own low-income housing tax credit project on a vacant and underutilized parking lot in Milwaukee. When completed, Silver City will consist of 20 family-sized townhomes with three-and four-bedroom units.



The project will incorporate a number of energy efficient and sustainable features, including: a green living roof, storm water retention pipes, native plantings in landscaped areas, environmentally-friendly materials, and Energy Star appliances.

Silver City, which is being co- developed by Wisconsin Redevelopment and Layton Boulevard West Neighbors, is located on the near southwest side of Milwaukee, within a few miles of the Menomonee Valley Industrial Park. The town homes will provide housing for families working for businesses located in the Menomonee Valley as well as for other local employers.

For many working families, Silver City's rent-to-own option is an excellent way to build savings towards a future investment. Tenants

interested in purchasing their unit can allocate a portion of their rent payment toward the eventual down payment. In addition, residents will receive a monthly \$25 credit when the rent is paid on-time, to be used for the down payment on their home.

After the 15-year tax credit compliance period, the townhomes will be sold to the tenants at sales prices affordable to residents earning an annual income between \$25,000 and \$40,000. To assist potential homebuyers, the developer will hold annual home-buying, home ownership, and credit counseling events for the tenants.

Additional sources of funding for the project include tax credit equity, federal Exchange program funds, HOME grant funds, and a permanent loan from a local bank.

Mary Lane Estates – Barboursville, WV

In June 2010, JPMC provided a \$2.6 million construction loan to Buckeye Community Twenty Nine for the acquisition, rehabilitation, and redevelopment of **Mary Lane Estates**, a low-income housing tax credit affordable housing project in Barboursville, West Virginia.

Mary Lane Estates was originally a 70-unit building that is currently being redeveloped into a 59-unit family rental apartment building. Eleven of the units, which were unoccupied due to water damage, have been demolished and are being replaced by two playgrounds.

The developer and general contractor for the project is Buckeye Community Hope Foundation (BCHF), a non-profit developer of affordable housing, related programs and services. Since 1993, BCHF has constructed or substantially rehabilitated over 2,000 units in the Midwest.

Chase is pleased to be working with Buckeye to bring more affordable family housing to the Barboursville area.



MAKING AN IMPACT IN OUR COMMUNITIES

Chase is committed to investing in projects and programs that help to build thriving, integrated communities. Through the New Markets Tax Credit (NMTC) Program and philanthropic grants, Chase not only supports programs that revitalize distressed neighborhoods, but also invests in projects that provide important services and are essential to promoting quality of life in the community. Recent examples follow:



The Edward Roberts Campus is a model dedicated to disability rights and universal access.

Building a Visionary Model in Support of Independent Living – Berkeley, CA

Built to commemorate the life and work of Edward V. Roberts, an early leader in the independent living movement of persons with disabilities, the Ed Roberts Campus, which is near completion, offers a whole new paradigm for the convenient accessibility and delivery of services to disabled people.

Located at a fully accessible transit hub in the California Bay Area, the **Edward Roberts Campus** is a model dedicated to disability rights and universal access. The Campus is a nonprofit formed by eight disability organizations that share a common history in the Independent Living Movement of People with Disabilities.

In a unique collaborative effort, the organizations have joined together to plan and develop this transit-oriented campus, which will offer an array of disability-related services and programs in one integrated and accessible location. It will house the offices of the collaborating organizations as well as fully accessible meeting rooms, a computer/media resource center, a fitness center, a cafe, and a child development center.

To help fund the completion of tenant improvements in the building, Chase's Intermediaries Lending and Investing (ILI) Group, in conjunction with the New Markets Tax Credit (NMTC) Group, performed a series of complex financial transactions in order to provide low-cost funding for this project. Specifically, the NMTC Group made an equity investment of \$11.5 million in a Qualified Equity Investment, which combined with a short-term bridge loan from Chase of \$28.4 million, enabled the fund to generate sufficient tax credits to Chase so that the equity investment may be forgiven at the end of the seven-year tax credit compliance period. Chase partnered with the Northern California Community Loan Fund and the National Development Council to provide the NMTC financing.

The New Markets Tax Credit program allowed the borrower to obtain the equity it needed to complete tenant improvements, including interior wall configurations, finishes and furniture in its office building. The Ed Roberts Campus was initially financed from a variety of public sources, including Bay Area Rapid Transit (BART) and the City of Berkeley, in addition to private fundraising.

Chase's expertise was instrumental in working through the complex issues of this financial transaction, enabling the bank to provide the client with equity and debt financing at very favorable tax credit pricing.



Stepping Stones Doubles in Size – Norwalk, CT

After several months of hammering and sawing and drilling, the **Stepping Stones Museum for Children** recently celebrated the grand re-opening of its newly expanded facility in Norwalk, Connecticut. This year, the museum celebrated its 10th birthday with a 22,000 square foot “green” expansion.

Stepping Stones Museum, which has over 200,000 visitors per year, ranks as a premier children’s museum in New England, providing a multidimensional community resource for children ten and under. The expansion involved doubling the facility’s existing footprint to offer additional galleries and house new exhibits.

To help finance this significant expansion, Chase’s New Markets Tax Credit (NMTC) Group originated a \$4.8 million equity investment to support the expansion project at the museum. In addition, the NMTC Group, in cooperation with Chase’s Intermediaries Lending Group, originated a \$9.6 million short-term bridge loan to Stepping Stones Support Corporation (SSSC). The bridge loan was used to facilitate the creation of a leveraged New Markets Tax Credit fund structure that the NMTC Group arranged with the Local Initiatives Support Corporation and the National Development Council.

“I’m really pleased that Chase has come up with this funding strategy to help the Museum grow,” says Chase Middle Market banker Troy Jellerette. “With the new addition, Stepping Stones really has become a destination spot which helps to generate business activity in the South Norwalk shopping district.”

The expanded museum includes room for new exhibits, an energy lab, an art studio, a science lab, traveling exhibit gallery, multimedia gallery, parent and teacher resource center, and an expanded café. The increased capacity will help to meet the growing community needs and will also strengthen the museum’s capability to fundraise. But most importantly, it’s a great place to nurture the ever growing minds and imaginations of children!



From Cigar Factory to Health Center – Detroit, MI

It isn’t too often that cigar factories are associated with anything that promotes good health. But as irony may have it, plans are underway to transform a 100-year old former cigar factory in southwest Detroit into a much needed healthcare resource for the surrounding community.



San Telco Cigar Factory, a historic cigar factory, is being revitalized and updated into an integrated health care center in a federally designated, medically underserved area in Detroit. The facility, upon completion, will provide affordable primary medical, pediatric, obstetric, dental, psychiatric and behavioral counseling services to 7,000 individuals and families annually, regardless of people’s ability to pay.

The cigar factory is a 40,000 square foot building requiring extensive updates to its structure to preserve its historic integrity while maximizing the use of “green” materials and technology. After the renovation, the building will be leased to two tenants: Covenant Care, which provides family and obstetric medical services, and Southwest Counseling, which provides mental health and juvenile counseling.

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From Cigar Factory to Health Center (Continued from Page 10)

Southwest Housing Solutions, the sponsor and developer of this project, is a Detroit non-profit organization that stimulates commercial and cultural development while providing housing to low and moderate-income residents, including individuals with mental illness and the homeless.

Funding for this project came from many sources, including various grants, Federal and State Historic Tax Credits, New Market Tax Credits, Chase and other lenders and equity investors.

Last May, Chase's New Markets Tax Credit Equity Group made an initial equity investment of about \$2 million into a single-purpose investment fund, which was combined with \$5 million in funding from other sources. Using the debt and equity proceeds, the investment fund made a Qualified Equity Investment (QEI) into a single-purpose subsidiary Community Development Entity (CDE), which, in turn, made five loans to Southwest Housing Solutions.

Chase is pleased that its investment in this project will help bring much needed integrated healthcare to an underserved area of Detroit.

Building Healthy Lives – Hornell, New York

The construction of the new **Hornell Area Family YMCA** is the making of a dream come true. With the April 2010 groundbreaking, work has been underway on the building of a new 50,000 square foot facility that will make the YMCA an even bigger, more impactful part of the Hornell, New York community.

Financing for this project has been provided by capital campaign donations as well as a \$1.7 million new markets tax equity investment from Chase's New Markets Tax Credit Group. The project sponsor is HEDC New Markets, Inc., a nonprofit affiliate of the National Development Council (NDC), a New York City based nonprofit corporation. NDC is one of the oldest national nonprofit community and economic development organizations in the U.S.

Once constructed, the new two-story YMCA will feature a full size gym, a dance studio, locker rooms, a game area for children, and a childcare area for up to 30 children. In addition, the new project will enable the YMCA to expand its services/programs and improve handicap accessibility.

As part of Phase Two, the existing YMCA facility will be demolished to make room for the construction of a new six-lane, 25-yard pool, while the Y's current pool will be retained for therapy. Additionally, there will be a steam room, sauna and whirlpool.

The new YMCA, which is scheduled to be completed in the summer of 2011, is expected to play an even bigger role in building strong families, strong kids, and strong communities.



Giving a Boost to Small Business Owners – Wilmington, DE

A \$100,000 grant from Chase is being used to support **First State Community Loan Fund's Small Business and Community Development (SBCD)** programs in the City of Wilmington, Delaware.

First State is a not-for-profit Community Development Financial Institution (CDFI) that specializes in supporting small businesses, micro-enterprises and affordable housing in the State of Delaware. It typically works with businesses that are unable to obtain traditional bank financing and have revenues of \$1 million or less.

The SBCD programs include the Business Growth Fund, Community Development Loan Fund, and Technical Assistance activities. The objective of the SBCD programs is to provide technical assistance and business training to small business owners in New Castle County, with particular focus on the City of Wilmington; to educate the small business community about the resources available to help them prosper and grow; to identify new and existing business that require capital and provide where applicable; and to assist individuals and businesses in obtaining and building wealth through business ownership and job creation.

Support from Chase has helped to support programmatic costs of the SBDC programs as well as First State's loan loss reserve – which, in turn, has helped to generate hundreds of jobs and millions of dollars in loans in support of small business and community development.



Helping Businesses Thrive – Indianapolis, IN

Commercial development is getting a boost in Indianapolis thanks to the **Local Initiatives Support Corporation's Fostering Commercial Urban Strategies (FOCUS)** program. With support from multiple funding sources including a \$45,000 grant from Chase, FOCUS is working to build the economic development capacity of neighborhood-based organizations and create thriving urban neighborhood business districts.

The program is targeting the East Tenth Street Commercial Corridor located on the near eastside of Indianapolis – an area that has been plagued by some of the highest rates of home foreclosure and abandonment in the country throughout this decade.

"East Tenth Street looks drastically different today than it did three years ago. FOCUS has attracted nine new businesses, helped small business owners make façade improvements, and cleaned up the street," said Tina Walters, Community Relations Officer in Indiana.

Funding for the FOCUS program helps to provide the East Tenth Street Civic Association with a full-time business district director, who works exclusively on the local business district, jump-starting commercial real estate deals, assisting small businesses, and helping to organize merchant associations. This is Chase's third year of supporting the program.



Entrepreneurship Leads the Way – New Orleans, LA

Perhaps one of the most effective ways to fuel recovery and revitalization efforts is by investing in entrepreneurial enterprises. That is why **The Idea Village, Inc.** is focused on supporting and retaining entrepreneurial talent in the New Orleans area and investing resources in high-impact ventures.

The Idea Village has had success in both fueling the engine of entrepreneurship and acting as a key recovery agency in the post-Katrina environment. Many of the neighborhoods that benefit from the services provided by The Idea Village have been adversely impacted by Katrina and/or have populations at or below the poverty level. But while the demand for Idea Village services and resources continues to increase, additional community services and resources decline or remain stagnant.

The Idea Village and its strategic partners agree that recovery initiatives needed to build an economically

sustainable New Orleans include the prevalence of high impact entrepreneurial enterprises that create jobs and generate positive social and economic change. Unfortunately, the New Orleans community remains challenged in the resources available for entrepreneurial ventures.

Recognizing the vital role that entrepreneurship plays in economic stabilization and growth, Chase provided a \$35,000 grant to The Idea Village in support of their efforts to strengthen and expand their resources available for entrepreneurial ventures in New Orleans. Many of the jobs created through this support are helping to employ unskilled labor and/or are located in recovery areas – all of which is contributing to the recovery efforts in New Orleans and helping to positively impact the social and economic landscape of the region.

Making a Difference in Fairfax – Cleveland, OH

With a \$50,000 grant from Chase, **Fairfax Renaissance Development Corporation** is helping to support neighborhood recovery and revitalization efforts in Fairfax, an Empowerment Zone neighborhood in the City of Cleveland, Ohio. Under Fairfax Renaissance's Model Block Exterior Renovation Program, community residents and volunteers work with skilled workers to breathe new life into vacant and abandoned properties, homes in disrepair, and neighborhoods in decline.



The goal of the program is to assist existing homeowners with exterior repairs, to improve the image of the neighborhood and encourage community involvement, and to serve as a catalyst for ongoing revitalization efforts to support neighborhood recovery through the expansion of the residential population.

The 2010/2011 program, in particular, is focused on East 86th Street between Cedar and Quincy Avenues – a targeted area within Fairfax that is experiencing

significant investment through the construction of three new single family homes and the rehabilitation of four formerly vacant and abandoned homes.

"Fairfax Renaissance Development Corporation is thrilled to be supported by Chase," says Vickie Eaton Johnson, Executive Director of the organization. "These are difficult times and yet Chase's support has positioned us to do more."

Improvements include neighborhood cleanups, yard work, painting, mailbox replacement, minor home repairs, roof replacements, fence rebuilding, landscaping, vacant land reutilization, and demolition.

All of these efforts are helping to meet the program's goal of providing affordable quality housing to low-income residents, while transforming neighborhoods, one block at a time.

In 2010, JPMorgan Chase Foundation won **Corporate Partner of the Year** from **Fairfax Renaissance Development Corporation (FRDC)** for its on-going support and investment in the community. "We are very proud of our past and continued partnership with FRDC and our collective efforts to improve the quality of life in the neighborhood," says Cinnamon Pelly, Chase Community Relations Manager.



INVESTING IN EDUCATION AND JOB TRAINING

Investing in youth and supporting job-readiness programs are some of the ways Chase is helping to bring about positive, long-term change in our communities. Following are highlights of programs that Chase is sponsoring to help better prepare our youth and workforce with the education and skills necessary to secure higher-paying jobs and promote long-term economic stability.

Denver, CO

A \$25,000 grant to **Bayaud Enterprises, Inc.** for their Job Placement, Training and Ongoing Employment initiative. Bayaud Industries was established as a community-based organization to provide job training, employment services and vocational rehabilitation to people with mental, emotional, physical and economic challenges and disabilities. The organization's multi-disciplinary approach includes outreach, skills assessment, resource navigation, work and life skills training, personal support, job placement and follow-up. The programs guide homeless individuals and families along a path that enhances self-esteem, long-term economic self-sufficiency and overall quality of life. Prior support from Chase has helped Bayaud place more than 330 homeless men and women into paid, sustainable employment – or an average of 30 jobs every month for participant job placement – an extraordinary achievement.



Dallas, TX

A multi-year \$750,000 pledge (payable over 5 years) to **Education is Freedom Foundation** for their Education is Freedom (EIF) Dallas Model. EIF Dallas is a 360-degree, comprehensive college readiness program dedicated to the belief that every young person deserves the opportunity for a higher education. The program is part of a major Dallas initiative to significantly increase the educational achievement of children in Dallas, prepare them for great work careers, and help them become healthy, productive, and engaged members of our society. Funding provided by Chase has enabled the Education is Freedom Foundation to expand its EIF Dallas Model and on-site services to four or five low-performing high schools, in addition to the three high schools that the organization is currently serving in the Dallas area.



Seattle, WA

A \$100,000 grant (including \$85,000 for the Seattle market) to **Powerful Schools** for their Building A Literate Community initiative. Powerful Schools reduces the academic achievement gap by creating strong partnerships with public schools to help children thrive. Through literacy, arts, after-school and leadership programs, Powerful Schools ensures that all children succeed both in and out of school. Funding from Chase benefits the organization's "Building a Literate Community" initiative. The project aims to help lower income public elementary students develop strong literacy skills in their formative

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Seattle, WA (Continued from Page 14)

years, helping them to build a foundation for future learning. Powerful Schools' literacy, arts, and after-school programs address critical areas and form the basis of their multi-disciplinary approach, which includes intensive one-to-one daily tutoring, teacher training in writing instruction, in-class artist residencies, academic and enrichment classes, and family literacy nights. The grant to Powerful Schools is being made in conjunction with City Year and Communities on School as part of the Diplomas Now initiative to improve academic achievement in elementary and middle school and on time graduation rates from high school.



ON THE HOME FRONT

Chase's Real Estate Owned Gifting Program Benefits Veterans

At the October 25th Dallas Cowboys-New York Giants game in Dallas, most fans took back with them only memories of the game – but one deserving family was given a set of keys to a newly remodeled home of their own in Sugar Land, Texas, a suburb of Houston.

During pre-game activities at the Dallas game, military veteran Rob Leonard and his family were awarded a home through **Military Warriors' Homes 4 Wounded Warriors Program**. Military Warriors is a nonprofit that supports wounded servicemen and women as they re-enter civilian life.

The home was made available through Chase's Real Estate Owned (REO) Gifting Program. The program, which was created in 2007, donates or sells distressed properties at reduced prices to community groups and nonprofit housing providers.

Through the bank's partnership with Military Warriors, Chase has committed five mortgage-free homes since February to assist soldiers severely injured in the line of duty. The Sugar Land property presented at the Dallas Cowboys-New York Giants game was one of the five homes donated by Chase to Military Warriors. Other properties were located in Florida, Georgia, New Jersey, and Texas.

Chase REO Gifting Program

In late 2008, Chase committed to donate or sell at a discount 500 REO homes by the end of 2010. To date, Chase has donated more than 1,100 homes, a milestone that was achieved almost a year ahead of schedule. Chase is extremely proud to have doubled its original goal by giving away or selling at a discount more than 1,000 homes to nonprofits across the country.



L to R: Chase representatives Vickie Grimm, Renee Johnson, and Lisa Shepherd with home recipients Rob and Lacey Leonard.

The donated homes are awarded by Military Warriors to veterans to thank them for the sacrifices they have made for our country, and to help provide them with some stability for a smooth transition back into civilian life. Chase plans to donate more homes across the country in the coming months.

Chase remains committed to stabilizing communities affected by foreclosure. By working with partners like Military Warriors, Chase is able to show its gratitude to those who have served our country, while also bringing stability back to neighborhoods hit hard by foreclosure-caused vacant properties.

Chase Homeowner Outreach Events Assist Thousands

During 2010, Chase continued its commitment and efforts to help homeowners in need of assistance. Across the country, Chase hosted 17 multi-day homeowner outreach events in numerous locations to provide support for homeowners struggling with their mortgage payments. These events, which serviced almost 20,000 Chase homeowners, were held in Arizona, California, Florida, Georgia, Illinois, Nevada, New York, Massachusetts, Michigan, and the District of Columbia.



Chase representatives with homeowners at outreach event in Atlanta, Georgia.

In an effort to maximize its outreach efforts and assist as many homeowners as possible, Chase reached out to more than 350,000 homeowners through direct mail, email, and voice message blasts.

In addition, Chase marketed the events in local newspapers and radio advertisements, as well as on mobile billboards and bus shelters.

Homeowners attending the events were able to meet face-to-face with a Chase representative for advisory or document in-take services. And thanks to a recently initiated pilot, homeowners with the appropriate documentation in place were able to receive immediate on-site decisioning for modifications – helping to significantly expedite the modification process and provide more immediate relief to the homeowner. In many cases, homeowners who were approved for a modification received a significant reduction in interest rates, resulting in a decrease in monthly payments, and enabling them to move towards stabilizing their financial situation. More than 80% of the homeowners who attended the events were satisfied with their overall experience.

Given the success of the homeowner events so far, Chase is currently planning on hosting approximately 30 borrower outreach events in 2011, with plans to expand the on-site decisioning pilot.

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