

Sound Investments in Low-Income Communities

IMPACT Community Capital LLC was founded in 1998 by leading insurers to structure and manage insurance company investments in California's low-income communities. The first venture of its kind in the United States, **IMPACT** has attracted investments from insurers that represent almost 30 percent of the industry. Major investors include **Allstate, Farmers, Genworth, MetLife, Nationwide, Pacific Life, PMI, SAFECO, State Farm, Teachers Insurance and Annuity Association**, and **21st Century**.

IMPACT pools and securitizes mortgages to enable targeted, large-scale, investment in affordable multi-family housing for underserved communities, including seniors and special needs groups. **IMPACT** has also facilitated large equity investments into funds for affordable workforce/infill ownership housing, commercial real estate in low-to-moderate income census tracts, and small businesses. By leveraging tax credits, **IMPACT** has earned market rate returns for investors on loans to childcare facilities and healthcare facilities serving low-income communities as well as commercial centers that create employment and economic development opportunities in underdeveloped areas.

Investors have committed almost \$1.4 billion to **IMPACT** for socially responsible investments. Already, some of this capital has been put to work financing:

- Over 16,000 units of affordable housing units;
- Childcare facilities serving over 700 low-income children and parents;
- Healthcare centers in low-income communities providing over 700,000 patient visits;
- Urban properties promoting "smart growth;"
- Businesses reducing waste with biodegradable or reusable products.



IMPACT investments benefit communities while meeting prudent investment standards. Investments are structured to receive investment grade ratings that reduce risk-based capital charges. **IMPACT** has partnered with leading nonprofit community development lenders to create loan funds with set underwriting criteria and standardized documentation. For example, to meet the challenge of financing community childcare facilities, **IMPACT**:

- Partnered with the **Low Income Investment Fund**, a community development financial institution experienced in childcare facilities lending;
- Received one of the first allocations of **New Markets Tax Credit** to provide additional financial benefits for investors while still providing below-market-rate loans to borrowers;
- Accessed program related investment funds from the **Packard Foundation** in a first-loss position;
- Structured a \$10 million loan fund which ultimately financed seven facilities throughout California.

IMPACT continues to fulfill its mission to expand sound investment practices that benefit low-income communities.