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## **New Program Offers \$20 million in Loans for Child Care Facilities Improvements**

*Alliance Paves Way for Child Care Investments in Low-Income Communities*

Impact Community Capital, a consortium of major insurance companies, has pledged \$10 million to the Low Income Investment Fund (LIIF) for a first-of-its-kind program to expand and improve child care and preschool facilities in low-income communities throughout California. Impact's commitment augments an initial \$10 million provided by the David & Lucile Packard Foundation, making a total of \$20 million available for the flexible, low-interest loan program.

"We are gratified that Impact is putting private-sector dollars to work for California communities," said Carol S. Larson, President and CEO of the David & Lucile Packard Foundation. "Impact's commitment validates our strong belief there is an important role for institutional investors like insurers to play in improving the lives of children and communities. With the invaluable experience and expertise of the Low Income Investment Fund, we are confident this new initiative will be a success," Larson said.

San Francisco-based Impact's child care investment cements an alliance with the Packard Foundation and LIIF of Oakland designed to help meet the large and growing need for quality child care and preschool facilities. LIIF, with a long track record of working with non-traditional investments and hard-to-reach communities, will administer the loan program and will work with child care providers to help them apply for and qualify for funds.

"Parents in California are all too familiar with the need to increase the availability of quality child care and the need to improve facilities. These issues are especially acute in low-income neighborhoods where waiting lists for child care often number in the thousands," said Nancy O. Andrews, President and CEO of LIIF.

"Because it brings private-sector, institutional investors to the table, this new alliance represents a major evolutionary step in the development of a stable source of long-term financing for the improving and expansion of child care and preschool facilities throughout California," Andrews said.

Impact President and CEO Dan Sheehy said, "The essence of this child care investment program is that it brings together the best private sector investors with the best of the philanthropic world. The Packard Foundation has demonstrated extraordinary leadership in the area of child care and preschool and LIIF has unique expertise in working with child care providers in hard-to-reach low-income communities. Now, Impact is able to bring major insurers to this alliance in order to enhance California's child care delivery system," Sheehy said.

With an initial investment of \$40 million in affordable housing just four years ago, Impact today has affordable housing investments and commitments of more than \$750 million. Impact has pioneered the pooling and securitization of affordable housing mortgages to make them appropriate for institutional investors like its insurance company members.

The investments are qualified under the federal New Markets Tax Credit program and the California Organized Investment Network (COIN) tax credit program. Impact's child care investors are Allstate Insurance Company, Farmers Insurance Companies, Nationwide Mutual Insurance Companies, Pacific Life Insurance Company, SAFECO Insurance, State Farm Insurance Companies, and 21st Century Insurance Company.

The child care provider community today faces similar challenges and opportunities faced by the affordable housing industry not too many years ago. With few sources of conventional financing available, developers of affordable housing had a difficult time finding the necessary capital to expand housing for low-income Californians. But structured investment programs like those managed by Impact Community Capital have since demonstrated that affordable housing financing can be a source of prudent investments for institutional investors.