

# IMPACT

COMMUNITY CAPITAL LLC

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 major insurers including Allstate, Farmers, Genworth, MetLife, Nationwide, Pacific Life, PMI, SAFECO, State Farm, Teachers Insurance and Annuity Association, and 21<sup>st</sup> Century. Impact also has worked with nonprofit organizations and foundations to structure both credit enhancements and direct investments that address key community needs.

IMPACT engages in the pooling and securitization of mortgages to enable targeted, yet large-scale, investment in affordable multi-family housing for underserved communities, including seniors and special needs groups. IMPACT also has 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 and credit enhancements, IMPACT has reached market rate returns for investors on loans to childcare facilities and healthcare facilities serving low-income communities, as well as commercial centers that provide employment and economic development opportunities in underdeveloped areas.

Insurance company investors voluntarily have committed almost \$1.4 billion to IMPACT specifically for socially responsible investments. Already, part of this committed capital has been put to work financing assets such as:

- 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 ensures that investments benefit communities while meeting prudent investment standards. To attract large-scale, multi-year commitments from its insurance company investors, many IMPACT investments are structured to receive investment grade ratings that reduce risk-based capital charges. IMPACT also has partnered with leading nonprofit community development lenders to create loan funds with set underwriting criteria and standardized documentation to achieve multi-million dollar scale. For example, to meet the challenge of financing appropriations-dependent 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 financed seven facilities throughout California

IMPACT is wholly and solely dedicated to expanding good investment practices for investors that also benefit low-income communities.