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Plots & Ploys / By Sheila Muto

What's Brewing in the Real-Estate Market

Neighborhood Impact

A group of insurers has launched a loan program to help child-care operators acquire, renovate or build facilities in low-income neighborhoods in California. And the group has a similar program in the works aimed at health-care clinics.

Impact Community Capital LLC, a San Francisco consortium of eight insurance companies formed in 1998 to invest in the low-income communities in California in which they do business, has provided \$10.3 million to the Fund for Children & Communities LLC.

Set up by the Low Income Investment Fund of Oakland, Calif., the Fund for Children will make low-interest loans to child-care operators for facilities in areas where the poverty rate is more than 20% or where the median household income doesn't exceed 80% of the statewide or area median.

In return, the insurance companies will receive tax credits through the federal New Markets Tax Credit program and the California Organized Investment Network program.

Companies use the New Markets Tax Credit, which was established in 2000 to foster investments in low-income communities, to offset their federal taxes. Insurers use the California tax credit to offset taxes they pay on insurance premiums.

Already, the Fund for Children is finalizing a \$433,000 loan to help renovate a nearly century-old child-care center and a \$396,000 loan to help a child-care provider purchase its facility, according to Noni Ramos, the fund's chief credit officer.

Meantime, Impact Community Capital is setting up a \$20 million loan program with Washington, D.C.-based **NCB Development Corp.** to help community health-care clinic operators acquire, renovate or build facilities.

Impact Community Capital, which previously focused on pooling and securitizing affordable-housing mortgages, expanded into financing child-care and health-care facilities in low-income communities because of the "deep need for long-term capital" for operators of these facilities, says Dan Sheehy, the firm's chief executive.

