

**Testimony of**

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**Testimony Before the  
Health, Education, Labor and Pensions Committee  
United States Senate**

**Hearing on**

**Child Care: Helping Parents Work and  
Improving the Well-Being of Children**

**March 15, 2002**

Mr. Chairman and Members of the Committee, Thank you for the opportunity to provide written testimony on the important topic of improving the well being of children. In low-income communities across the United States, the most drastically affected by the lack of capital resources are children in the midst of crucial physical, emotional and social development. The Ohio Community Development Finance Fund believes that child care is an overlooked element of a comprehensive approach to community renewal. Likewise, the space in which care is provided is usually an afterthought at best. Its effect on the development of young children is ignored.

I am the Director of the Ohio Community Development Finance (“Finance Fund”). The Finance Fund is a non-profit community development intermediary serving local community nonprofit organizations in disadvantaged communities across Ohio, from inner city to rural communities. We offer a range of housing and economic development programs with a large part of our focus on facilities for child care and Head Start. The Finance Fund is a member of the National Children’s Facilities Network (NCFN), a coalition of nonprofit financial and technical assistance community development intermediaries involved in planning, developing, and financing home and center-based facilities for low-income early childhood programs.

On behalf of the Ohio Community Development Finance Fund and the National Communities Facilities Network, I would like to applaud Senators Mike DeWine (OH) and Christopher Dodd (CT) for introducing S. 1217, the “Child Care Facilities Financing Act”, which would create a critically needed “seed money” federal investment which would leverage existing community resources to address the facilities crisis in low-income neighborhoods. Having this type of funding will enable the Finance Fund to increase our private capital investment partnerships, resulting in more resources to expand child care space. In essence, the Finance Fund will be able to reach more children. I would like to offer comments on our successful community development child care model in Ohio,— as well as examples of Network member projects in Connecticut, Maine, and Illinois; and the important role that S. 1217 can play to expand this vital work.

#### **ABOUT THE OHIO COMMUNITY DEVELOPMENT FINANCE FUND**

The Finance Fund has been working on issues of children’s space since 1993. Our initial involvement was with the Head Start program which provided us with a sound base of understanding in addressing the broader childcare market. We offer stable resources for planning, technical assistance and funding for the development of expanded quality space. As a statewide nonprofit intermediary, we serve locally controlled community based nonprofit organizations in low-income communities. Our clients develop and implement a variety of community revitalization projects. Ohio has been fortunate to have policy makers, such as Senator DeWine, who not only realize the value of revitalizing communities, but also investing in children. We also have had supportive partnerships with Ohio Department of Education, Ohio Department of Development, Ohio Department of Human Services and private sector investors.

The Finance Fund has had years of experience in using limited amounts of public money to bring about significant private sector capital investment. During the past 10 years we have used limited public funding to enable \$368 million in community projects. This ability to form public-private partnerships and our ability to offer education and technical assistance to our clients has placed us in the unique position of addressing a wide-range of revitalization issues.

In Ohio, resources for the development of housing or economic development, though not abundant, are present. In childcare, however, resources for the development or enhancement of space are extremely scarce. The Finance Fund receives funding from the State of Ohio to provide space-planning funds and technical assistance to Head Start and Childcare. The State has also invested with the Finance Fund to entice private capital investment into the expansion and enhancement of Head Start spaces. In addition we offer training and assistance in the management of the development process. Every \$1.00 of public funding has been turned into \$26.11 in project funds, which have touched the lives of over 13,000 of Ohio's children.

Eight products are currently being offered to our clients:

- PreDevelopment Program - Grants to start the development process in housing/economic development. Provides community-based nonprofits funds for "soft costs" of specific projects.
- PreDevelopment Section 8 Program: Provides zero-interest loans to nonprofit organizations that wish to pursue ownership and/or management of Section 8 properties.
- Linked Deposit Fund: Serves as a debt enhancement tool/product that is used to reduce the interest rate on permanent financing. Provides community-based nonprofit developers access to affordable financing from local lenders for housing and economic development projects.
- Economic Development Grant: Grants for community revitalization projects. Provides community-based nonprofits with funds for construction/equipment for specific projects.
- Head Start Facilities Planning Grant: Grants to enable the facilities predevelopment or planning process for nonprofit Head Start agencies.
- Head Start Critical Repair & Safety Grant: Assists in providing better, safer and healthier space for children by providing funding to local Head Start grantees for repair of critical deferred maintenance and safety items.
- Child Care Facilities Planning Grant: Grants to enable the facilities predevelopment or planning process for nonprofit Child Care agencies.
- Child Care Capital Fund: Resource for the financing of real estate projects available to Head Start agencies. It can be used to reduce the interest rate on permanent financing.

These grant dollars have provided 10,662 homes for low-income or homeless families, created almost 2,238 jobs specifically ear-marked for the low-income population, and revitalized hundreds of thousands of square feet in order to rebuild communities, provide shopping, transportation, medical and social services for it's residents. Through the other four grants, specifically designed to affect Ohio's children, the Finance Fund has also made a huge impact on the state. Those grant dollars have built 1,339 classrooms in Head Start and low-income childcare centers. Based upon Ohio law, this is enough space for 20,000 low-income children to receive quality childcare, hot meals and other health or social services while their parents are at work or school. Other grant dollars have provided almost \$100,000 in emergency funds for Head Start agencies. These funds are for critical repair and safety needs and are easily accessible so Head Start agencies do not have to use their operating dollars for emergency maintenance or to ensure the safety of the children. The Child Care Capital Fund, on the other hand, has helped Head Start agencies achieve almost \$700,000 in savings by leveraging (lowering) the interest on their mortgages.

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## **INCREASING THE SUPPLY OF CHILD CARE IN OHIO'S LOW-INCOME COMMUNITIES**

Planning resource, capital funding, demand, and supply issues are words, which hopefully convey some of the technicalities of the need, however, "on the street" need looks differently. Wonder World in Akron, Ohio is an example of the severity of the problem. This urban center is located in an old church. Care space is dingy and poorly light and divided into an upstairs space and a damp basement space. The care spaces have no windows and no direct access to bathrooms or kitchen space. There is no outdoor play space. Because the space is needed for church and Sunday school, the center must be "broken apart" each Friday and "reconstructed" each Monday. The environment cannot help but have an effect on children and on caregivers, no matter how dedicated. In spite of these conditions, the center has a waiting list and a dramatic need for infant care space as well as expansion of toddler, pre-school and after school care. There are no other choices. Where there is lack of access to quality space or where the space is low quality, children lose developmental opportunity.

In this case, the Finance Fund played a critical role, offering gap funding and technical assistance to help meet the needs of children and their families. The Finance Fund was also able to assist the Tri-County Community Action Agency in Athens, Ohio for the Nelsonville Head Start Project. The project used a \$250,000 grant to reduce the interest rate on permanent financing to construct a new Head Start facility, which replaces a center the agency had rented from Hocking College. The financing tool, termed link deposit, made the mortgage more affordable and freed up program funds to be used for services for children and families.

In these instances, we have been successful, but looking across the State of Ohio there is enormous need for additional quality space. An essential tool necessary to help meet this need is low-cost, flexible funding of the type that would be provided by S. 1217, the Child Care Facilities Financing Act, introduced by Senators DeWine and Dodd. Having this type of funding will enable the Ohio Community Development Finance Fund to increase our private capital investment partnerships, resulting in more resources for local projects and our ability to reach more children.

### **S.1217, The Child Care Facilities Financing Act**

Since many low-income communities in Ohio face a severe shortage of quality child care space, the Finance Fund has been working to expand the supply of child care by providing essential resources to communities; and, as a member of NCFN, by supporting federal legislation – S. 1217, "The Child Care Facilities Financing Act" – which would create small "seed money" investments to capitalize child care financing funds within existing community development intermediaries.

The Finance Fund applauds Senators Mike DeWine (OH) and Christopher Dodd (CT) for introducing S. 1217, "The Child Care Facilities Financing Act" on July 20, 2001 with strong bi-partisan support from 10 additional co-sponsors: Senator Snowe (ME), Senator Kennedy (MA), Senator Roberts (KS), Senator Johnson (SD), Senator Edwards (NC), Senator Feinstein (CA), Senator Collins (ME), Senator Wellstone (MN), Senator Bingaman (NM), and Senator Murray (WA)

This legislation draws on the community development model by using small, seed

money investments to leverage existing community resources to help meet the growing demand for child care in low-income communities. In addition, experienced nonprofit intermediaries will be able to enhance the ability of home- and center-based child care providers to serve their communities by providing the kind of technical assistance that is needed to help them undertake appropriate capital planning to improve and expand their programs.

S.1217 would authorize \$50 million annually to fund grants to nonprofit intermediaries to help home- and center-based child care providers more effectively meet the child care needs of local communities. Funds will be used to provide:

- financial assistance by intermediaries, in the form of low-cost loans, grants, and interest rate subsidies, for the acquisition, construction, or improvement of facilities for home- and center-based care; and
- technical assistance to improve the business management and entrepreneurial skills to ensure the long-term viability of child care providers.

S. 1217 requires that the federal investment be matched, dollar for dollar, by funds from the private sector, thereby stimulating valuable public/private partnerships. Members of the National Children's Facilities Network typically raise well over this match requirement from their public and private partners for every dollar they invest in child care space.

The community development approach has proved successful in low-income neighborhoods and communities across the country in stimulating investments in affordable housing, community facilities, economic development projects, and small businesses. These investments have halted and even reversed the decline of many hard-pressed communities and provided economic opportunity to their inhabitants. There is ample evidence that the same type of economic boost can be achieved in child care.

The beauty of the community development model is that it relies on small community-based efforts rather than on large-scale top-down government programs. All that is needed to strengthen the child care infrastructure in low-income communities is small seed-money investments to capitalize child care financing funds within the existing community development intermediaries. These organizations would then provide technical and financial assistance to local home-based and center-based child care programs.

### **National Children's Facilities Network**

The Finance Fund and other members of the National Children's Facilities Network (NCFN) look forward to continuing to work with members of your Committee and other members of Congress to ensure the passage of S. 1217. NCFN's purpose is to share information on child care facilities issues; initiate legislation and regulations affecting low-income early care and education facilities; and develop and support various financing strategies, initiatives and programs. (See Appendix A for Network Overview and Membership List)

Network members have become sophisticated at the art of using government and philanthropic grants to leverage significant private sector capital investments in the expansion of child care space. The examples below demonstrate a select few of these intermediaries' ability to leverage other funds from their investments, and the child care space that is produced as a result. A strategic investment by the federal government in these experienced intermediaries will dramatically expand and strengthen the child care

industry in the low-income communities they serve.

**Ohio Community Development Finance Agency (since 1994)**

Investments in childcare space - \$16.3 million

Total project funds leveraged - \$146.6 million

\$5 leveraged for every \$1 invested

Children served – 23,171

Classrooms created – 1,363

Square feet of real estate created – 1,666,822

**Illinois Facilities Fund (since 1999)**

Investments in Child Care Space - \$17.6 million

Total project funds leveraged - \$37.4 million

\$3.6 leveraged for every \$1 invested

Children served – 2,300

Classrooms created – 100

Square feet of real estate created – 595,000

**Local Initiatives Support Corporation (since 1994)**

Investments in childcare space - \$8.2 million

Total project funds leveraged - \$47.2 million

\$6 leveraged for every \$1 invested

Children served – 3,850

Childcare centers created - 50

Square feet of real estate created – 356,000

**Coastal Enterprises Inc., Augusta, Maine**

Investments in childcare space - \$13.1 million

Childcare providers served - 110

Children served – 3,424

**Conclusion**

Looking across the state of Ohio, there is an enormous need for additional quality for child care in low-income communities. Where there is a lack of access to quality space, children lose. When children lose, we lose children, and when we lose children, we always pay the social and economic costs later. S. 1217 is an important first step in addressing the need to build the supply of quality child care facilities to support the needs of children, families and communities nationwide.

Thank you for the opportunity to provide written testimony before your Committee today. We would be pleased to provide additional information about our work.

**APPENDIX A**  
**NATIONAL CHILDREN'S FACILITIES NETWORK**

**AGENCY OVERVIEW**  
**October 2001**

**Background:** The National Children's Facilities Network is a coalition of nonprofit financial and technical assistance intermediaries involved in planning, developing, and financing facilities for low-income early care and education programs. The Network's purpose is to share information on child care facilities issues; initiate legislation and regulations affecting low-income early care and education facilities; and develop and support various financing strategies, initiatives and programs. The members of the Network increase supply and help improve the quality of child care by providing technical assistance and financing to address capital needs.

**Problem statement:**

Inadequate supply: Demand for affordable child care continues to grow among low-income working families and families moving from welfare to work. For the past few years, a strong economy and a variety of state and federal child care and early education programs have fueled growth. But supply, especially in lower income communities, has not kept pace. The success of welfare reform and other child care initiatives will hinge on developing adequate supply to meet increased demand.

Consequences of inadequate supply: Research documents that 38% of parents of children under five in child care choose center-based programs, but the scarcity of center-based care means that low-income families do not have the same range of choices to meet this demand. Center-based and other licensed capacity is critical to providing parent choice.

Insufficient resources to build supply: There are currently no consistent sources of equity or other financing for the child care field, which makes access to other financing virtually impossible. Without access to capital, the demand for center-based care cannot be met.

Actions supported by the Network: The Network believes the current environment provides an ideal opportunity to collaborate with other children's advocacy leaders in addressing the crisis created by the inadequate supply and quality of early childhood facilities. The Network is currently working on two main initiatives: Advocating for the creation of a pool of federal funds for technical assistance, business planning, and renovation and expansion for child care centers and family child care homes. Studying the feasibility of a national capital campaign to support child care facility development.

Commitment to common goals: The Network acknowledges the complex relationships among quality, wages, subsidy rates, parent choice, affordability and supply. Facilities financing is an integral part of a comprehensive effort to improve the quality and increase the supply of care for the nation's neediest children. The Network's activities support the goals of parent choice, quality of care and localized solutions and is committed to working in partnership with other child advocacy organizations to strengthen the early care and education system.

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## **NATIONAL CHILDREN'S FACILITIES NETWORK MEMBER PROFILES**

### Cascadia Revolving Fund

Cascadia Revolving Fund is a nonprofit community development financial institution providing small business loans and technical assistance to entrepreneurs and nonprofit organizations unable to access financing from traditional sources. We focus on building strong communities—creating jobs and business ownership opportunities for people in need. Our success is measured by the people whose lives we have helped improve and the communities we have helped strengthen. We lend to businesses owned by low-income people, women, and minority entrepreneurs and to businesses that restore or preserve the environment, provide needed community services, are located in distressed rural or urban communities, or have strong potential to create family wage jobs. Cascadia made its first loan in 1985. Since then, we've made more than 300 loans, disbursing nearly \$14 million to small businesses in a variety of industries. These loans have helped create or preserve approximately 1020 jobs, moving people out of poverty in Washington and Oregon.

### Child Care Capital Investment Fund

The Child Care Capital Investment Fund (the FUND) helps non-profit child care providers throughout Massachusetts to purchase, expand, or improve their facilities by providing a variety of forms of technical assistance combined with low-interest loans. Established in 1991, the FUND has lent nearly \$5 million to over 60 providers, leveraging an additional \$8 million in outside funding. These resources have allowed its borrowers to create, improve, or stabilize more than 6,000 slots, 70% of which serve low-income children. The FUND also manages three competitive grant programs, two targeted at preschool programs, using State Department of Education funds, and one at after-school programs, using private foundation funds combined with City of Boston dollars. In four years, the FUND has allocated \$8.5 million in grant funds, creating or improving 8,340 slots.

### Child Care Fund of Alameda County

The Child Care Fund of Alameda County aims to maintain, improve, and expand healthy, safe, and accessible environments for children in child care in Alameda County. The Fund, launched in September 2001, seeks to increase the flow of capital for the development of viable, well-designed child care facilities as well as promote successful business practices among child care programs. Through financing and training, the Child Care Fund hopes to increase the supply and quality of child care throughout the County.

### Coastal Enterprises, Inc.

Coastal Enterprises, Inc. (CEI), a private, nonprofit community development corporation and community development financial institution located in Wiscasset, Maine, provides a wide range of financing, flexible lending, equity capital and diversified counseling in development of small business, community facilities and affordable housing. Over a 20

year period CEI has directly financed and mobilized over \$300 million for 1,100 projects to create employment, self employment, homeownership and other initiatives to primarily rural Maine businesses, communities and people.

As part of a national demonstration initially funded by The Ford Foundation, CEI launched its innovative Child Care Development Project (CCDP) in 1988. The combined loan and technical assistance fund was additionally capitalized with grants and loans from USDA, HHS, and state government. The CCDP provides technical assistance, quality care assessments, and loans to licensed childcare home providers and centers. Since the project began, CEI has made 120 loans to 105 providers throughout the state of Maine supporting care for more than 2,600 children. CEI's financing of \$3,958,516 leveraged an additional \$5,095,875 from private sources, public funds and owner equity. CEI funds are available for start-up or expanding facilities and equipment, working capital, playground equipment, fencing, and other essential materials that improve or contribute to the quality of care.

#### Development Corporation for Children

Development Corporation for Children (DCC) was created in 1991 to address the business side of childcare by assisting family child care providers and early childhood education centers throughout the state of Minnesota. DCC combines finance, community development, and early childhood education. We see child care as a significant industry in the state's economy and believe child care providers and early education operations are businesses. That's why our primary goal is to support the childcare industry through low-interest loans, business development services, and innovative educational programs.

#### Enterprise Foundation

The Enterprise Foundation rebuilds communities. Working with partners and a national network of more than 1,900 nonprofit, community-based organizations, Enterprise provides low-income people with affordable housing, safer streets and access to jobs and child care. Enterprise has raised and committed more than \$3.5 billion in equity loans and grants to help build or renovate more than 120,000 homes and apartments. Launched by Jim and Patty Rouse in 1982, The Enterprise Foundation is building America, one community at a time.

Enterprise believes that supporting quality and affordable child care in low-income communities is critical to the growth and health of neighborhoods. Enterprise Child Care's work relies on collaboration between the community development and child care communities. We support home-based and center-based care, foster community partnerships and advocate for public policy changes to improve the quality, supply and affordability of child care in low-income communities.

#### Illinois Facilities Fund

The Illinois Facilities Fund (IFF) is a nonprofit, community development financial institution (CDFI) that provides real estate loans, real estate development and consulting

services, and management education for nonprofits. The IFF's services also include public policy research and advocacy on behalf of the nonprofit sector. The IFF's market is nonprofits that serve low-income and special needs communities in Illinois.

Since 1990, the IFF has closed over 200 loans, resulting in the creation or maintenance of more than 5,500 jobs and the development of more than 2 million square feet of real estate. As of June 30, 2001, the IFF has assets of just over \$50 million. This includes approximately \$30 million in the Loan Program, properties owned and other assets.

#### Local Initiatives Support Corporation

The Local Initiatives Support Corporation (LISC) is a national nonprofit organization that channels financial and technical resources to community-based organizations to help them revitalize low-income neighborhoods. Since its inception 20 years ago, LISC has raised over \$3 billion to help 1,700 community-based organizations build 100,000 new affordable homes and create 11.2 million square feet of commercial and community space. LISC's Community Investment Collaborative for Kids (CICK, pronounced "kick") generates specialized capital and technical support for the creation of child care facilities in low-income communities across the country. To date CICK has stimulated over \$100 million in new investments in child care facilities in 40 cities and rural areas around the country. CICK initiated a public/private funding collaborative with the U.S. Department of Health and Human Services and the U.S. Department of Agriculture that provided a package of grants, loans, loan guarantees and technical support for the development of Head Start and child care facilities in rural communities in six states. In Connecticut, CICK worked with public officials to craft the state's Child Care Facilities Financing Program, which has led to the construction of 25 child care centers serving over 3,000 low-income children. CICK has also secured private funding to launch the Connecticut Children's Investment Partnership - a statewide lending and technical assistance program for child care facilities that complements the state's capital investment. A similar child care facilities initiative is being launched in Rhode Island.

#### Low Income Housing Fund (LIHF)

LIHF is one of the largest, most productive, and most stable community development loan funds in the nation. In 2001, LIHF brought \$90 million to the community development agenda - \$70 million of its own assets and an additional \$20 million in capital administered for other institutions. LIHF's operations were nearly 91% self-sufficient through earnings on loans and technical assistance contracts.

LIHF's focus is four-pronged: affordable housing, child care, workforce development, and education. LIHF focuses on communities with the greatest need, using tools and programs that offer a real chance at economic independence. Over the years, LIHF has supported 36,650 units of affordable housing, 4,400 spaces of child care, 693 students in educational facilities and almost a million square feet of commercial space. While nearly all of LIHF's work benefits low income families, the vast majority - 75 percent - assists the very poor.

In 1998, LIHF launched the Child Care Facilities Fund (CCFF), offering technical

assistance and flexible financing to child care providers. In fiscal year 2001, the Child Care Facilities Fund made \$2.8 million in grants and loans to child care providers in the Bay Area and in New York City.

#### National Community Capital Association

National Community Capital Association (NCCA) is a national community development financial intermediary that helps institutions and individuals provide capital that increases resources and opportunities for economically disadvantaged people and communities. NCCA provides capital, training, consulting, and information services to community development financial institutions (CDFIs).

Founded in 1986, National Community Capital represents more than 200 organizations that leverage public and private capital to revitalize our nation's poorest urban, rural, and reservation-based communities. The CDFIs in our network finance quality, affordable housing, the start-up and expansion of small businesses, and essential facilities, such as child care facilities, in economically disadvantaged communities nationwide.

The National Community Capital Childcare Financing Program, in partnership with the generous support of Provident Financial, makes available more than \$11 million to support CDFI childcare financing activities. Our goal for this program is to increase the accessibility of quality childcare services for economically disadvantaged families and communities by enabling CDFIs to expand their childcare financing activities in order to increase the accessibility of quality childcare services for disadvantaged families and communities.

#### New Hampshire Community Loan Fund

The New Hampshire Community Loan Fund (NHCLF) is a nonprofit 501c3 organization and a certified Community Development Financial Institution. Since 1983, the NHCLF has loaned more than \$28 million, creating or preserving 1,680 child care spaces, 2,513 units of affordable housing and 511 jobs. In addition, the NHCLF has loaned \$250,000 to 136 micro-businesses in New Hampshire.

The NHCLF has loaned \$1.9 million to nonprofit child care centers and home based providers for acquisition, rehab, licensing and safety. The NHCLF is currently offering an asset management program to nonprofit centers, to help them assess and plan for building needs.

The NHCLF's mission is to serve as a catalyst, leveraging financial, human and civic resources, to enable traditionally underserved people to participate more fully in NH's economy. We do this by:

Providing loans, capital and technical assistance;

Complementing and extending the reach of conventional lenders and public institutions; and

Bringing people and institutions together to solve problems.



## New Jersey Community Loan Fund

New Jersey Community Loan Fund (NJCLF) is a community-based, private nonprofit financial institution with a solid, thirteen-year track record of providing financing and technical services to community-based organizations and small businesses which will build long-term economic self-sufficiency for low-income people and economic strength for low-income communities. NJCLF has provided over \$30 million of flexible financing which results in affordable housing, child care, community facilities or jobs for over 17,000 lower income New Jerseyans.

NJCLF serves as the lead agency in the design and coordination of a collaboration providing training and technical assistance to child care organizations through a program called Building Stronger Centers. This initiative is designed to produce measurable results in enhancing access and availability of high quality, affordable child care to low income families within a context of community-based development and to provide financing and related technical assistance to child care organizations. Building Stronger Centers has worked as partners with child care agencies to strengthen the child care centers as businesses offering quality service and to improve the quality of their programs and expand operations to accommodate additional low income children. Building Stronger Centers is an innovative and collaborative program that effectively responds to the special needs of community-based agencies who are already providing child care services and addressing child care needs in their communities.

## Nonprofit Finance Fund

Nonprofit Finance Fund (NFF) provides a range of financial tools and advice to help nonprofit organizations nationwide to succeed as businesses while honoring their mission. With over 20 years of experience serving the nonprofit community, NFF makes loans for facilities projects, such as new construction, renovation and relocation, and for other growth-related needs, such as working capital. NFF also provides workshops and other advisory services to help nonprofits plan and evaluate their projects. To date, NFF has made 280 loans totaling \$45 million in support of more than \$200 million in projects. To better serve the needs of child care providers, NFF initiated the Child Care Expansion Consortium (CHEX), in collaboration with banks and other intermediaries. Its main component is a flexible pool of funds that provides limited payment guaranties to lenders on behalf of borrowers whose loan applications might otherwise be rejected for such reasons as inadequate collateral. The ultimate goal of CHEX is to help lenders provide financing to child care providers seeking to expand their facilities and the number of slots available to children.

## Ohio Community Development Finance Fund

The Finance Fund is a statewide nonprofit corporation, which serves locally controlled community based nonprofit organizations in low-income communities. Our clients develop and implement projects in single and multi-family housing rehabilitation and new construction, home ownership, transitional housing for the homeless, commercial revitalization, economic development and child care facilities. Our focus is low-income populations in urban and rural areas. Eight products are currently being offered to our clients; Linked Deposit Fund, PreDevelopment Program, PreDevelopment Section 8

Program, Economic Development Grant, Head Start Facilities Planning Grant, Child Care Facilities Planning Grant, Head Start Critical Repair and Safety Grant, and the Child Care Capital Fund.

### Self-Help

Self-Help is a Community Development Financial Institution that has provided loans and technical assistance to small businesses, nonprofits and homebuyers throughout North Carolina for more than 20 years. Through its Community Facilities Fund it has made almost \$17 million in loans to 242 child care providers. These loans range from \$500 to fence in the backyard of a home-based provider to \$850,000 to construct a new facility. These loans have created 8,030 child care spaces, stabilized/improved an additional 7,292 spaces, and created 858 jobs. Self-Help's funding comes from a variety of sources including deposits from individuals into our Credit Union, grants, program-related investments from the Federal Government (USDA, Dept. of Treasury's CDFI Fund, SBA) and private foundations (Ford, MacArthur), and a partnership with the North Carolina Division of Child Development using Child Care Development Block Grant dollars.

### Sussman Associates

Carl Sussman is the principal of Sussman Associates, a Newton, Massachusetts-based management and community development consulting practice with an expertise in developing and financing child care facilities. Sussman was a founding member of the National Children's Facilities Network and is currently its Vice Chair. He helped start and managed the Child Care Capital Investment Fund and now serves on its board of directors. Sussman is the primary technical consultant to the Local Initiatives Support Corporation's national child care facilities program and in that capacity helped craft Connecticut's School Readiness bond financing legislation. He writes and speaks frequently on the topic of financing and developing quality early childhood facilities.

### The Reinvestment Fund

The Reinvestment Fund (TRF) is a regional community development financial institution founded in 1985 by community development activists, religious community investors, and financial service experts. Today, TRF is a national leader in community development and social investment.

The Reinvestment Fund is a nonprofit organization with two nonprofit support (subsidiary) corporations, one for-profit subsidiary, and an affiliated for-profit limited partnership. The parent corporation contains the core loan fund that attracts investments from individuals and institutions.

The Collaborative Lending Initiative, founded in 1994, is a bank loan consortium that makes construction loans to affordable housing projects. DVCRF Ventures, founded in 1997 was formed to provide venture capital to growth companies with job creation potential. The Enterprise Investment Corporation, founded in 1999, is a for-profit affiliate that holds a license under the Pennsylvania Banking Commission's Consumer Discount

Act. It was formed in order to house TRF's SBA-guaranteed loans.

TRF serves the metropolitan Philadelphia area. Its primary lending and service area includes 9 counties: Philadelphia, Chester, Montgomery, Bucks, and Delaware counties in Pennsylvania; Camden, Salem, Gloucester, and Burlington, counties in New Jersey. A secondary market area of 12 additional counties was added in FY99. That area includes New Castle county in Delaware; Berks, Lancaster, Lehigh, and Northampton counties in Pennsylvania; and Mercer, Ocean, Atlantic, Cape May, Monmouth, Cumberland and Middlesex counties in New Jersey.