

## LOW INCOME INVESTMENT FUND



*Kidango, a participant in LIIF's ABCD initiative, provides nationally accredited child care at 18 centers throughout the Bay Area (upper left). LIIF has greatly expanded its lending to charter schools like this one in Richmond, California. LIIF's child care and charter school initiatives were conceived and planned in part using core support funds (lower left). LIIF's investments in infrastructure support a growing portfolio of loans to borrowers like this housing program in New York (right).*

### EFFECTIVENESS: BUILDING INFRASTRUCTURE

"The field of community development finance has grown at Silicon Valley rates," says Nancy Andrews, president of the Low Income Investment Fund. "We need core support to build infrastructure to keep pace, or we won't be able to support our own success."

The Low Income Investment Fund provides financing and technical assistance for homeownership, child care, commercial space, and other community revitalization efforts. Since it was established in 1984, the Fund has provided over \$500 million in capital and technical assistance and has leveraged investments of over \$3.7 billion. Over the past ten years, the Fund's loan portfolio has grown dramatically, increasing from \$11 million to \$150 million.

To manage its growth, the Fund developed a plan for upgrading its management, loan tracking, and impact data collection systems and has been rolling out enhancements one module at a time. "Software, information systems, and organizational improvements are not glamorous," says Andrews, "but they are part and parcel of managing our programs well. Flexible funding from foundations is crucial in that endeavor." Andrews compares an organization's internal infrastructure to roadways. "When you are small, you can manage with dirt roads and potholes, but when you get bigger and more complex you need highways or you get gridlock."

According to Andrews, "Core support funders invest based on our track record and the

philosophy that we can adapt and figure out how best to deploy the foundation's money and take advantage of new opportunities." For Low Income Investment Fund, one such opportunity is the ABCD Initiative, which will provide capital and technical assistance for the development of 15,000 child care spaces in California by 2010. ABCD was launched in 2003 with major project support from the Packard Foundation, but previous core support helped Low Income Investment Fund to conceive and plan for the initiative.