

Affordable Buildings for Children’s Development Fund (ABCD Fund) Low Income Investment Fund (LIIF)

LIIF is a national nonprofit community development financial institution (CDFI) dedicated to providing financing and technical assistance to organizations working to alleviate poverty in low-income neighborhoods. The purpose of LIIF’s ABCD Fund is to assist in creating a financing system for child care center facilities by providing capital for the planning, acquisition, construction, expansion, rehabilitation, and refinancing of new or existing child care centers. The ABCD Fund provides financing that is tailored to the needs of licensed child care centers – nonprofit, for profit, and public agencies– serving at least 20% low-income children.

The ABCD Fund offers three types of financial assistance:

Repayable planning grants: Max \$20,000. These are available for early-stage project readiness activities and cover expenses such as:

- Site feasibility
- Financial Analysis and fund development planning
- Market studies
- Third party work to determine project feasibility

Interest-only development loans: Max \$1 million. These loans are designed to enable worthwhile facilities projects to come to fruition, providing capital on an interim basis until the project can be financed with a permanent loan. The terms include average rate of 7.5 %* deferred interest and repayment periods of up to 2 years. Qualified borrowing uses:

- Acquisition
- Rehabilitation
- Construction
- Bridge financing

Amortizing loans: Max \$1 million. These loans provide permanent financing for projects that have successfully completed the facilities development process and can be used to repay acquisition, construction, rehabilitation and bridge loans. These loans have amortizations of up to 20 years, repayment periods of up to 7 years, and average interest rates of 6.5%*.

Financing Consultation. Child care operators who are seeking funding to improve, expand or construct a child care facility can receive support with:

- Identifying public and private sources of funding
- Putting together an effective funding request
- Preparing necessary documents to apply for grants and loans
- Connecting with local business and facility development resources

For more information contact Jon Dempsey, Senior Program Officer, (213) 627-9611, extension 122, jdempsey@liifund.org.