



CAPITAL IMPACT
PARTNERS

CAPITAL IMPACT PARTNERS (CIP)

capitalimpact.org

ABOUT THIS PROJECT

Capital Impact Partners (CIP) is partnering with the Memphis Medical District Collaborative to raise a flexible debt fund to support real estate development, small business development and transit-oriented investment in the District. This loan fund will be CIP's first venture into the Memphis market bringing additional lending capacity to the city.



WHY WAS THIS NEEDED?

CHALLENGE: Capital Impact Partners is new to the Memphis market and found it difficult to hold scarce capital while working in the market to find suitable community development projects. Kresge's emerging strategy in Memphis has three pillars (1) clarifying and aligning priorities, (2) building capacity for transformative change and (3) enhancing opportunity structures on the ground. A key part of enhancing opportunity structures is investing in comprehensive community development in key geographies—ensuring low income people have access to opportunity in their neighborhoods. **RESPONSE:** Our capital provided new, incremental resources and the grant capital necessary to allow CIP to expand into the Memphis market and to take the time to find the right projects.

IMPACTED LOCATION



BALTIMORE, CHICAGO,
NEW JERSEY AND WEST
HARTFORD, CONN.

YEAR APPROVED

2016

TYPE OF TRANSACTION

PRI LOAN

KRESGE PROGRAM

AMERICAN CITIES PRACTICE
& HEALTH PROGRAM

AMOUNT OF INVESTMENT

\$2 MILLION

GRANT SUPPORT

\$100,000

TERM OF INVESTMENT

10 YEARS



ABOUT THE BORROWER

Capital Impact Partners is a certified community development financial institution (CDFI) that provides credit and financial services to underserved markets and populations in the United States. The company is among the largest CDFIs in the country. As of 2015, it had invested more than \$2 billion into senior care, affordable housing, health care, education and public nutrition projects in distressed and low-income communities across the country. These investments include the creation of more than 9,000 units of affordable assisted living; more than 35,000 units of affordable housing; 3 million square feet of health center space and provides more than 1 million patient visits annually; \$500 million for developing charter schools that create more than 200,000 seats for children; and healthy food retail in more than 60 locations.

IMPACT MEASURE

Four current projects in the pipeline (as of May 2018)

AREA OF INVESTMENT

Memphis Medical District, Memphis, TN

KEY PARTNERS:

The Memphis Medical District Collaborative

Key Considerations



Aaron Seybert
Social Investment
Officer
Social Investment
Practice

- » In 2016, Kresge made a commitment called Kresge Community Finance to invest millions through a standard loan offering in Community Development Finance Institutions (CDFIs) and Development Finance Agencies (DFAs) working in ways aligned with Kresge program strategies to expand opportunity and equal access to capital in America's cities.
- » CDFIs and DFA responded to a call for proposals with requests for more than \$280 million in investment. Ultimately, 14 organizations received financing totaling \$30 million through program-related investments.
- » KCF's goals were to invest \$30 million, make \$1.5 million in equity grants, provide staff learning opportunities and introduce a streamlined, efficient product with standardized terms to the marketplace.
- » Capital Impact is a core CDFI partner in Kresge's Detroit work and its lending platform has been crucial to the success in several initiatives. We believe CIP could be a valuable partner in the Memphis market as well.



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