

# Impact Investment Program

## FREQUENTLY ASKED QUESTIONS



### **Why impact investing rather than grantmaking?**

Impact investing serves as an additional tool to achieve the Foundation's charitable purpose and does not replace traditional grantmaking. However, since only a small portion of foundation assets are dedicated to grants due to endowment restrictions, and because community needs surpass grant resources, impact investing allows us to leverage our assets for broader impact. Impact investments offer borrowers flexible, low-cost capital that provide an alternative to traditional financial products and potentially allows nonprofits to access larger funding in comparison to a donation or grant. Once the investment is repaid, the money can be redeployed into new investments.

### **What type of investments will YVCF consider?**

YVCF will consider initiatives that catalyze capital or build capacity in the nonprofit ecosystem in Routt and Moffat Counties, including but not limited to those focused on affordable housing, capital or real estate projects, economic development, workforce readiness, childcare, and more.

- YVCF prefers to invest in opportunities that offer a means of repayment or exit within a 3–5-year window. However, we are open to other possibilities in the case of a high-impact investment opportunity.
- YVCF will not consider investment opportunities that do not offer a reasonable repayment plan, and we expect our investments to earn a modest financial return.
- While we anticipate that most investments will be to organizations seeking loans, we are open to considering loan guarantees, credit enhancements and other types of transactions.

### **What is the expected size of impact investing transactions? What percent of YVCF's investible assets will be committed to impact investing?**

The Foundation will make loans between \$100,000 - \$2,000,000 and may use up to 5% of its long-term asset pool for local impact investing.

### **What are the terms of the loan or transaction (time horizon, interest rate, repayment schedule)?**

Terms will be determined and agreed upon on an investment-by-investment basis. YVCF prefers to invest in opportunities that offer a means of repayment or exit within a 3–5-year



window. However, we are open to other possibilities in the case of a high-impact investment opportunity.

### **Will YVCF partner with other financial institutions?**

Capital that foundations provide can often leverage private and public dollars. If appropriate and advantageous for the loan and organizations involved, YVCF may partner with traditional banks or other community-focused financial institutions to help approve or increase an investment or mitigate risk.

### **How will applications be evaluated?**

We will evaluate applications against the following criteria:

- The Investee's **Mission** is consistent with the Foundation's mission and the project's **Impact** provides a significant social benefit.
- The Investee **Organization** is stable and experienced, has a reasonable business plan and community support, and is unlikely to be able to generate intended impact without investment.
- The **Financials** of the Investment are solid, of a reasonable size, structure and timeline, and have a clear source of repayment, and the investment does not pose a significant risk to the Foundation.

### **Is there a deadline for applications?**

We are accepting applications on a rolling basis. The Committee will review applications on a first-come, first-serve basis; we encourage applicants ready for a loan and who meet the eligibility criteria to submit an application sooner than later. The process may take several months from the date the application is received to approve the loan, complete due diligence, complete documentation and, ultimately, close on the funding.

### **How can I support the Community Foundation's Impact Investment Program?**

Impact investment programs allow donors alternative ways to make a difference with their dollars, and there are several ways to support the program.

- Opening a charitable fund of your own at the Foundation may support impact investing, as funds invested in the long term pool increase YVCF's total assets available for loans; if you've considered opening a Donor Advised or other Fund type, now could be the right time.
- The Yampa Valley Housing Accelerator Fund provides funding to incentivize and speed up the development of affordable, attainable, and workforce housing in the Yampa Valley region of Colorado. Donate [ONLINE](#), mail a check to YVCF with the



fund name in the memo line, or call 970-879-8632 for information about donating stock or other more complex assets.

- While the Impact Investment Committee is currently at capacity, please inquire about joining the Committee in the future if you have expertise specific to investing.

**Yampa Valley Community Foundation**  
970.879.8632 • [yvcf.org](http://yvcf.org)

