

# Integrated Capital Recovery Program

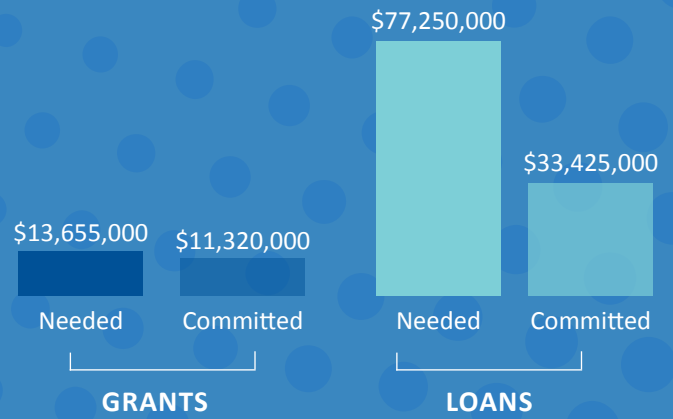


The COVID-19 pandemic and resulting shutdowns led to vast economic and social devastation across the state of Minnesota. This required a swift, bold and impactful response from philanthropy.

In April 2020, the Minnesota Council on Foundations (MCF) launched the Integrated Capital Recovery Program (ICRP) to encourage foundations to provide loans, Program Related Investments (PRIs) and other types of patient capital (i.e., grants) to Community Development Financial Institutions (CDFIs).

ICRP explicitly prioritized support for small businesses and nonprofits led by women, people from BIPOC\* communities, community members who identify as LGBTQ or people with disabilities and people from rural communities.

\* = Black, Indigenous and/or People of Color



## \$44.7 MILLION IN FUNDING WAS DISTRIBUTED AS GRANTS & LOANS TO 19 CDFIs

MCF focused on activating grants and loans as two key funding vehicles.

### PROGRAM HIGHLIGHTS



90% of participating CDFIs received financial support



Stronger relationships and improved education among Impact Investing workgroup partners and CDFIs



3 PRI legal templates produced and made available to foundations



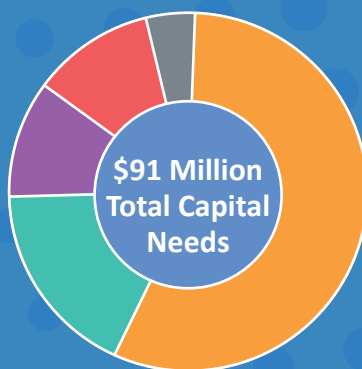
5 due diligence memos shared and produced

### TIMELINE

- APR 2020: ICRP launched with news release and a webinar for MCF members (60 attendees)
- MAY 20, 2020: Q&A webinar for CDFIs (31 attendees)
- MAY 31, 2020: Letter of interest submission (original deadline)
- JUN 14, 2020: Letter of interest submission (extended deadline)
- JUN 2020: MCF hosted an info session about the program exclusively for members (70 funders)
- JUL - AUG 2020: MCF hosted 5 foundation-CDFI sharing sessions by impact theme  
Themes: Affordable Housing, BIPOC Centered, Twin Cities Small Businesses and Entrepreneurship, Greater Minnesota Small Businesses and Entrepreneurship, and Innovative Solutions
- AUG 2020 - DEC 2021: Commitments from funders
- SEPT 2020: PRI educational workshop for funders
- SEPT - OCT 2020: Due diligence process initiated with 5 CDFIs
- OCT - NOV 2020: Webinars to share due diligence about CDFIs
- NOV 2020: MCF made PRI templates available to funders
- DEC 2020: MCF made grant intermediary support available to members
- JAN - MAY 2021: MCF issued payments to CDFIs, as grant intermediary for two funders
- MAY 2021: Webinar about how to conduct due diligence on your own
- SUMMER - DEC 2021: Deployment of funds

## 13 FUNDERS

Bush Foundation, Driscoll Foundation, GHR Foundation, John Larsen Foundation, JPMorgan Chase, Marbrook Foundation, Margaret A. Cargill Foundation Fund (of the Minneapolis Foundation), McKnight Foundation, Minneapolis Foundation, Mortenson Family Foundation, Northwest Area Foundation, Venn Foundation and an anonymous funder.



### CAPITAL NEEDS IDENTIFIED BY PARTICIPATING CDFIs

- 57% BIPOC Centered
- 17% Affordable Housing
- 11% Innovative Solutions
- 11% Greater MN Small Business
- 4% Twin Cities Small Business

## KEY TAKEAWAYS: 5 THEMES

- The magnitude and longevity of crises faced by Minnesota's communities requires a collaborative response, and MCF's role as educator and instigator was critical.
- Transparency is critical to the success of collaborative efforts and to ensure power imbalances are identified and addressed.
- Trust-building & flexibility is needed to ensure CDFI participation.
- Providing PRIs paired with general operating funds made it possible for CDFIs to participate.
- Racial equity needs to be central to program design and implementation.