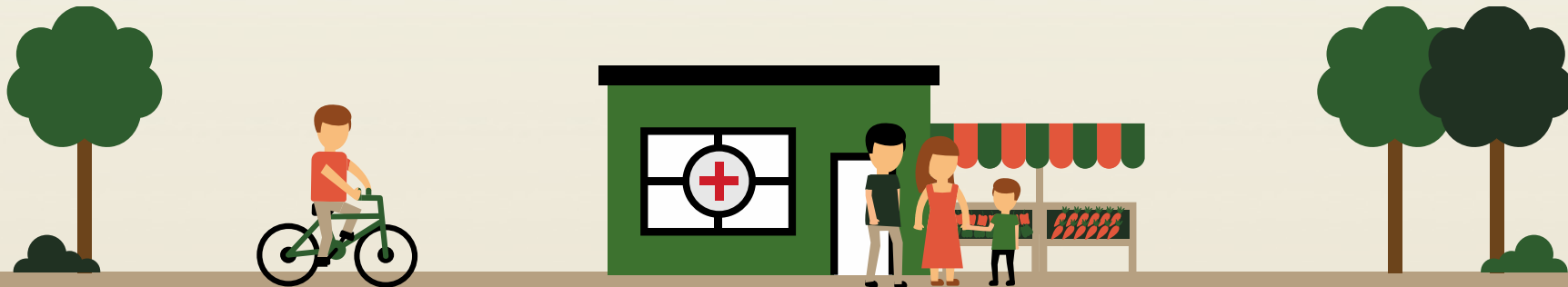




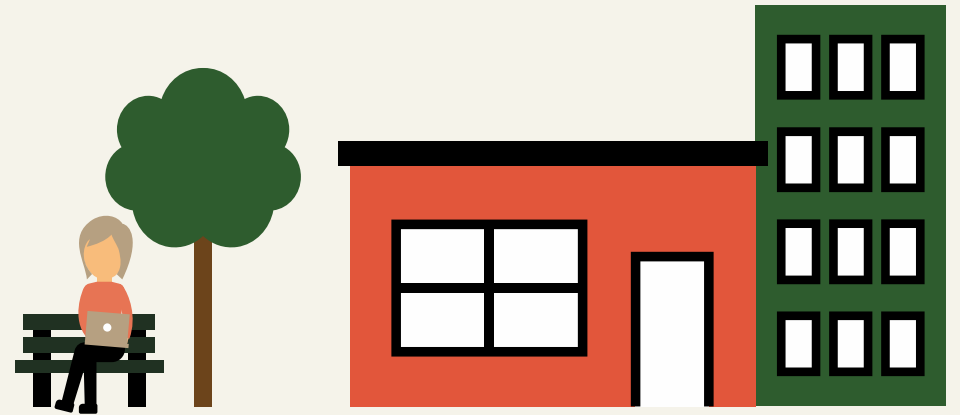
KANSAS COMMUNITY INVESTMENT FUND (KCIF) IMPACT INVESTING

Presented By:
Steve Radley, President & CEO
NetWork Kansas



NetWork Kansas

- Quick Background
- Who we are
- Statewide organization focused on making entrepreneurship a priority for economic & community development
- Two networks: Partner network (550+) & Entrepreneurship Community network (64)



NetWork Kansas

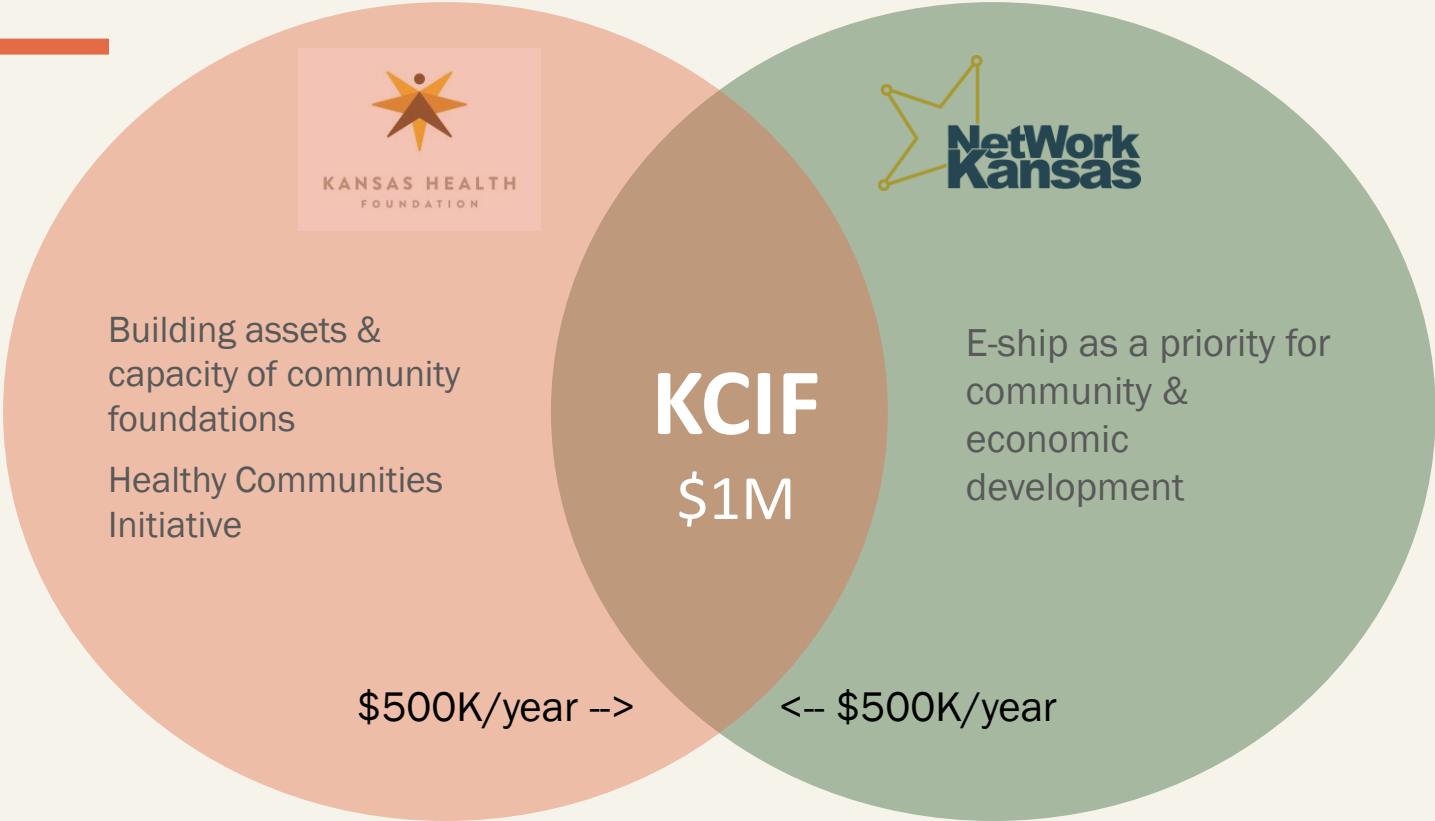


Kansas Community Investment Fund:

Intersection of Health & Wealth

KCIF created with expectation that healthy & prosperous communities with rooted wealth & equitable, sustainable opportunities will create stronger communities across Kansas

\$1 million/year for 3 years



KCIF: Goals

- Create impact investment model that develops sustainable assets for investments in underserved communities
- Increase projects focused on health & community vibrancy
- Attract additional investment from other organizations into the fund



KCIF Distinguishing Characteristics

- Higher expectation of investment return than other programs – evaluate impact and risk
- Criteria of Health, Community Vibrancy, and Portfolio Fit will start with a fairly wide definition and will likely narrow over time
- KCIF will create an investment model: A. Create means for private sector/foundation resources, B. Model for replicating locally with community foundations and ED organizations for local impact \$\$\$



Kansas Community Investment Fund

Matching loan fund

- Invest in projects generated through NetWork Kansas partners & E-Communities
 - Likely to be more for-profit deals
- Invest in projects generated through other (new!) community partners
 - Examples: community foundations or healthy community partners
 - Likely more of the non-profit projects



New/KCIF/Narrower Fit

KHF Impact Areas: Health Equity/Community Vibrancy

- Healthy Behaviors
- Access to Care
- Civic and Community Engagement
- Educational Attainment



Projects Funded To Date

- 7 Businesses, \$250,000, Leverage \$1.37 million
 - Healthcare business: Memory Care, **Emporia**
 - **Fitness Facilities: Fort Scott, Ellsworth, Hays**
 - Childcare: Winfield
 - Co-working Space: Courtland, Also a Healthy Communities Partner
-
- Program Change via KHF



Other Project Types

Going where NetWork KS has not gone before

- Non-Profit Projects
- Infrastructure
- Housing
- Broadband
- Trails/Parks
- Community Facilities

REMEMBER!

*Project-by-Project.
Needs to be Sustainable
and a “Fit”*

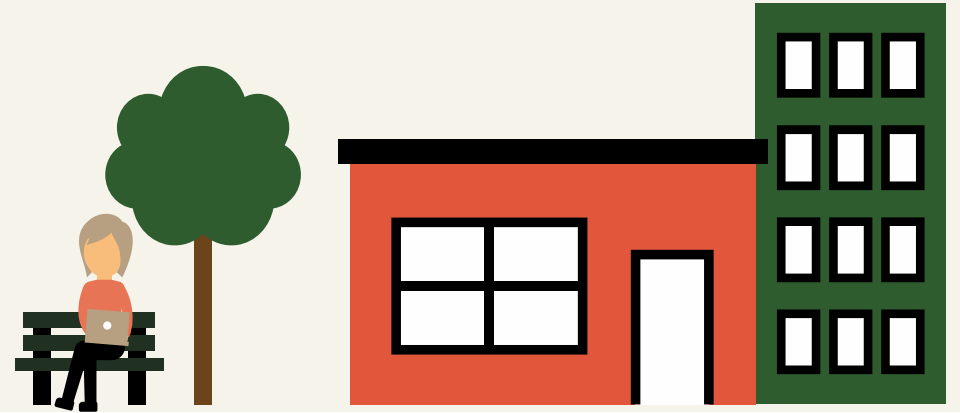
Accessing KCIF

- Working with community foundations in CPIN on potential fits with KCIF
- Connect with NetWork Kansas Resource Partner(s) to apply
- Other funds in the deal to be match
 - The amount of other funds in the deal will shape the amount that KCIF can potentially provide into the deal



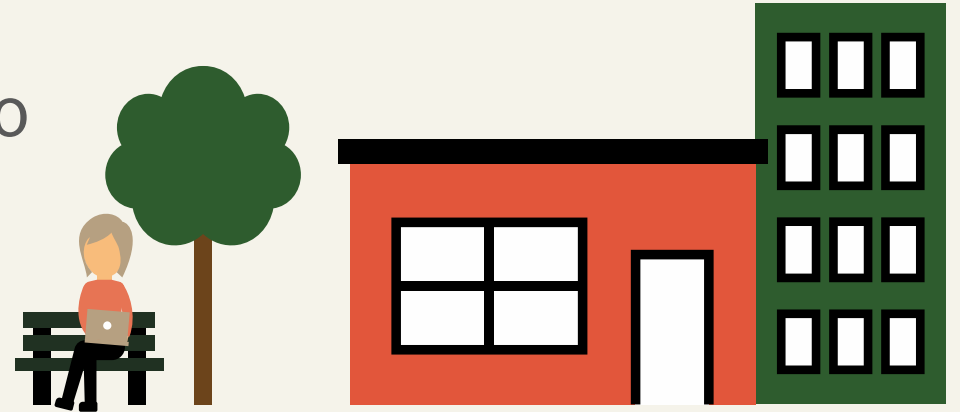
Impact Kansas

- Rural Certified Development Entity
- NetWork Kansas/Sunflower Community Investment Partnership
- \$70 million in new market tax credit application
- 75% rural deployment
- 25% will be a small business loan fund



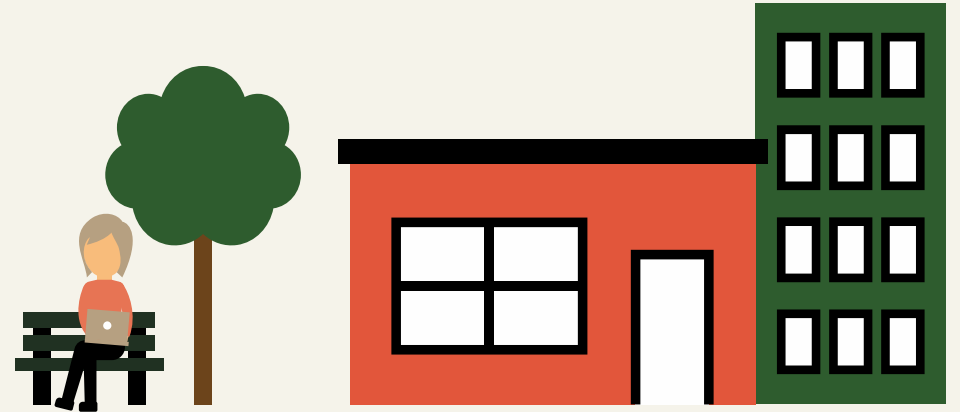
NetWork Kansas

- Historical Results
- 1032 Matching Loans/Investments
- \$46.3+ Million/\$419+ Million Leveraged
- Examples in every segment: broadband, healthcare, business expansion thanks to our partners
- Award will be Summer/Fall 2020



Entrepreneurship Tax Credit

- One More Ask
- Fundraising Mode for Entrepreneurship Tax Credits
- Banks can now participate
- Corporations also targeted (C-Corps)
- Referrals to me and Erik Pedersen



Questions on Projects

- Contact Imagene Harris or Steve Radley
- iharris@networkkansas.com
- sradley@networkkansas.com



ADDENDUM

Impact Score

- Underserved area
- Economic mobility for underserved
- Capital leveraged
- Economic benefits to community
- Community Benefits
- Leadership Experience
- Sustainability
- Potential economic acceleration/growth
- Access healthier lifestyle
- Engagement with KHF/NTKS partners

7-10 Significant Impact
 4-6 Moderate Impact
 0-3 Low Impact



Kansas Community Investment Fund Community Impact Score Sheet

Project:
 Date:

Impact Score:

Please answer the following regarding the project:

- | | | |
|------------------------------|-----------------------------|--|
| Yes <input type="checkbox"/> | No <input type="checkbox"/> | 1. The project is in an underserved area (urban distressed or rural)*? |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> | 2. Enhances the opportunity for economic mobility for an underserved population (minority and/or woman-owned)? |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> | 3. Does the project have significant leveraged capital? |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> | 4. Provides economic benefits to the community such as new business and/or additional full time and part time jobs? |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> | 5. Provides an important community benefit to an urban distressed or rural area. Examples include day care centers, pharmacy, housing, locally-owned restaurant or other service offering that enhances community vitality and "sense of place" for the community? |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> | 6. Does the project have an experienced executive team leading the organization? |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> | 7. Does the proposed project appear to be profitable or sustainable? |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> | 8. Potential for economic acceleration in the community due to business or organizational growth? |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> | 9. Project offers unique opportunities for the promotion of and access to a healthier lifestyle. |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> | 10. Engages in community partnerships, qualifies as a NetWork Kansas Entrepreneurial (E-) Community, serves as member of a Food and Farm Council, or serves as a member of another community development organization? |



Risk Score

Considers the following

- Business Stage
- Bank Involvement
- KCIF % of Deal, compared to average
- Business Type
- Partner Rating

-1 high, 0 moderate, +1 low
Add'em Up!
Risk Scale is from -5 to 5



Kansas Community Investment Fund Risk Factor Score Sheet

Score Calculation

The score for each factor is calculated by adding one point for low-risk, a zero for moderate risk, and a negative point for high-risk. These scores are used in the Risk Factor Score table.

Factor	Low Risk (+1)	Moderate Risk (0)	High Risk (-1)
Business Stage	Expansion	Purchase	Startup
Bank Involvement	Primary source of match	Bank loan but not majority source	No bank involved
Loan as a Percent of Deal	Less than average percent of project in NetWork Kansas loan portfolios	Equal to average percent of project in NetWork Kansas loan portfolios	Greater than average percent of project in NetWork Kansas loan portfolios
Business Type	Manufacturing	Retail	Service, restaurant
Partner Rating	Above average portfolio and administrative capability	Average portfolio and above average administrative capacity	Average portfolio and below average administrative capacity

Project Risk Factor SCORE:

Factor	Risk Score	Reason
Business Stage		Expansion/Purchase/Startup?
Bank Involvement		Primary/Secondary/None
Loan as a Percentage of Deal vs. Leverage		Lower/Mean/Higher
Business Type		Manufacturer/Retail/Service or Restaurant
Partner Portfolio Performance		Staff Score
TOTAL	##	

Risk Score Range

