

The Carsey School of Public Policy at the University of New Hampshire

CENTER FOR IMPACT FINANCE

SOLVING SOCIETAL PROBLEMS WITH FINANCIAL CAPITAL





Why Capital Matters

Whether the challenge is income inequality, mobility, poverty, renewable energy, health care, or a host of other issues—capital is a critical component of the solution.



Our Mission

To support initiatives that get
capital

to where it's needed but hard
to find

Capital that can build a job training facility or a health clinic, boost startups of inner-city entrepreneurs, support solar panels in low-income communities, improve housing for low-income families, create stores to bring healthy food to underserved communities, and other important initiatives.

Opportunity Finance Network

OFN is a national network of 370+ CDFIs that helps money flow across all 50 states to people and places where traditional finance doesn't reach.

Expand Access to Capital

- Manages \$1 billion in to help CDFIs lend and invest in markets underserved by mainstream finance.

Build Strength

- Signature convenings – annual OFN Conference, Regional Meetings, virtual forums and webinars
- Trainings, capacity building, research

Amplify Voice

- Advocates for opportunity finance industry in D.C.
- Drives message that CDFI investments transform communities

Resilient Community Development Finance Initiative

Development, Testing and Piloting

- Resilience Assessment Tool for CDFI Lending Programs Tool and Implementation Guide were **developed through an intensive workshop process** led by OFN ,facilitated by thought leader Stewart Sarkozy-Banozcy, and driven by a cohort of five CDFIs — BBIF Florida, CEI, Enterprise Community Partner, Genesis Community Loan Fund, and NDN Fund — with advice and support from a diverse Technical Advisory Committee.
- Between March and July 2021, six CDFIs — the five Cohort members and Self-Help — **tested the final beta versions of the Assessment Tool and Implementation Guide** against a total of eight loans.
- Seven of the deals were found to be **“partially” resilient**; one was scored **“significantly” resilient**.
- Three testers reported that the Tool was simple to use; two found it difficult to use, and one tester neither agreed nor disagreed that it was simple to use.
- In 6 out of the 8 tests, the **assessment generated actionable ideas** for building resilience.
- In 5 out of the 8 tests, the evaluator reported that the **assessment would help**

Resilient Community Development Finance Initiative

Vision: We envision a world in which communities are socially, economically, and environmentally safe and healthy with the capacity to survive, adapt, and grow no matter what kinds of chronic stresses and acute shocks they experience and where all people – especially communities of color, Native Nations, and those that are under-resourced – are able to reach their full potential, supported by equal access to responsible capital.

Mission: Build the capacity of low-income, low-wealth, and other underserved people and communities to survive, adapt, and grow no matter what kinds of chronic stresses and acute shocks they experience by ensuring access to affordable, responsible financial products and services that embrace resilience planning and implementation.

Objective: Achieve widespread adoption of resilience finance by the CDFI industry, impact investors, foundations, and other supporting stakeholders, including the integration of resilience principles, the resilience assessment tool, and/or other materials into planning, business development services, lending, and organizational practices and policies while recognizing ourselves in

Core Beliefs:

- ***Investing in resilience will improve quality of life.*** Investing in resilience will reduce and help prevent the impact of shocks and stresses on a community's people, physical environment, and economy; accelerate recovery; and improve the quality of life for a community's residents.
- ***Responsible resilience requires consideration of lifespan.*** Responsible resilient investing requires that the lifespan of the project, program, or service be considered and addressed at every capital moment.
- ***Shared resilience requires a focus on equity/anti-racism, climate change, and globalization.*** Resilience cannot be achieved through the broader community development sector without a focus on the intersection of equity/anti-racism, climate change, and globalization that adversely and disproportionately affects communities and people that are already burdened and marginalized.
- ***Community resilience is most effectively delivered through integrated, holistic efforts.*** Addressing resilience challenges in an integrated and holistic way will help communities realize multiple benefits across sectors and

Core Beliefs (cont.):

- ***Everyone is entitled to participate equally in social, economic, and political life.*** Every facet of our work should be directed toward and reflect an unwavering commitment to fair and equal access to, opportunity in, and responsibility for social, economic, and political life.
- ***Our customers deserve excellence.*** The people and the communities that CDFIs serve have a right to expect excellence, and we have a responsibility to provide it. A commitment to excellence is a statement of respect for our customers, investors, funders, staff, Board, and members, as well as those stakeholders in the community that this work touches.
- ***Input from a wide ranging and diverse group of stakeholders must shape our work.*** The work products/tools we create together shall be designed with input from a wide ranging and diverse group of representatives and stakeholders and piloted, market tested, and refined before rollout.
- ***Our work is for the good of all; therefore, all work products shall be freely available.*** The work products/tools we create together shall be “open source”, available for use and adoption by all in the broader sector.

In sum:

- Resilient community development finance is a ***process and performance standard as well as a goal and a strategy***. To succeed in their mission and be true to core values, CDFIs must embrace and normalize resilience throughout their work.
- A ***tool not a screen***. Early on in its deliberations, the CDFI Cohort Working Group rejected the notion of a screen, on the grounds that the goal was not to screen deals in or out, but to ***surface opportunities to build in resilience***.
- Phase One was an ***iterative process driven by thought leaders and practitioners*** — and phase two will and must be as well.
- ***The good kind of value engineering***. Guided by a theory of change that ***prioritizes awareness building, education, and the surfacing of opportunities to add resilience*** to businesses, buildings, and projects at times when there is the possibility of action — times when there is focus and funds are primed to flow, particularly at CDFI-financed capital moments.

The Case for Centering Resilience

- ***Holistic equitable resilience is essential***; there is no equity without resilience and no resilience without equity.
- ***To succeed in their mission and be true to core values, CDFIs must embrace resilience.***
- ***CDFIs are positioned and equipped to deliver resilience*** to their target communities
- ***The resilience movement has momentum*** — and a climate crisis is a terrible thing to waste.
- The work of the Resilient Community Development Finance Initiative ***is not done***.
- The momentum from development and testing of the Assessment Tool ***opens the door to deeper adoption at all levels.***
- Through development services to clients and relationships with investors, ***CDFIs can normalize resilience thinking, creating small ripples that will have enormous benefits.***
- Individuals, organizations, and communities are interdependent—therefore, ***we must be accountable to others and contribute positively to systemic resilience.***

Successes and learnings suggest these next steps:

- Phase two should support the CDFIs, lenders, and other stakeholders who have been active in this work to date to push further to ***innovate in their development services and lending***, both as a way of developing best practices for others and as a way to mitigate risk for themselves and their borrowers, as well as the broader CDFI sector and its investors.
- Phase two should support and encourage all CDFIs to take steps to ***center equitable, holistic resilience***, first by integrating the vision of equitable, holistic resilience into how we describe our mission and core purpose.
- Phase two should ***support and facilitate collaborative research and impact management*** for assessing, valuing, and building climate resilience.
- As a resource for the CDFI community, phase two should continue to ***build-out, optimize, test, and roll out toolkits and resources***.

Our Role



CONNECT CAPITAL TO INITIATIVES that address economic and social inequality, the opportunity gap, the natural environment, and other vital societal challenges.

DEVELOP POLICIES AND PRACTICES to help ensure that low-income, low-wealth communities have access to affordable, responsible financial products and services.

EQUIP COMMUNITY IMPACT FINANCE PRACTITIONERS with practical, high-level skills and access to the tools and networks that are needed to succeed in a rapidly changing financial ecosystem.

Resources:

- On June 30, 2021, OFN hosted the **CONNECT+ Forum: Building Equitable Resilience**. The Forum was recorded and has been made available via the Opportunity Finance Network website and platform.
- **Carsey Solar Lending Professional Training - Virtual Series– Commercial Solar and Consumer Solar:** <https://carsey.unh.edu/center-for-impact-finance/education-and-trainings/solar-lending-training-series>
- Coming soon: **Community Solar Development Training**
- White paper: **Scaling Equitable Solar Finance**, Eric Hangen, Rebecca Regan, and Sarah Boege, May 19, 2021
- White paper: **Clean Energy Project Development for Low-Income Communities: Strengthening the Ecosystem for Delivering**, Solar Energy and Deep Efficiency Retrofits, Eric Hangen, February 16, 2022

Thank you

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