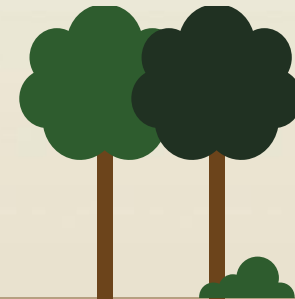
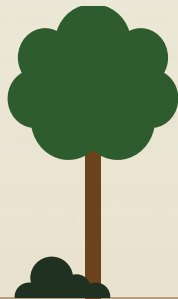




Update

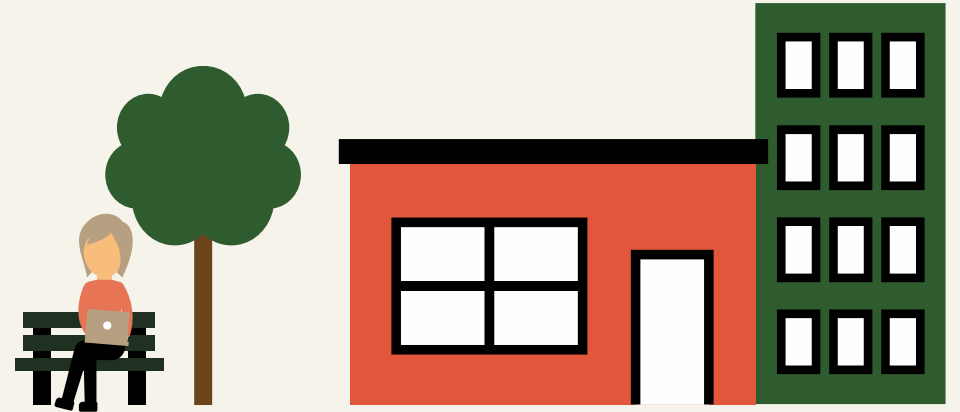
The Kansas Healthy Food Initiative (KHFI) The Kansas Community Investment Fund (KCIF)

Presented By:
Steve Radley, President & CEO
NetWork Kansas
October 2, 2020



Program Histories

- History
- Partners
- Projects Funded
- Program Changes



KHFI History

- Launched in the fall of 2017 with \$1 million for grants and \$2 million for loans
- Increase access to healthy foods in low-resource and underserved areas
- Includes a two step process: 1. Determine eligibility and 2. Move towards an application process
- 21 projects approved:
 - Grants \$517,825
 - Loans: \$1,627,952
 - Leverage:\$13.3 million



The Kansas Healthy Food Initiative

www.kansashealthyfood.org

K-STATE
Research and Extension



KANSAS HEALTH
FOUNDATION

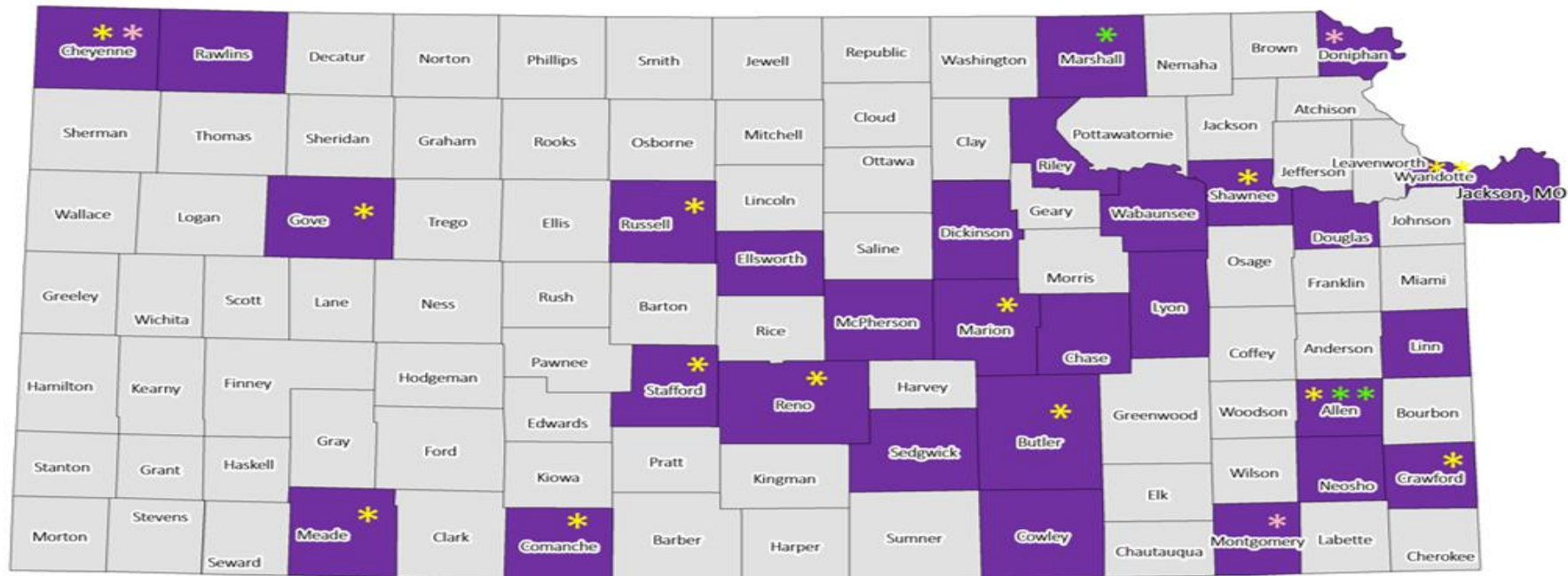
IFF Strengthening
nonprofits and
the communities
they serve.

 **NetWork
Kansas**


The Food Trust

Projects Funded

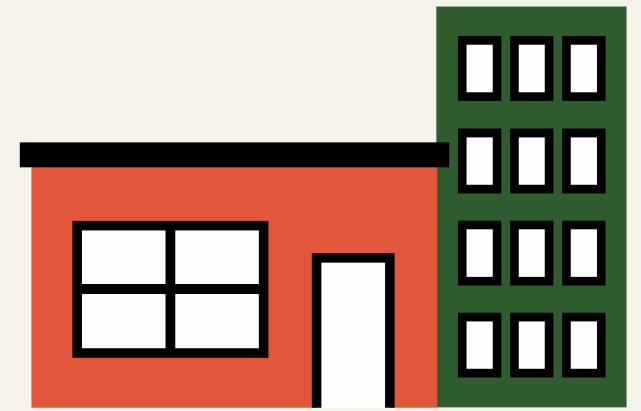
Geographic Reach of KHFJ Applicants as of Q2 2020



Applications received from shaded counties (42 from 30 counties)

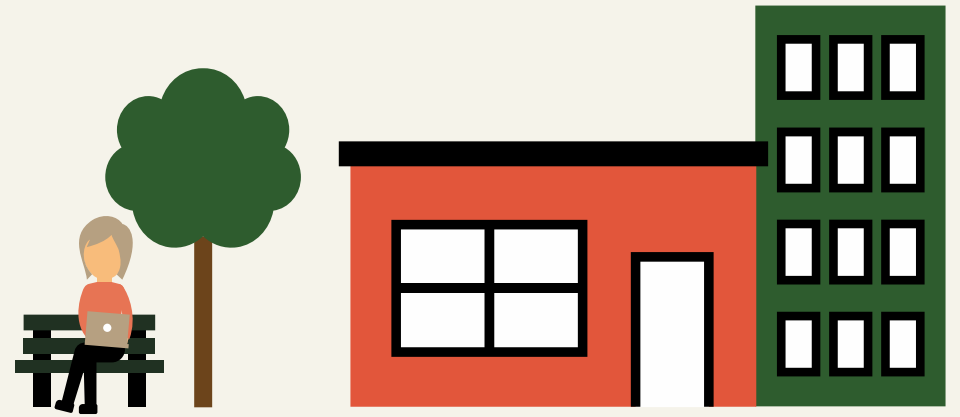
* KHFJ loans/grants (14); * KHFJ loans/grants & t.a. grant (3); * t.a. grant only (3)

What We Learned



- Process is a little ambiguous
- Need to identify technical assistance earlier
- NetWork Kansas is equipped for smaller/faster loan deployments
- IFF is equipped for larger, more complex projects

Changes



- All loans now have a loan/grant mix
- NetWork Kansas will manage loans of \$75,000 and under
- IFF will manage loans above \$75,000
- Two types of grants without loans are available: 1. Up to \$15,000 in small grants for equipment, energy, etc. 2. Large grants are available but cannot exceed 2% of total project costs.

Updated Processes and Parameters

LOAN AND GRANT FUNDING MIX EXAMPLES			
TOTAL KHFI REQUEST	Loan	Grant	Grant Cap
\$50,000	\$42,500	\$7,500	\$25,000
\$100,000	\$85,000	\$15,000	
\$500,000	\$475,000	\$25,000	
\$500,001	\$470,001	\$30,000	\$30,000
\$1,000,000	\$970,000	\$30,000	
\$2,500,000	\$1,500,000	\$30,000	
\$2,500,001	\$1,500,001	\$50,000	\$50,000
\$5,000,000	\$4,550,000	\$50,000	

Loan & Grant Funding Mix

15% of the total KHFI funding package will be grant, up to the designated cap.

GRANT-ONLY REQUESTS EXAMPLES	
Total Project	Small Grant
\$5,000	\$5,000
\$10,000	\$10,000
\$50,000	\$15,000
Total Project	Large Grant
\$50,000	\$1,000
\$500,000	\$10,000
\$1,000,000	\$20,000
\$2,500,000	\$50,000

Grant-Only

Small grants, up to \$15,000. No match required.

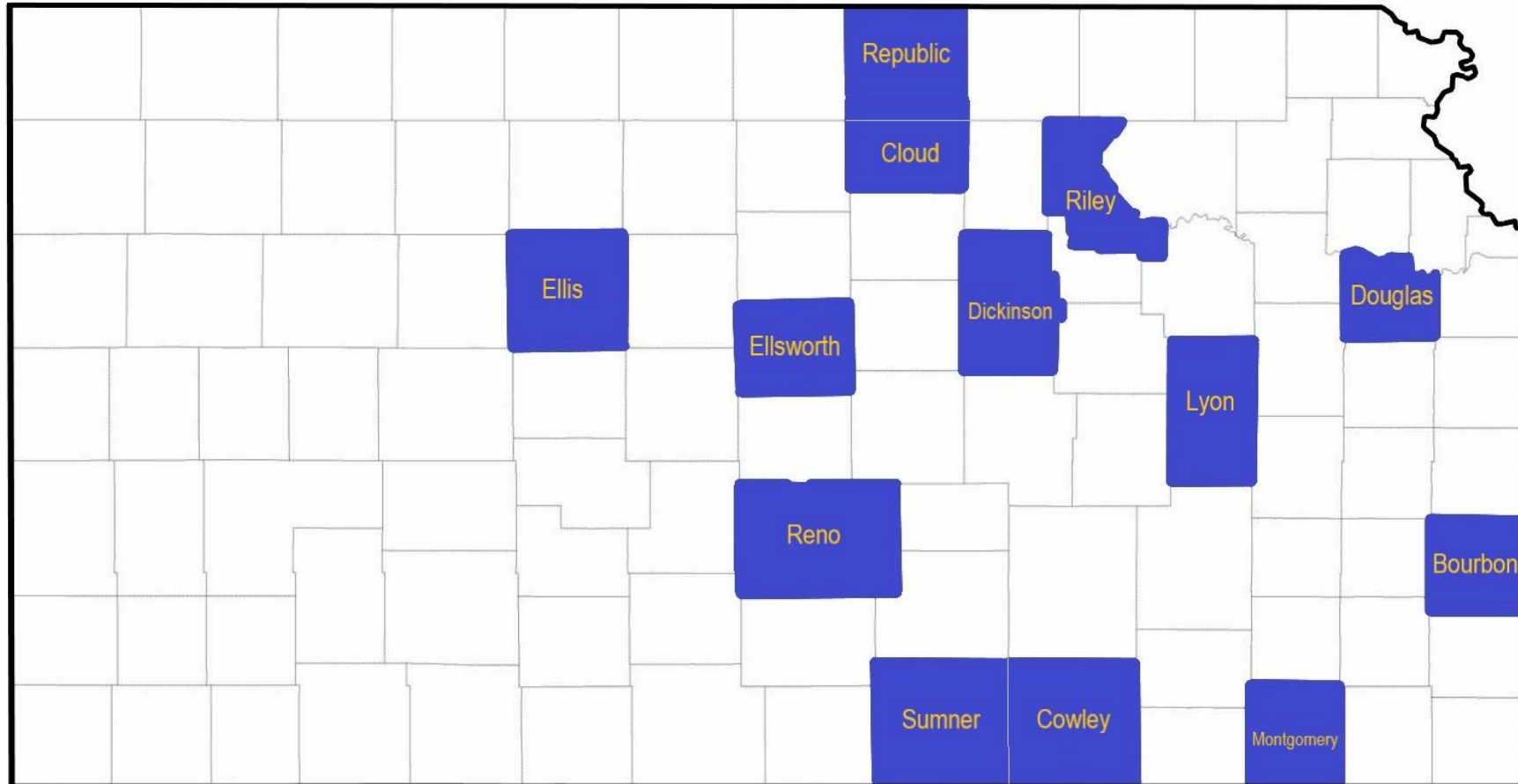
Larger grants up to \$50,000, cannot exceed 2% of the total project

KCIF History

- Launched in January of 2019 with a \$500,000 per year investment from NetWork Kansas and the Kansas Health Foundation respectively
- Additional Partners: Locus Impact Investing, Aspen Institute, Kansas Community Philanthropers' Innovators Network (CPIN),
- Initial definition: Provide loans to for profit businesses to increase health equity and community vibrancy
- Early deals would come from NetWork Kansas deal flow (E-Community/Statewide)
- 17 projects
 - Loans: \$972,448
 - Grants: \$27,700
 - Leverage: \$4,400,010



Projects Funded: KCIF Project Reach

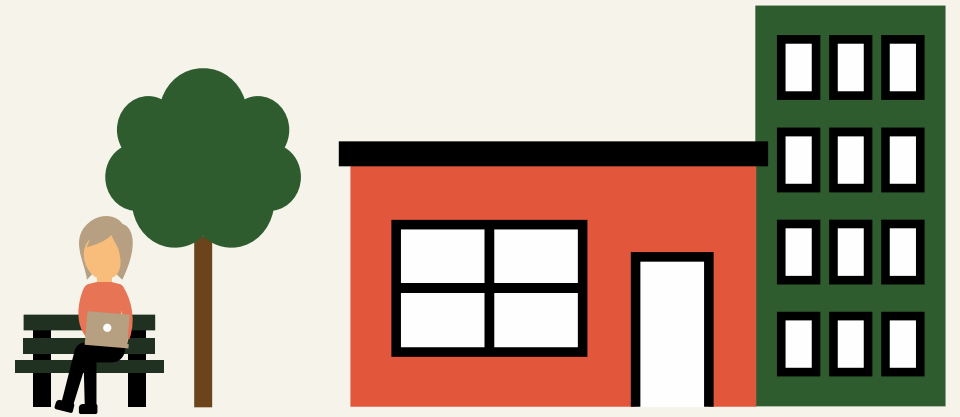


Projects Approved for Funding

- For-Profit and Nonprofit Fitness Centers
- For-Profit and Nonprofit Daycare Facilities
- Dental Offices
- Mental Health Facilities
- Co-working Space
- Rural broadband provider
- Pharmacy

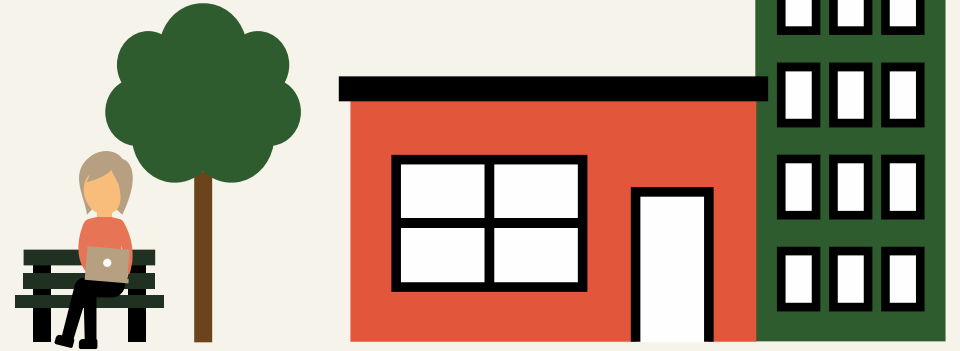


What We Learned



- Process is a little ambiguous (health equity/community vibrancy—what does that mean?)
- Need more avenues for partners to access the program
- Nonprofits often are engaged in this work but do not have access to loan funds
- KCIF offers a potential doorway for community foundations to engage in building sustainable loan programs at the local level

Changes & Actions



- Tighten the project definition: Access to care, education attainment, healthy behaviors, civic and community engagement (KHF Impact Areas)
- Two step process for direct applications: 1. Eligibility then 2. Application
- Through our partner network, direct applications are available for both nonprofit and for-profit businesses
- Now working with Community Foundations: Signed a management agreement with Hutchinson Community Foundation

Kansas Community Investment Fund

Direct Applications*

- Today is the soft launch of direct applications!
- KCIF is exactly like E-Community and StartUp Kansas loans in that it can be 150% of the match (bank loan, etc.) with one sizeable difference
- Up to \$250,000 loan
- There are a limited amount of funds available for grant funds for approved deals
 - Based upon an impact score
 - After eligibility has been determined



Accessing KCIF/Questions on Projects

- Contact Imagene Harris, Thomas Papadatos, or Steve Radley
- iharris@networkkansas.com
- tpapadatos@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

