

## Invest Louisville Frequently Asked Questions for Prospective Investees

### What is Invest Louisville?

Invest Louisville is a local impact investing pool providing for-profit corporate entities and nonprofit organizations with equitable and impactful investments to create both social and economic good for Louisville and a financial return. The flexible capital provided through Invest Louisville is designed to fill gaps for community partners that other more regulated financial institutions cannot. Invest Louisville's four priorities include:

- Accelerating equitable access to capital
- Addressing Louisville's critical need for affordable and accessible housing
- Growing local businesses so they can employ more Louisvillians
- Transforming abandoned and underused real estate and land assets into community-serving facilities and properties

### What is local impact investing and how is it different from traditional grantmaking?

Invest Louisville is a local impact investment opportunity from the Community Foundation of Louisville. It is designed to move money and resources into parts of our city that have experienced decades of disinvestment – particularly through investments in affordable and accessible housing, entrepreneurship, and land development. Whereas traditional grantmaking is used for a variety of purposes that also create social impact, including operating support and programming at local nonprofits, there is no expectation placed on the grantee to repay a grant. In contrast, impact investing strategically places repayable investments into entities and projects that will create measurable community benefit and financial return. Instead of grants, Invest Louisville will utilize a variety of financial tools such as loans, debt guarantees, lines of credit, and direct equity investments.

### Who is eligible for Invest Louisville capital?

Eligible entities include legally registered 501c3 nonprofit organizations and for-profit corporate entities. Individuals are not eligible for investment through Invest Louisville. Potential investees should be willing and able to repay debt capital extended through Invest Louisville.

Proposed investment opportunities should be able to demonstrate potential social impact in the Greater Louisville area. We define the Greater Louisville area as including Bullitt, Henry, Jefferson, Meade, Nelson, Oldham, and Shelby Counties in Kentucky and Clark, Floyd, Harrison, and Washington Counties in Indiana. Priority will be given to investments impacting Jefferson County, Kentucky.

Proposed investment opportunities should align with the four priorities of Invest Louisville described above.

## What type of capital is available through Invest Louisville?

At this time, Invest Louisville offers loans, lines of credit, and debt guarantees. Our preferred investment amount ranges from \$500,000 to \$2,000,000, with maturity periods up to 7 years, and varying in interest rate and repayment structure. Investments may be used to acquire property, support predevelopment and construction costs, provide working capital, relend capital for aligned purposes, and more. Opportunities outside these parameters may be considered on a case-by-case basis. Community Foundation staff will work with each investee to determine the appropriate investment structure.

## What can I expect from your process?

If you have an investment opportunity to share with Community Foundation staff, please use this [online form](#) to share project details with us. After you submit the form, we will contact you to gather more information and learn about your project.

We evaluate opportunities based on several criteria, including alignment with Invest Louisville priorities, strength of the social impact, and project financial viability. All investment opportunities require detailed underwriting and approval by our Invest Louisville Committee. In general, our underwriting process takes approximately 5-6 months to complete; however, projects with complicated aspects may require additional underwriting time.

There will be times when we determine an investment opportunity is not right for Invest Louisville or when we are required to make difficult decisions about what to invest in based on capital demand and funds available. In those cases, we intend to seek other ways to be supportive, including connecting you to other lenders who may be a good fit for your project.

## What information will I be asked to provide?

The specific information required for underwriting can vary from project to project. In general, we will request information to understand the amount and type of Invest Louisville capital being requested, the intended use of capital, the intended social impact, terms and repayment source, expertise of your team, and financial documents. Investees proposing real estate deals should also be prepared to provide the project sources and uses, operating pro forma, site control information, and development schedule. Investees proposing an investment in an intermediary lender will need to provide a lending plan. Additional documents and information will be requested on a project-by-project basis to understand the nuances associated with each investment opportunity.

## How do I get in contact to learn more or apply?

Whether you are investment-ready, in the early stages of planning, or simply looking for more information, our staff would like to hear from you. To tell us about a project you're working on, fill out this [form](#) and someone on our team will follow up to discuss.