COMMUNITY IMPACT through PROGRAM RELATED INVESTMENTS

SAINT PAUL & MINNESOTA FOUNDATIONS
THE POWER OF PROGRAM RELATED INVESTMENTS

Over the years, the Foundations have financed Program Related Investments (PRIs), to provide flexible, low-cost capital to charitable organizations as a way to leverage philanthropic dollars. The Foundations use PRIs to stretch their financial resources and enhance philanthropic impact.

RENEWABLE FUNDING SOURCE

Because PRIs are loans, the dollars are recycled back into the community as they are repaid. The Foundations partner with nonprofit intermediaries to invest in areas like job growth and affordable housing. As business expansion loans from PRIs are repaid, those funds can be loaned to new businesses. As homeowners purchase homes acquired with PRI dollars, those funds can be used to purchase new properties.

CAPITAL & SOCIAL RETURNS

PRIs create both capital and social returns. PRI loans support the mission of an organization and are structured to return the initial investment, along with a modest financial return.

SUCCESS: GROWING XLFEET.COM

Adrian Coulter has large feet. He wears size 16 EEE and has struggled throughout his life to find stylish, comfortable shoes that fit. Like many entrepreneurs, Adrian saw a gap in the market and started a business to fill it. He opened XLFeet.com, which he started in a room in his house in 2009.

Though the need was clear, Adrian, like many entrepreneurs of color, struggled to stabilize the business due to a lack of adequate funding. Additionally, a failed real estate investment took a toll on his credit and further limited his access to capital.

In 2016, Adrian connected with Metropolitan Economic Development Association (Meda), which provides loans and technical assistance to business owners of color. Through Meda, Adrian secured a $90,000 loan. This loan helped XLFeet.com stabilize and expand its business. Today, it is one of the most successful large-size shoe carriers, has 3 employees and generates $1.5 million in annual revenue.
PRI Portfolio
Results through 2018

METROPOLITAN ECONOMIC DEVELOPMENT ASSOCIATION (Meda)
PRI loan amount: $1,063,000 Loan period: 2014–2024
Meda provides loans and technical assistance to business owners of color as they expand operations and create new, living-wage jobs in the East Metro. To date, all business loans made through the initial PRI investment have been repaid to Meda. Those dollars are now cycling back into the community as new loans. Jobs created by businesses that have received PRI-funded loans pay from $11.50 to $58 per hour, with an average rate of $20.13 per hour.

NEIGHBORHOOD DEVELOPMENT CENTER (NDC)
PRI loan amount: $1,063,000 Loan period: 2014–2024
NDC stabilizes neighborhoods by providing loans and technical assistance to help businesses grow, often including the purchase of the building in which the business operates. Wages at businesses receiving PRI-funded loans range from $7 to $50 per hour. Keeping existing businesses within their communities supports the local economy and workforce.

MODEL CITIES BROWNSTONE
PRI loan amount: $2,500,000 Loan period: 2015–2025
Model Cities is a 35-unit, mixed-use development located at the Victoria Station light rail stop in Saint Paul. Once traditional support for affordable housing was secured, Model Cities received PRI support for commercial development on the building’s street level. Three of the five ground floor commercial spaces are currently leased by entrepreneurs of color.

TWIN CITIES HABITAT FOR HUMANITY
PRI loan amount: $1,000,000 Loan period: 2017–2027
Twin Cities Habitat for Humanity is leveraging PRIs to address a critical need for affordable housing in the East Metro. Thanks to PRIs and other creative financing partnerships, Habitat plans to double affordable home ownership through their program over the next five years. With PRI funding, Habitat can be nimble in purchasing, building and rehabilitating affordable properties. The loan dollars return to Habitat as homebuyers secure mortgages to purchase their homes.

COMMONBOND COMMUNITIES
PRI loan amount: $1,000,000 Loan period: 2017–2027
Preserving existing affordable rental housing is another way to create accessible housing opportunities. CommonBond Communities has raised more than $4.2 million for its CommonBond Housing Opportunity Fund to support the acquisition of naturally occurring affordable housing. To date, the fund has invested in three properties and preserved 285 units of affordable housing properties. In 2019, with PRI dollars from the Foundations, CommonBond will purchase a property that will preserve an additional 136 units of low-income rental housing.

ECONOMIC OPPORTUNITY
PRIs support economic vitality through business growth and job creation. With these funds, original loans are repaid, dollars are recycled back into the community through new loans.

COMMUNITY VITALITY

HOUSING

NEW JOBS created, with 70% held by people of color

TWO FAMILIES purchased homes secured with PRI funds

UNITS of affordable rental housing preserved

HOMEOWNERSHIP OPPORTUNITIES secured

ECONOMIC VITALITY

PRIs support economic vitality through business growth and job creation. With these funds, original loans are repaid, dollars are recycled back into the community through new loans.

AFFORDABLE HOUSING
PRIs support improved access to affordable, quality housing for low-income families and individuals.
SAINT PAUL & MINNESOTA FOUNDATIONS

We believe in the best of Minnesota and the power of its communities.

With roots in Saint Paul and partners across the state, we are Minnesota's largest community foundation and the partner of choice for thousands of donors, nonprofits and community organizations. We inspire generosity to make Minnesota better for all who call it home.