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Kresge, Rockefeller Partner to Support New U.S. Community Development Initiatives Through Open Call.

The Kresge Foundation and The Rockefeller Foundation today announced a request for letters of inquiry (LOIs) for fund managers establishing new Opportunity Funds.

Through the federal Investing in Opportunity Act (IIOA) – part of the Tax Cuts and Jobs Act of 2017 – investors can receive capital gains relief by investing in newly designated “Opportunity Zones” in the United States. States and territories have identified up to a quarter of low-income census tracts as investible zones with the aim of attracting investment to those distressed communities.

Unlike other tax incentives designed to incentivize investment in low-income communities, the IIOA currently does not include a provision for long-term impact reporting – an element both foundations see as necessary and important. The foundations, therefore, seek partnerships with mission-aligned fund managers who intend to make investments that will benefit the lives and communities of people with low incomes, will deliver promised returns to investors and will evaluate the impact of investments over time.

“In the early days of any new market there is an opportunity to define what products will come forward and who they will benefit. Philanthropy is in a unique position to define this new market for the Opportunity Zone tax incentive as one that not only delivers returns to investors but also creates, and does not extract, value from low-income communities,” said Rip Rapson, CEO and president of The Kresge Foundation. “Philanthropy can help catalyze the kinds of investments that will truly be a benefit to communities.”

“Our work to help develop the field of impact investing started modestly, but more than a decade later, billions of dollars have been invested in opportunities that deliver returns for investors while making a significant difference in communities around the world,” said Dr. Rajiv J. Shah, president of The Rockefeller Foundation. “More than ever before, investors are looking to put their resources where their values are. Opportunity Zones makes this connection most directly. We look forward to seeing ideas that put our foundation’s history and resources to work for investors and communities focused on creating opportunity together.”

This is a call for LOIs only; the foundations have made no formal financial commitment at this time. The LOI period opens today and **closes at 5 p.m. PST on July 16.**

The foundations will evaluate submissions based on the following criteria:

1. Investments designed to benefit low-income people and communities.
2. Investment proposals that align with the Foundations’ respective areas of programmatic interest.
3. Fund-manager experience and readiness. Prospective partners should include experienced fund managers who propose investment strategies that align with the foundations’ programmatic goals, work in or have experience with target key cities and incorporate measurement, evaluation and equity into their work.

Upon review of the submissions, some may be selected for further exploration. The foundations are prepared to commit grants and unfunded guarantees of up to \$25 million to support this program. Unfunded guarantees are a form of impact investment in which the foundations take responsibility for a portion of future losses if an investment fails.

The full request for LOIs can be found [here](#), and a qualification questionnaire can be found [here](#).

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