

A man and a woman are standing on a construction site, both wearing white hard hats with a purple logo and holding orange-handled shovels. The man is wearing a grey blazer and sunglasses, while the woman is wearing a black top and a red patterned skirt. They are smiling at the camera. In the background, there is a modern building with large glass windows and a parking lot with several cars. A yellow excavator is visible on the right side of the frame.

Advancing Foundation Mission Through Impact Investing

PSW Community & Health Foundation Convening
February 26, 2026



Victoria Faust, PhD, MPA

Senior Learning and Evaluation Officer The Colorado Health Foundation

Victoria leads the Impact Measurement and Management (IMM) approach for the Foundation's Impact Investing portfolio and leads learning and evaluation for the Economic Opportunity and Affordable Housing portfolios. Her current areas of interest include ownership investing and shared equity models and she is focused on cross-functional collaboration for advancing strategy development and implementation, creating learning for decision making, and monitoring and analyzing impact.



Workshop Objectives

- **Understand what impact investing is (and is not) in a foundation context**
- **See how impact investing fits alongside grants, endowments**
- **Clarify key stakeholders in impact investing efforts**
- **Explore how impact investing can support mission**
- **Identify potential next steps for action**

Workshop Agenda

- **Core concepts in impact investing**
- **Who is involved in impact investing**
- **Case example**
- **Connecting capital to mission**
- **Wrap up**

Core Concepts



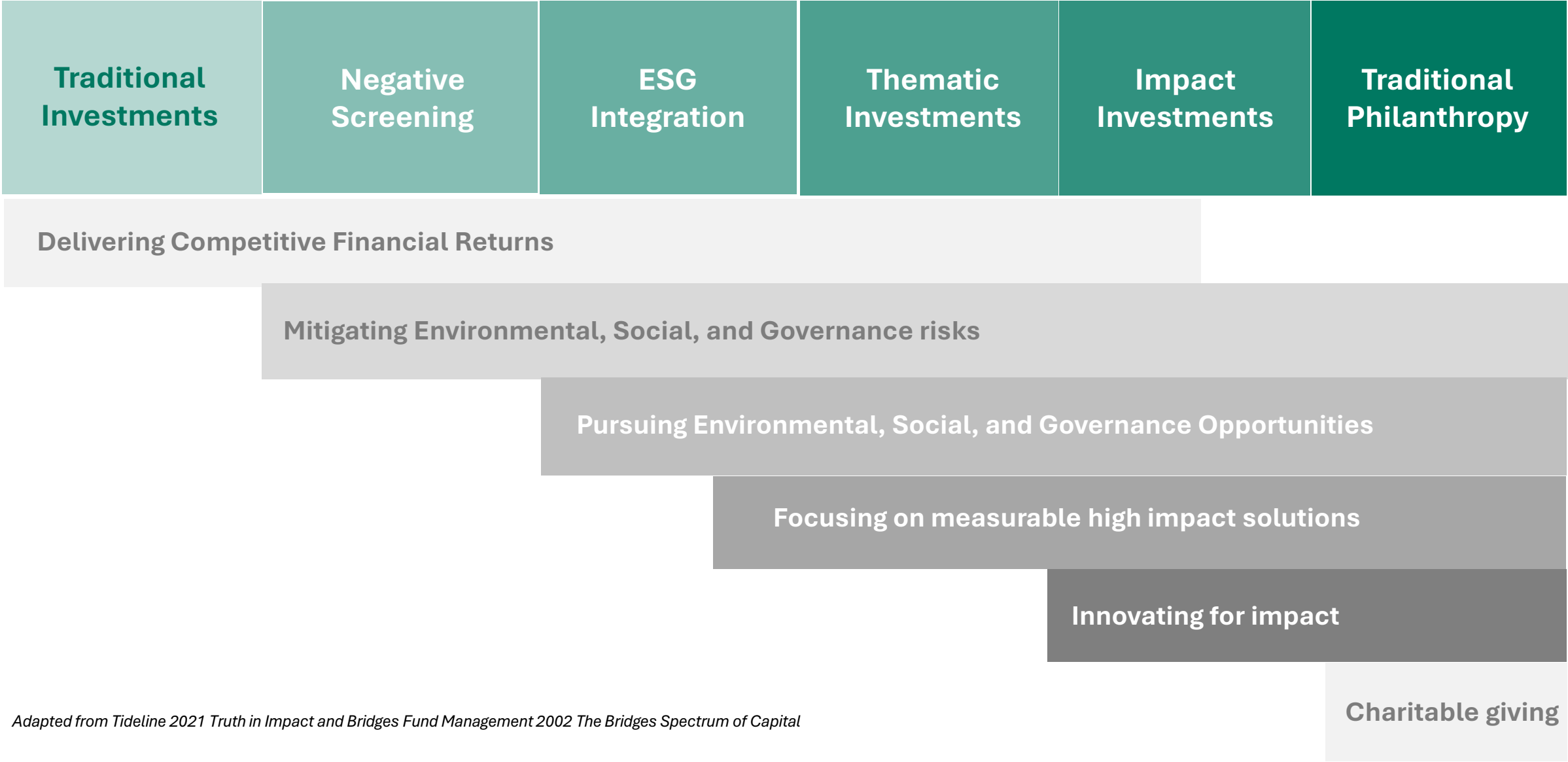
Montbello Organizing Committee created over 550 jobs for local residents by hiring community members to design and build affordable housing and grocery store.



Impact Investment

Global Impact Investing Network

Impact investments are investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return.



Adapted from Tideline 2021 Truth in Impact and Bridges Fund Management 2002 The Bridges Spectrum of Capital

**Negative
Screening**

**ESG
Integration**

**Thematic
Investments**

Delivering Competitive Financial Returns

Mitigating Environmental, Social, and Governance risks

Pursuing Environmental, Social, and Governance Opportunities

Focusing on measurable high impact solutions

**Thematic
Investments**

**Impact
Investments**

**Traditional
Philanthropy**

Delivering Competitive Financial Returns

Mitigating Environmental, Social, and Governance risks

Pursuing Environmental, Social, and Governance Opportunities

Focusing on measurable high impact solutions

Innovating for impact

Foundation Specific Terminology for Using Impact Investing Tools



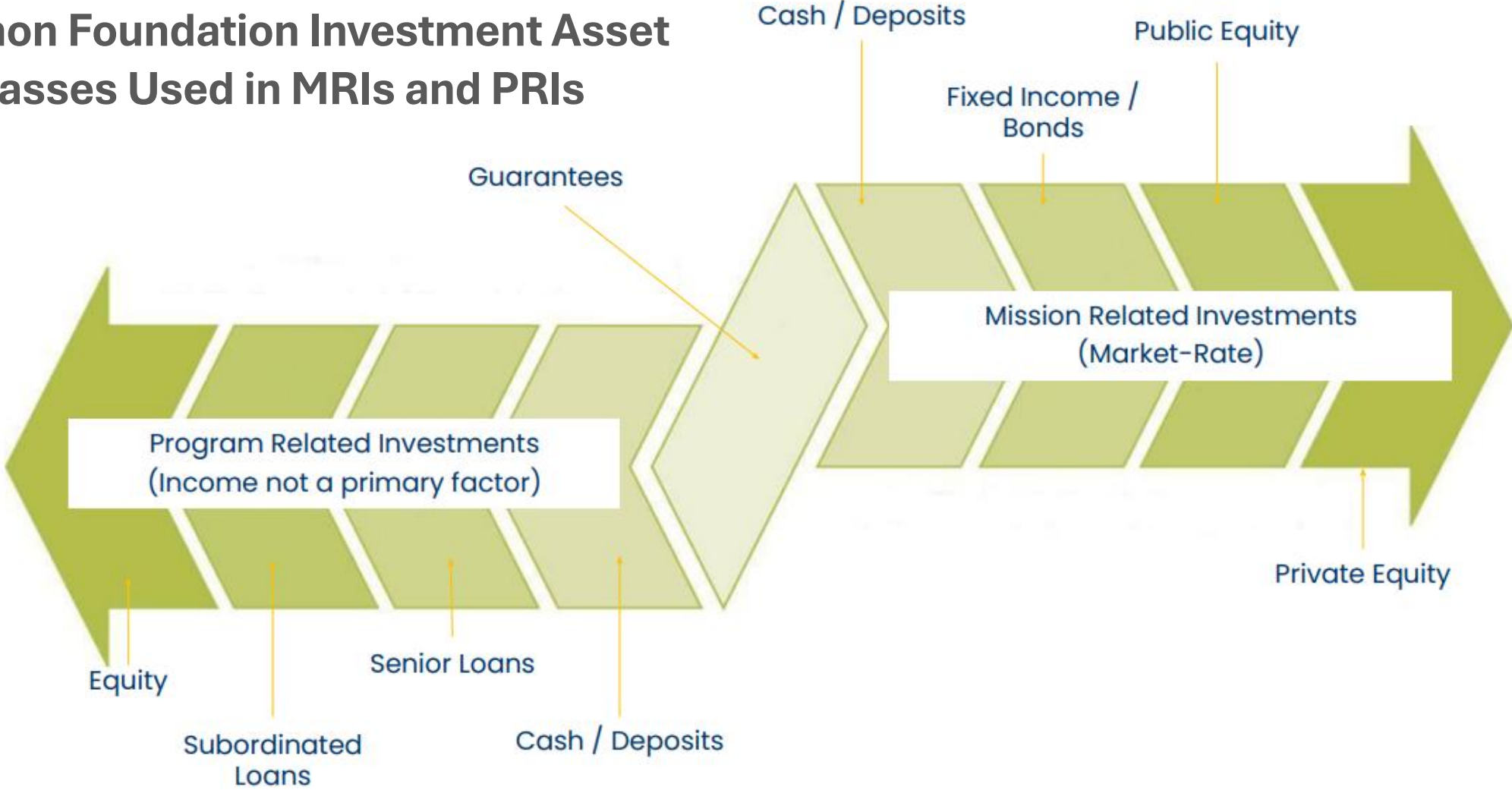
Mission-Related Investments (MRI)

Not formally defined by the IRS, an investment typically made from a foundation's endowment or other income source that is not regulated by 5% mandated private foundation distribution. Regulated by the most current laws of fiduciary prudence.

Program-Related Investments (PRI)

As defined by the IRS, an investment made with the primary purpose of advancing a foundation's programmatic impact and not generation of income. Can count towards the 5% mandated private foundation distribution.

Common Foundation Investment Asset Classes Used in MRIs and PRIs



Source: Mission Investors Exchange 2025 Defining Impact Investing 101 for Foundations retrieved at <https://missioninvestors.org/sites/default/files/resources/Defining%20Impact%20Investing%20101%20for%20Foundations.pptx.pdf>

Examples of MRIs and PRIs



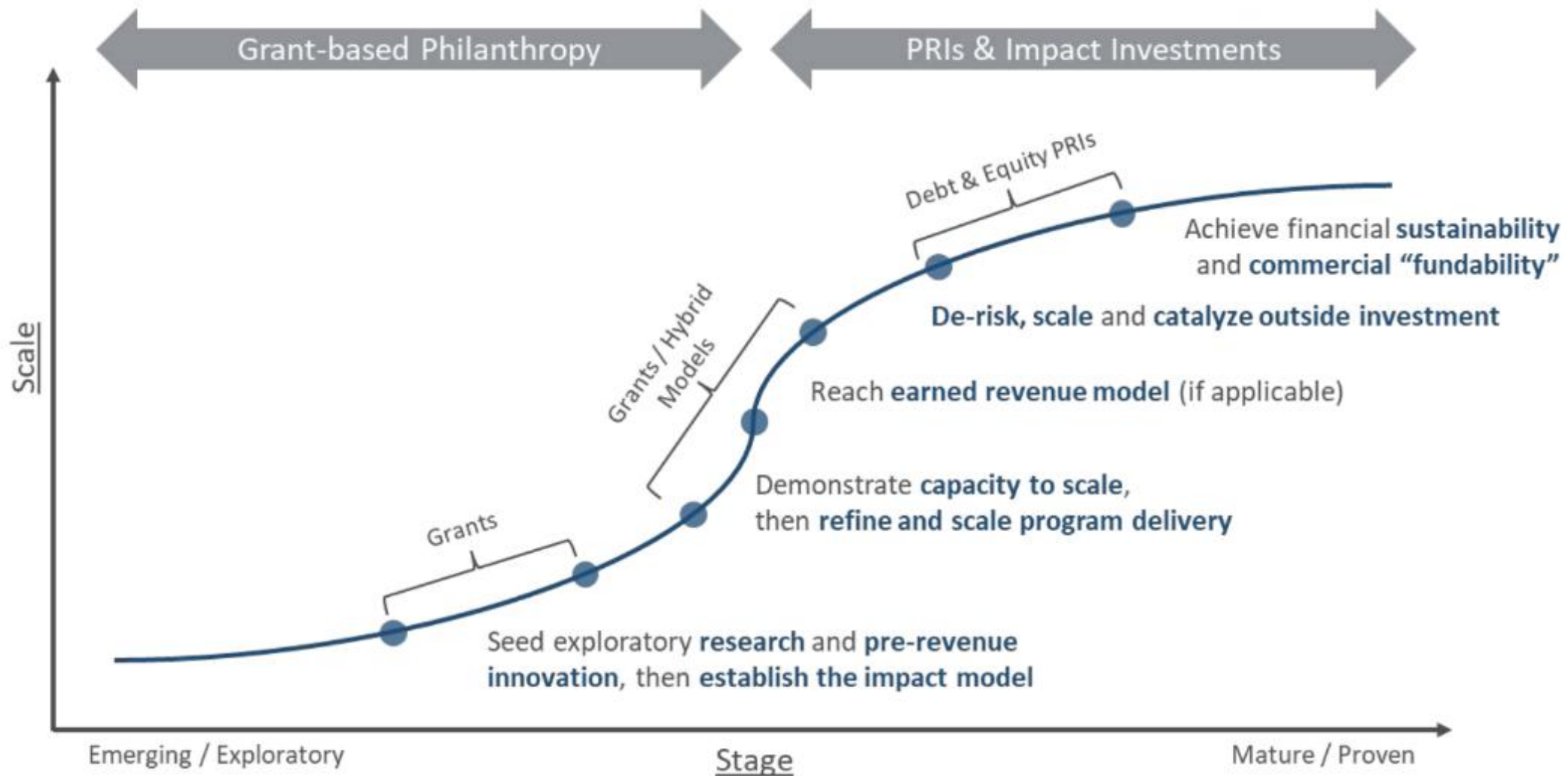
Mission-Related Investments (MRI)

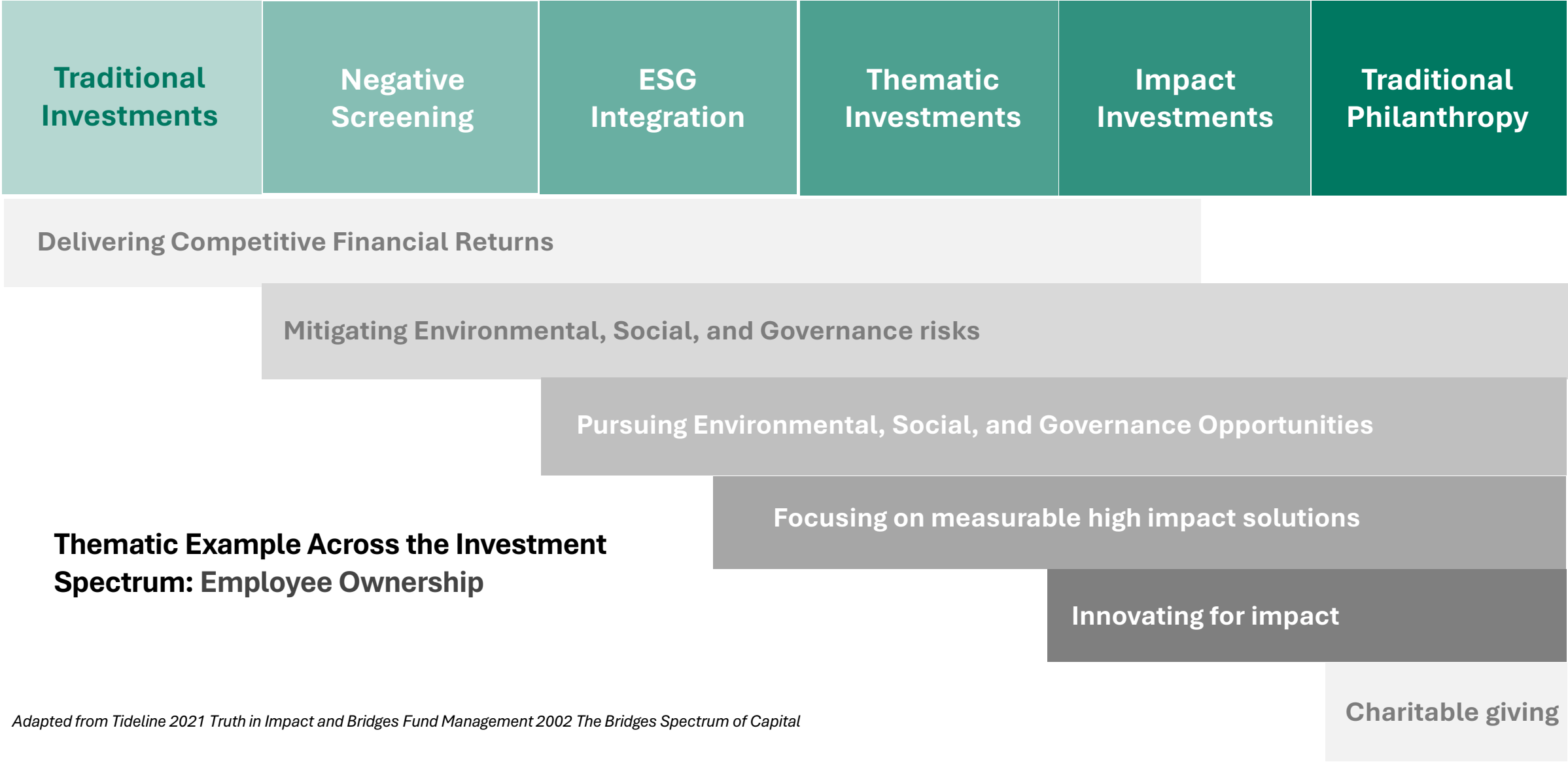
- **Limited partner placement in market rate, private equity fund aligned with foundation's mission or thematic program area**
- **Market-rate debt to developer for real estate development in partner communities**

Program-Related Investments (PRI)

- **Direct low-interest long term loan into high-risk nonprofit housing project in partner communities**
- **Indirect low-interest loan for community-governed small business development fund**

PRIs generally take the place of grants when ideas and organizations start to mature and require the capital to scale and reach a stage of financial sustainability





Adapted from Tideline 2021 Truth in Impact and Bridges Fund Management 2002 The Bridges Spectrum of Capital

Pair and Share

- Across these terms and tools, where do you feel most competent?
- Where might you have the opportunity to learn or explore more?
- Who specifically might be a partner in your learning and exploration?



What about impact investing at foundations most intrigues you?

Khanh Nguyen, Senior Officer of Impact Investing at CHF, presenting at the IMM Convening in Denver, September 2025.



What does using impact investing tools at foundations make possible?

Joohee Rand (GIIN) and Charles Coustan (MacArthur Foundation) at the IMM Convening. Learn more at thegiin.org and macfound.org.



Why use impact investing tools in foundations at this social and economic time?

Panelists (L-R): Dr. Ben, Victoria Faust, Huilan Krenn, Susie Lee, and Melanie Audette — representing CHF, W.K. Kellogg Foundation, and Mission Investors Exchange.



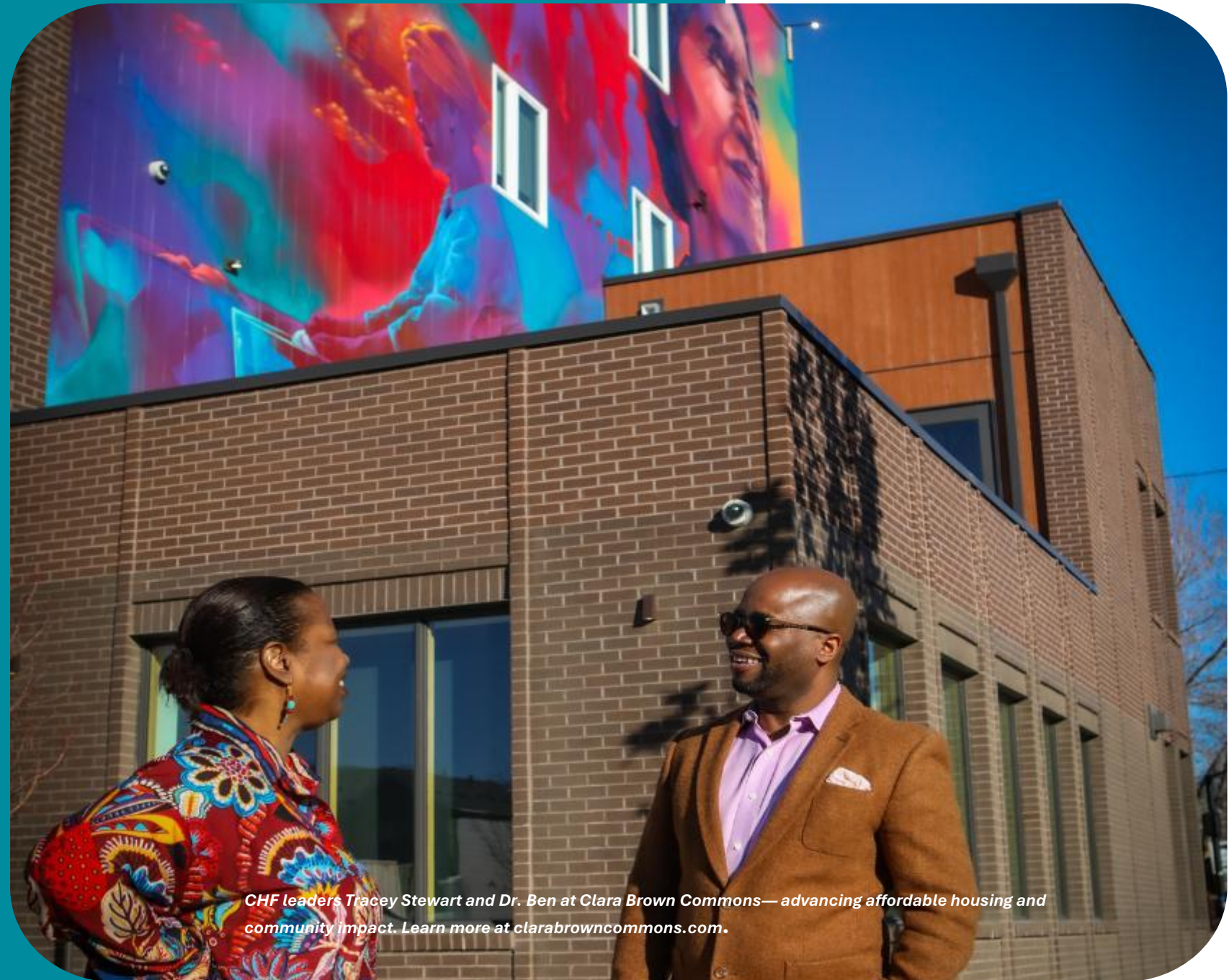
Reflections

- **Scale**
- **Time Horizon**
- **Integrated Capital**
- **Capital Deployment and Innovation**
- **Market and Systems Change**
- **Wealth Building**



Cleo Parker Robinson, Founder & Artistic Director (Center) Malik Robinson, President / CEO (left), Dr. Ben Bynum, CHF (right).

Who is Involved in Impact Investing?



CHF leaders Tracey Stewart and Dr. Ben at Clara Brown Commons— advancing affordable housing and community impact. Learn more at clarabrowncommons.com.



Delivering Competitive Financial Returns

Mitigating Environmental, Social, and Governance risks

Pursuing Environmental, Social, and Governance Opportunities

Focusing on measurable high impact solutions

Innovating for impact

Charitable giving

- **Grantmaking/Programmatic Teams**
- **Impact Investment Committees**
- **Endowment Investment Teams**
- **Foundation Boards**
- **Investees**
- **External Impact Investing Fund Managers**
- **Others**

Adapted from Tideline 2021 Truth in Impact and Bridges Fund Management 2002 The Bridges Spectrum of Capital

Grantmaking and Programming Teams

Grantmaking and programming teams care deeply about the actual impact of their grantees. Their relationships with grantees are a high priority. They allocate grant dollars in alignment with thematic strategies and the Foundation's mission. They are responsible for budget decisions, including determining budgets for strategies and grants. In private foundations, in particular, grantmaking teams may collaboratively establish the budgets for PRIs. If so, they may need to be more deeply engaged in deal sourcing, development, structure, and monitoring.

These teams also set strategy and decide on specific targets and metrics for their programs. A key part of their work is conducting due diligence to select and vet grantees. When integrated with impact investing, they can help strategically direct PRI/MRI capital and support capacity and readiness of potential investees.

Impact Investment Committees

Impact investment committees are primarily involved in deal-level decisions. The purpose of the committee may focus more on their role as a sounding board and thought partner, as an accountability mechanism to investment policies, or both. The composition of impact investment teams and their roles vary depending on the organization and the tenure of the impact investing work. They may include a committee of internal staff, a Board level committee, or an external advisory committee or team.

They are responsible for understanding how different frameworks and tools apply at different stages of the investment lifecycle and what metrics are appropriate to use for decision-making. They often function as bridges and translators between programming teams and investment teams to help align capital to mission.

Endowment Investment Teams

Endowment teams manage the overall portfolio and handle implementing endowment investment policies. They, alongside legal and financial compliance partners, ensure the investment portfolio is financially healthy and can sustain the foundation's operations. They may consist of internal staff, Board members, and/or external paid organizations.

They can partner with the impact investment staff or team on exploring opportunities for, implementing, or monitoring overlapping financial return with impact. To do so, they may need information on how screening, ESG integration, and thematic investment operate in the context of fiduciary duties, or to establish new investment policies or processes that support impact alignment.

Foundation Boards

Foundation boards care about overall performance, both financial and impact-related, of their investments and the team responsible for them. They are concerned with mission accountability, original donor intent, and how the foundation's work contributes to its goals. Their primary responsibilities are governance and oversight, with a strong focus on risk management. They are responsible for directional leadership and making high-level decisions regarding the Foundation's strategy.

With respect to impact investing, boards require information at a portfolio level to know how effective and efficient the Foundation is in meeting its mission, both with respect to impact and return. They also may need to understand some specific investment deals for risk management or impact alignment. Field influence and catalytic impact is also important to boards.

Investees

Investees are deeply committed to having an impact. They make decisions about how to innovate, prove their models, and scale their work. They are focused on flexibility of capital so they can "do their thing" and scale their work. A key concern is being prepared to attract and manage institutional capital.

Investees are responsible for making daily operational and strategic decisions that drive their impact. In the context of using MRIs/PRIs for integrated capital models or innovation, investees often need clarity on how to get "ready" for institutional capital. They also decide how to use the capital they receive to achieve their mission. Therefore, they also care about receiving support beyond just an investment, such as communications support, technical assistance, and introductions to other investors.

External Impact Investing Fund Managers

External Impact Investing Fund Managers are diverse, ranging from dedicated "impact investors" to traditional for-profit investors. They decide which companies and funds to invest in, with a focus on both financial and impact potential. They care about producing measurable impact that is tied to their investment strategy. To raise capital from mission-focused asset owners, they focus on accountability, proving their impact, and showing performance and integrity.

Foundations often have bespoke approaches to how they think about impact. Private investors need standardized, harmonized methodologies for accountability and scale. This difference in approach can be a significant barrier to communication and collaboration that can generate coordinated capital investments. Impact investing teams, in collaboration with learning and evaluation or impact measurement and management partners, can work to bridge this barrier.

Pair and Share

- Which stakeholders are most important in your context?
- What do they care about?
- Can you help bridge between your organization's impact goals, impact investing, and any of these stakeholders?

Impact Investing Program Case Example





The Evolution of Impact Investing at The Colorado Health Foundation

1780 The Colorado
Health Foundation



Strategy Evolution & Integration

Impact Investing as an Integrated Strategy

- Impact investing at CHF has evolved **from a parallel effort into a fully integrated approach**
- Early impact investing operated alongside grantmaking rather than being fully integrated
- Since 2017, the strategy has been intentionally redesigned
- Today, impact investing is fully integrated with grantmaking, policy advocacy, and community engagement
- Impact investing is more than a financial tool—it is a powerful, additive strategy



Since 2017, CHF's impact investing program has invested \$133 million directly into communities living on low incomes across Colorado and leveraged an additional \$735 million for the communities we exist to serve.

Dr. Ben Bynum presents at a Mission Investors Exchange (MIE) convening hosted in Denver. Dr. Ben currently serves on the Board of Directors for MIE. Learn more at missioninvestors.org.





Chapter 1

From Experiment to Alignment (2017–21)

- 2017 marked a turning point in CHF's impact investing strategy
- Early impact investing explored how capital could extend CHF's mission beyond grants
- The strategy evolved from **experimentation to intentional alignment**
- Impact investing became more clearly anchored in health equity and community priorities



Co-located with affordable housing, Tepeyac Community Health Center doubled its patient capacity to 11,000 by expanding its integrated care model in a new 26,000 square-foot facility



Dr. Ben, CHF; Roman Hollowell, Executive Director of Kids 4 Real, Inc; Monique Johnson, Senior Program Officer, CHF.

What Changed? Strategy, Focus, and Approach

- CHF intentionally linked programmatic grantmaking with innovative financial tools
- The portfolio shifted from for-profit investments to include nonprofits and community-based organizations
- Impact investing moved from isolated transactions to a cohesive, statewide strategy
- Capital became more flexible, catalytic, and aligned with advancing health equity

This shift strengthened CHF's ability to address systems shaping health and opportunity across Colorado.

CHF's Investment Policy Statement (IPS)

- The IPS anchors impact investing in purpose, clarity, and accountability.
- It defines how capital is deployed to advance health equity
- It aligns impact investing with CHF's mission and values
- It ensures investments are purpose-driven, not market-led
- The IPS embeds impact investing into CHF's culture, systems, and decision-making



Kids 4 Real Inc. (K4R), founded and led by a BIPOC entrepreneur, received growth capital through CHF's partnership with the Local Initiatives Support Corporation (LISC).

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Loans



Unfunded Loan Guarantees



Recoverable Grants

These tools are designed as programmatic instruments—to be flexible, community-driven, and equity-focused.

Impact investments are required to meet the same standards of impact as grants.

ASSETS SIZE	\$769MM in assets	\$9.1 Billion in assets	\$3.6 Billion in assets	\$3.6 Billion in assets	\$2.4 Billion in assets
IMPACT INVESTING ALLOCATION	\$3 to \$4MM or 12% of grant allocation annually	\$100MM of endowment to MRIs and opportunistic PRI investments (\$30MM to \$40MM)	\$100MM or 3% of endowment	\$350MM or 10% of its endowment by 2020	Board of Directors determines Foundation's annual cash spend amount
ORGANIZATION TYPE	For-profit companies	For-profit and nonprofit	Nonprofit	Primarily nonprofits, some for-profits	Primarily nonprofit at 90%; ~10% for-profit
PRI OR MRI	PRIs	Both	PRIs	Both	Both
INVESTMENT TYPE	Primarily low-interest, unsecured loans, open to other types	Variety of tools	Low-interest loans	Loans, deposits, equity, and guarantees	Primarily low-interest secured loans; open to other types
DIRECT/ INDIRECT INVESTMENT	Primarily direct investments	Primarily intermediaries or fund	Primarily intermediaries or fund	Primarily intermediaries or fund	Both direct investments and intermediaries or fund investments
MIN/MAX FUNDING	\$500K to \$1.5MM	TBD	Typically \$1MM to \$5MM with capacity to go higher	\$250K to \$10MM	Target up to \$5MM, and higher amounts on a case-by-case basis
TIME HORIZON	5 to 10 years	TBD	Typically 10 years	Typically 5 to 7 years, can be much longer	Target: 3 to 5 years, with a min. of 6 months, max. of 10 years
RETURN EXPECTATIONS	3% to 7% with a 5-year balloon payment and 20% warrant coverage	PRIs: 0% to 3% (for nonprofit and for-profit); MRIs: 4% to 6%	1% to 3%	Nonprofits: 1% to 2% For-profits: 3% to 4%	Metric is to recycle 100% of original investment
RISK MANAGEMENT	Only invests if there is a traditional VC investor at the table	Increased risk appetite over time	Risk rates investments on a five-point scale	Risk rates all investments	Invest with collateralized or secured structure (if possible)
TEAM SIZE	3 members	2 members	2 members	5 members	1 member

Senior Director, Impact Investing

(Reports to Chief Impact Officer)

Partnership Development

- Program Officers in community
- Portfolio Directors for budget guidance
- Market study consultants
- Co-investors including foundations

Impact Investing Workgroup

- Day-to-day management of the program
- Partnership approvals
- Guide and evaluate program with CEO and Board

Underwriting Consultants

- Lead due diligence process
- Inform strategic direction of the program
- Offer best practices and learnings

Legal

- Term sheets
- Closing documents
- General legal Expertise

Comms

- Strategic Communications: Tiered framework
- Internal: Presentations, Investment Policy Statement (IPS) production
- External: Case studies, partnership announcements, social media, press releases, website, presentations, articles, etc.

Grant Ops

- Assists in documenting all new investments and amendments
- Active role in on-going portfolio management
- Critical thought partner for overall program

Finance

- Assists in documenting all new investments and all amendments involving financial adjustments
- Critical role in on-going portfolio management
- Key execution partner for MRIs

Learning & Evaluation

- Serves as thought partner on aligning the impact investing effort to core philanthropy work
- Planning for deeper portfolio level evaluation in the future

Directives That Drive the Work

CHF's impact investing is guided by four directives that ensure capital is purposeful and prioritized equitably.



Scale Impact

Strengthen the capacity and financial resilience of mission-driven organizations to expand proven solutions and reach more Coloradans.



Foster Innovation

Use flexible, patient and risk-tolerant capital to create space for experimentation, learning and adaptation.



Address Inequities

Direct resources toward communities most affected by systemic barriers, shifting power and ownership to those historically excluded from wealth and opportunity.



Mobilize Capital

Allow community partners to attract a diversity of funding sources, access a wider array of financial mechanisms and/or influence the allocation of resources.



Chapter 2

From Alignment to Integration (2021–24)

By 2021, impact investing had become more than a financial tool, it was a shared practice embedded across CHF.

After the development of the investment policy statement (IPS) and launch of the new strategy, integration became the next priority—not just combining financial tools but **building shared purpose and accountability across teams.**



MIE Los Angeles 2024 (L–R seated): Courtney Bolinson, Founder of Head & Heart Evaluation; Jonalyn Denlinger of J Denlinger Consulting; and Dr. Ben L. Bynum of CHF. (L–R standing): Kathleen Doll, Partner + COO of Intention 2 Impact; Victoria Faust of CHF; Nina Sabarre, Founder + CEO of Intention 2 Impact.



When we pair capital creatively—combining loans, unfunded loan guarantees, and grants—we help partners see what’s possible beyond the grantmaking mindset. It is really about changing how communities can shape their own futures.

Examples of Integrated Capital Investments in Affordable Housing

CHF combines **patient capital with community partnership** to move beyond traditional grantmaking approaches.

- Integrated use of loans, unfunded loan guarantees, and grants
- Capital supports affordable, service-enriched housing
- Projects are sustained and led by local leadership
- Wealth stays local and residents gain a stake in their future

Photo and quote of Tracey Stewart, Senior Program Officer for Affordable Housing.



Impact Measurement and Management Approach (IMM)

How CHF Learns, Adapts & Manages Capital for Impact

- Uses the L&E framework to **guide portfolio-wide learning**
- Integrates financial performance and social impact in one system
- Draws on partner feedback, monitoring, and evaluations
- Analyzes portfolio patterns to understand systems change
- Informs investment decisions, portfolio shifts, and strategy



In partnership with Mission Investors Exchange (MIE), the W.K. Kellogg Foundation, and the Rockefeller Foundation, CHF hosted three dozen foundations and impact investors to convene on impact measurement and management (IMM) at its headquarters in Denver's Uptown neighborhood.

Connecting Capital to Mission



Local Initiatives Support Corporation launched a new program to support Black, Indigenous, and people of color (BIPOC) entrepreneurs with equity-like investments that serve as critical growth capital for successful businesses.

Key Questions and Considerations

- What are your foundation's impact investing program objectives?
- What is your foundation's risk tolerance across your different portfolios and stakeholders?
- If applicable, how can the foundation's grant portfolio support current or future impact investments?
- If applicable, how can the foundation's endowment investment policy support current or future impact investments?
- Do you have appropriate staffing, external consulting, and legal support?
- Does your organization have appropriate governing documents and committees in place?
- How will impact and financial results be measured and monitored?

Individual to Group Activity

- Where in your work might flexible, patient capital or innovative, catalytic capital matter more than another grant to advance your mission? What impact investing tools might you use?
- Where is your organization at in its impact investing journey? What individual or institutional next steps might you be able to take to help connect capital to mission?

Thank You!



Leaders from the CHF at the groundbreaking of the Tapestry Project (L-R): Khanh Nguyen, Senior Officer of Impact Investing; Dr. Ben, Senior Director of Impact Investing; Karen McNeil-Miller, President & CEO; and Erika Williams, Senior Officer of Impact Investing. For descriptions of each outcome icon, see pages 25-26.