

Capital Impact Partners and CDC Small Business Finance Align Operations Under One CEO to Transform how Capital Flows into Disinvested Communities and Drive Economic Empowerment

Washington, DC / San Diego, CA, March 30, 2021 - [Capital Impact Partners](#) and [CDC Small Business Finance](#) are uniting operations to launch a [transformative new enterprise](#) and innovate how capital and investments flow into historically disinvested communities to advance economic empowerment and equitable wealth creation.

Leveraging their 80 years of combined efforts engaging with communities and nearly \$3 billion in assets, Capital Impact Partners, one of the nation's leading Community Development Financial Institutions (CDFI), and CDC Small Business Finance, the nation's leading mission-based small business lender are now operating as one under Capital Impact's current [President and Chief Executive Officer Ellis Carr](#).

[Kurt Chilcott](#) will transition from President and CEO of CDC Small Business Finance and continue his support of this vision by serving as Board Chair of both Capital Impact Partners and CDC Small Business Finance.



Addressing Systemic Issues Facing Communities:

Ellis Carr will manage this new enterprise under one [national strategy](#) designed to drive a holistic place-based approach to community and economic development at scale, centered around people and place, to address legacy issues:

- ◆ **Growth of Economic Inequity:** Current financial structures do not provide equitable opportunities and outcomes as the wealth gap continues to grow exponentially, specifically in communities of color.
- ◆ **Lack of Place-Based, Community-Led Solutions:** Trusted organizations that listen to and value community-led solutions, and offer relevant place-based lending and investment products, and services are currently lacking.
- ◆ **Disconnected Supply & Demand of Capital Between Investors and Communities:** Institutional investors and community organizations are currently disconnected from efficiently leveraging the supply and demand of capital investments to drive real and scalable impact.

“Harnessing our shared values, the power of CDC Small Business Finance and Capital Impact Partners coming together is how well each organization’s business and unique skill sets complement the other,” Carr said. “Capital Impact Partners has a long track record of really understanding what’s needed in a community, and CDC Small Business Finance has a sustained and accomplished history of small business support in terms of lending and advising. Together we will be able to transform the system by rethinking how credit is evaluated and how capital flows into disinvested communities across the country.”

The Moment Is Now for Systems Change

The opportunity is enormous. [Research looking at the economic cost of Black inequality](#) indicates that aggregate economic output would have been \$16 trillion higher since 2000 if racial gaps had been closed. If we close gaps today, the equivalent add to the U.S. economy over the next five years could be \$5 trillion of additional GDP.

At the same time, [a report](#) by US SIF: The Forum for Sustainable and Responsible Investment shows that total U.S. assets under management applying various environmental, social, and governance (ESG) criteria grew from \$12 trillion at the start of 2018 to \$17.1 trillion at the start of 2020, an increase of 42 percent. On the demand, the mission-driven financial advisory firm Next Street finds that there is an estimated \$4.5 trillion of investment needed in emerging community and economic development opportunities across housing, education, health care, food, small business, and adjacent sectors.

Pillars of Change

This unusual coming together between leaders in the CDFI and Small Business sectors is driven by the need to shake-up the traditional tools and approaches that have failed to address systemic issues of inequality, economic empowerment, and the widening racial wealth gap.

Several pillars will underscore this strategy:

- 1 **Listen-first approach** to understand the unique needs of a community and then engage investors in the conversation to help support custom solutions to drive positive change;
- 2 **Amplify community-led solutions** through the delivery of diversified community and economic development assets at scale across housing, health care, education, healthy food, and small business;
- 3 **Serve as market innovators** by creating new products and services that fill gaps left by traditional and mainstream financial systems;
- 4 **Collaborate with organizations** that center mission in their approach to drive change;
- 5 **Transform capital markets** by reinventing how capital flows into communities through the aggregation of investments, structuring and raising of capital, and delivering of investment opportunities that generate both financial and social returns that also meet the needs of communities and investors;
- 6 **Advocate for communities** by shaping national, regional, and local policy to address systemic inequities and create opportunities for the alliance to drive impact

“We cannot simply add incrementally to our current systems and expect to address or change the systemic problems communities of color face,” said Chilcott. “Bringing together the broad capacities of CDC Small Business Finance and Capital Impact Partners will allow us to impact communities in tremendous ways. Under Ellis’ leadership, we’ll be able to do things that nobody has ever done before, and really innovate and change the way things are done moving forward, in a way that benefits everyone.”

Combined Strengths and Values Bring Tailored, Unique Opportunities

Capital Impact and CDC Small Business Finance [announced the beginning of their combined efforts](#) in August 2020 with the decision to launch three pilot projects in Los Angeles, Detroit, and the Washington, D.C Metropolitan area. Lessons learned through that ongoing work have informed the broader strategy for aligning as a single team to advance high-touch solutions at scale and ensure that traditional and mainstream financial systems are equitably serving Black, Hispanic, and Indigenous communities.

With strong ties to both large financial institutions and community-based organizations, experience delivering a full suite of products and services, and an established position as advocates in Washington, D.C., the new operating model is uniquely suited to unleash solutions for communities that will break down longtime barriers to success.

“A place-based approach means working hand-in-hand with communities and local organizations to create a servant leadership model to change how capital flows into communities,” said Carr. “It starts with understanding the communities needs and developing financial products with their input. We use that to drive where the capital goes.”

As an example of how their combined strengths can deliver impact in place, the organizations have collectively lent \$1.7 billion in California since 2016 to small business and the health care, housing, and education sectors.

The new strategy will not create a singular, one-size-fits-all model that is replicated across the country, but rather a tailored or “artisanal” approach that brings a focus on place-based solutions that arise from in-depth community consultation. Another differentiator of this new model is an emphasis on being proximate to communities, which is critical for success in understanding the assets embedded in disinvested communities.

“We will create a new model that can be used nationwide,” said Chilcott. “At the same time, it will look different in Los Angeles, or Detroit, or Washington, D.C., because the model will be based on community input. Imagine the transformation that can be achieved with that approach?”

Continued Commitment to Small Business, Commercial Real Estate and Facilities Lending

As this strategy evolves, all current, ongoing work by CDC Small Business and Capital Impact Partners will continue unchanged, including CDC Small Business Finance’s [working capital lending](#) along with its [SBA 504 commercial real estate](#) lending in California, Arizona, and Nevada, as well as [Capital Impact’s lending](#) to Federally Qualified Health Centers, affordable housing developments, charter schools, and healthy food retailers.

The organizations will continue to identify and address specific issues in disinvested communities at the state, county, and local levels. This includes targeted lending products, capacity-building programs, and [investment capital](#) strategically customized to address high-priority local issues.

Unified Leadership Guides New Vision

The unified strategy will be guiding staff and leadership at all levels of the organization.

As of April 1, 2021, Ellis Carr, who has served as Capital Impact Partners' President and Chief Executive Officer since 2016, will transition to serve as CEO of both Capital Impact Partners and CDC Small Business Finance under a new, unified management structure.

Current CDC Small Business Finance CEO Kurt Chilcott, who has led the organization over the past 23 years, will transition to serve as Chairman of each board and will continue working with Ellis Carr as the two organizations move forward on this incredibly unique path.

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Strategy + Impact:

Robert Villarreal

Chief External Affairs Officer

Capital Deployment:

Diane Borradaile

Chief Lending Officer,
Community Development Real Estate Lending

LaKisha Gant

Senior Vice President,
Commercial Real Estate Lending Services

Shelli Hayman

Senior Vice President,
Small Business Lending

Operations, Technology + Risk:

Kim Buttemer

Chief Operations Officer

Critical Functions:

Natalie Gunn

Chief Financial Officer

Brian McEvoy

General Counsel

Kim Dorsett

Chief Human Resources Officer

The Board of Directors of Capital Impact Partners and CDC Small Business Finance will each include:

Kurt Chilcott (Board Chair)

President, CDC Small Business Finance

Rick Benito

Senior Vice President,
National SBA Lending, Bank of America

Alaina C. Beverly

Assistant Vice President,
Urban Affairs, Office of Federal Relations
at the University of Chicago

Erik Caldwell

Chief Sustainability Officer, City of San Diego

Sheryl Cameron

Executive Director, SBA Solutions Group, Chase

Pedro I. Goitia

Partner (Retired), KPMG

Gail Markulin

Director (Retired), Capital Markets,
Federal Home Loan Bank - Office of Finance

Ray Moncreif

Executive Vice President and Chief Executive
Officer, Outdoor Venture Corporation

Tyler Orion

Co-Founder and Officer,
Precision Healthcare Ecosystem

Frank Robinson

Diverse Markets Executive and Community-
Based Programs Manager, MUFG Union Bank

Tom Topuzes

President & CEO,
Thomas Topuzes & Associates, LLC

Dan Varner

Chief Executive Officer,
Goodwill Industries of Greater Detroit

For more information, please visit
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For all press inquiries, please contact
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About CDC Small Business Finance

CDC Small Business Finance is the nation's leading mission-based small business lender, award-winning nonprofit and advocate for entrepreneurs. Over four decades, the organization has provided more than 12,000 small business owners access \$21.3 billion in financing. CDC Small Business Finance's small business and commercial real estate loans have also played a critical role in bolstering economic development, and helping to create and preserve more than 214,000 jobs in California, Arizona and Nevada. For more information, please visit: cdcloans.com.



About Capital Impact Partners

Through capital and commitment, Capital Impact Partners helps people build communities of opportunity that break barriers to success. Through mission-driven financing, social innovation programs, capacity building, and impact investing, we work to champion key issues of equity and social and economic justice. Our commitment to community focuses on ensuring that individuals have access to quality health care and education, healthy foods, affordable housing, cooperative development, and the ability to age with dignity.

A nonprofit Community Development Financial Institution, Capital Impact has disbursed more than \$2.5 billion since 1982. Our leadership in delivering financial and social impact has resulted in Capital Impact being rated by S&P Global and recognized by Aeris for our performance. Headquartered in Arlington, VA, Capital Impact Partners operates nationally, with local offices in Austin, TX, Detroit, MI, New York, NY, and Oakland, CA. Learn more at www.capitalimpact.org.