Impact-first investment by and for the communities of Central Appalachia
Over 6 years of collaboration, Central Appalachian stakeholders built an innovative investment model that responds to our region’s unique needs and opportunities. 2023 was our first full year of operations.

Our model complements and supplements the regional networks and place-based capacity to create lasting impact and drive transformative changes in our region’s economy. Our flexible and collaborative approach to investments helps to reduce systemic barriers for underserved entrepreneurs and organizations, meet communities where they are, and, ultimately, produce equitable outcomes that reach far beyond the impact of individual financial transactions.

Central to our approach is a deep commitment to people and partnerships. We pair a lean staffing structure with existing capacity and infrastructure rooted in the Appalachian region. Our community governance structure ensures our investments are sound and our strategies align with the on-the-ground needs and aspirations of Appalachian communities.

We are grounded in the belief that economic transformation in Appalachia is possible and that it can – and must – be sustainable, inclusive, and durable.

Invest Appalachia uses a spectrum of investment capital types – a “blended capital” model – alongside investment partners to meet communities where they are. We focus on plugging capital gaps, providing flexible and customized combinations of investment that help investment-worthy deals become investment-ready. This community-first investment approach helps to drive equitable outcomes and systemic change for our region’s economy.

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Check out the Downtown Playbook’s Glossary of Terms for any unfamiliar language in this report.
2023 Impact At A Glance

Invest Appalachia (IA) levels the playing field for residents and communities experiencing systemic barriers to prosperity.

2023 was IA’s first full year of operations. Many of our IA-supported projects have only started to break ground and project results over the next three years. However, IA is excited to already witness the impact of helping investment worthy projects become investment ready.

Through the Catalytic Capital Fund, IA offers flexible, grant-like capital that plugs common gaps between community development grantmaking, federal funding, and community lending. These investments reduce risk for promising high-impact projects, build an inclusive and equitable pipeline of investment-ready projects, and unlock repayable investment from other funding sources.

Through the Invest Appalachia Fund, LLC, IA offers flexible financing to businesses, intermediaries and real estate projects that have potential to significantly benefit vulnerable populations and improve community infrastructure. IA partners with existing financial intermediaries to expand access to capital for local communities and advance key sectors where momentum is underway.

Priority Sectors

IA’s prioritizes investment in sectors where there is broad consensus from regional stakeholders that capital will drive economic diversification, local ownership, equity, resilience, and community wealth-building.

<table>
<thead>
<tr>
<th>Sector</th>
<th>IA Fund $ Committed</th>
<th>Catalytic Capital Projects</th>
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</thead>
<tbody>
<tr>
<td>Creative Placemaking</td>
<td>$1.6M</td>
<td>$1M</td>
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<tr>
<td>Community Health</td>
<td>$1.6M</td>
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<tr>
<td>Clean Energy</td>
<td>$1.6M</td>
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<tr>
<td>Food &amp; Ag</td>
<td>$1.6M</td>
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For every $1 of Catalytic Capital deployed, an additional $4.50 has been invested from other sources.
Invest Appalachia works to meet communities where they are by blending a variety of capital from different sources – flexible loans from the Invest Appalachia Fund, risk-absorbing credit enhancements and predevelopment support from our Catalytic Capital Fund, and financing from investment partners like CDFIs (Community Development Financial Institutions). In our first year, we prioritized communities with historical barriers to accessing capital – relying on locally-rooted stakeholders, creative investment approaches, and the power of partnerships.

**A FOCUS ON UNDERSERVED COMMUNITIES**

Projects and businesses supported by IA are serving over 50,000 Appalachian people across 115 different Appalachian counties.

- **71%** of IA Fund loans went to communities that are some combination of Economically Distressed, Coal-Impacted, and Rural.
- **95%** of IA Catalytic Capital, went to women-led projects.

**FLEXIBILITY AND PARTNERSHIP**

- **75%** of the IA Fund loans were deployed in collaboration with other investors, closing a critical gap in capital flow to Appalachian communities.
- **78%** of the IA Fund loans were “but-for” investments, where IA took a subordinate position to lending partners, provided unconventionally flexible terms, or provided credit enhancements critical to unlocking a deal that would likely not have received investment otherwise.
- **34%** of Catalytic Capital was deployed as credit enhancements like loan guarantees, directly supporting repayable financing from the IA Fund and investment partners.
- **89%** of Catalytic Capital committed in this time period is set to be repaid, enabling continuous support for future projects.

**IA Fund raised $35,500,000** in new capital for Appalachia, with 80% coming from national investors outside the region.

Driving Inclusive Prosperity: Investment Clusters

IA focuses on changing systems, one investment at a time. IA’s investment dollars and grant funds are finite. To achieve transformative impact across a six-state region, we focus on “clusters”—key sectors or industries where a collection of individual projects, organizations, or deals can become more than the sum of their parts, creating systems-level shifts with benefits that ripple across the region.

We prioritize four sectors where there is broad consensus that increased investment will accelerate economic diversification, local ownership, equity, climate resilience, and community wealth-building.

INVESTMENT CLUSTER
Solar Energy for Rural Businesses and Institutions
With the right approach, coal-impacted communities can benefit from the transition to clean energy. We are a co-founder, management team member, and partner of the Appalachian Solar Finance Fund (SFF). IA’s partnership with the SFF has provided over $3.2 Million in blended capital (grants, loans, and guarantees) to support 51 solar projects in five Central Appalachian states. We’ve supported several locally owned solar businesses and helped install new rooftop solar on local churches, grocery stores, non-profits, school systems, homeless shelters, summer camps, and municipal buildings. These projects leverage $23.9 Million in total private and public investment and will result in more than 6.4 megawatts of new solar development that will offset over 4,000 tons of CO2 equivalent emissions annually. This investment has already led to the direct creation of 20 new local jobs in the region’s solar industry, and will directly support an additional 542 solar jobs while producing $24 Million in lifetime energy cost savings across 46 coal-impacted communities. Key solar partners include: ACT Now Coalition of WV (WV), Appalachian Voices (VA), Central Appalachian Network (regional), Coalfield Development Corporation (WV), Mountain Association (KY), and New Resource Solutions (OH).

INVESTMENT CLUSTER
Community Infrastructure and Flood Recovery in Eastern Kentucky
A devastating flood hit communities across Eastern Kentucky in 2022, and IA responded by adjusting our deployment priorities to support long-term recovery for flood-impacted residents. We have committed over $2M in blended capital (grants and loans) for critical local projects such as affordable housing, small business lending, low-income consumer financing, substance use disorder recovery, and more. The intensive work of recovery is followed by the longer-term work of rebuilding with more equitable and climate resilient approaches, and we’re committed for the long haul. Key local investment partners in Kentucky include: Appalachian Impact Fund at the Foundation for Appalachian Kentucky, Fahe, Homes Inc., Housing Development Alliance, Mountain Association, Redbud Financial Alternatives, and others (all Kentucky-based).

INVESTMENT CLUSTER
Housing for Underserved Communities
Appalachia faces a shortage of housing of all types—workforce and market-rate housing as well as affordable and low-income housing. Devastating floods in Kentucky and other states have only sharpened the demand for housing. We partner with mission-driven housing developers and service providers with a focus on racial equity and expanded access for underserved communities. We’ve committed over $1.2M to support equitable and accessible housing across three states, helping to finance construction of at least 60 new affordable homes and improving housing stock for hundreds of low income and minority families. Our partners are building new affordable housing for local families, allowing residents to make critical home repairs and improvements. Key housing partners include: Element Federal Credit Union (WV), Grahamtown Team’s Healthy Housing Revitalization (NC), Homes, Inc (KY), Housing Development Alliance (KY), and Redbud Financial Alternatives (KY).
**INVESTMENT CLUSTER**

**Rural Health Deserts**

Health care deserts and insufficient care keep Appalachian communities at the bottom of the list when it comes to public health outcomes. IA has committed over $2.9M for community-oriented and comprehensive healthcare facilities and projects including substance use disorder recovery facilities, rural eye care clinics, and a nonprofit hospital. IA's investments have leveraged over $20M in capital from other sources. Together, these investments will expand access to comprehensive health care for thousands of low-income rural residents. Key partners include: Brightbridge (TN), Fahe (KY), Partner Community Capital (WV), Survivor Advocacy Outreach Program (OH), and Williamson Health & Wellness Center (WV).

**INVESTMENT CLUSTER**

**Local Food Social Enterprises**

Building locally-driven food systems creates economic resilience, including new and renewed opportunity, durability in the face of climate change, and guards against supply chain shocks.

IA has committed over $500,000 to advance enterprises that increase food access and plug infrastructure gaps such as a woman-owned dairy business, a cooperative grain processor, a rural grocery store, a social enterprise food truck, and a community farm market. We are working to build on the region's thriving community food system to create larger-scale investment opportunities in this sector. Key food system partners include: Mountain Association (KY), New Roots Community Farm (WV), Rural Action (OH), Shagbark Seed & Mill (OH), and Snowville Creamery (OH).
Driving Inclusive Prosperity: Deal Profiles

Invest Appalachia sources deals from community-based partners and, to help our capital go further, we consistently partner with other mission-driven lenders either by co-investing alongside them or by referring deals to them. Our model is rooted in bringing flexible and creative combinations of investment capital so we can serve a dynamic range of projects. These deal profiles showcase IA’s innovative and impact-first approach.

DEAL PROFILE
Coalfield Development: Black Diamond Building
Huntington, WV

Project: This nonprofit-led redevelopment of an industrial warehouse will create 600 quality jobs, revitalize the neighborhood, and host the new headquarters of a rapidly expanding solar company and upcycling social enterprise.

Capital: Building on an EDA Build Back Better grant and a local bank loan, IA provided a patient construction loan from the IA Fund as well as a Catalytic Capital-funded interest rate buy-down to help the project cash-flow through the construction and startup phases.

IA capital: $1.2 Million
Leverage: $7.4 Million
Key Partners: ACT Now Coalition of WV, Coalfield Development Corporation, Economic Development Administration, Solar Holler, United Bank

DEAL PROFILE
Redbud Financial Alternatives
Hazard, KY

Project: This “payday lender”-alternative consumer lender gained expanded credit flexibility to allow them to provide emergency loans to hundreds of low-income and credit-invisible residents impacted by the Eastern Kentucky flooding of 2022.

Capital: The IA Fund provided a low-interest loan for re-lending, as well as a Catalytic Capital-funded loan loss reserve to backstop high-risk unsecured loan products.

IA capital: $275,000
Leverage: $290,000
Key Partners: Housing Development Alliance, Redbud Financial Alternatives

DEAL PROFILE
Catawba Vale Innovation Market
Old Fort, NC

Project: A BIPOC- and female-led nonprofit developer acquired and is redeveloping a 60,000 sq. ft. downtown building into mixed-use community real estate, which will create 60+ jobs and anchor equitable downtown revitalization in an economically distressed former mill town (video).

Capital: The IA Fund partnered with a local CDFI to provide flexible and time-sensitive bridge financing to purchase real estate and advance comprehensive redevelopment plans.

IA capital: $925,000
Leverage: $1,075,000
Key Partners: Eagle Market Streets Development Corporation, Mountain Bizworks, Opportunity Appalachia

DEAL PROFILE
Martin’s IGA Grocery
Martin, KY

Project: A rooftop solar installation, energy-efficiency upgrades, and new equipment provide a locally-owned rural grocery store with critical cost savings and the local community with job retention and continued food access in an area that would be a food desert without it.

Capital: The IA Fund partnered with a local CDFI to provide a flexible capital stack that included a subordinate loan from the IA Fund, a senior loan from the CDFI partner, and a loan guarantee from IA’s Catalytic Capital to cover the gap in collateral value.

IA capital: $425,000
Leverage: $883,000
Key Partners: Appalachian Solar Finance Fund, Mountain Association
Ecosystem Development & Capacity Building

The availability of capital isn’t the same thing as access to capital. Investment doesn’t flow to underserved communities naturally – like moving water uphill, it takes clear intent and a coordinated system to get capital to the ground effectively. We are working to lift up opportunities and show that Appalachian communities are ripe for investment. Our model relies on collaboration and a robust support ecosystem to help capital find the right destination. Our work in the investment ecosystem focuses on building capacity in place, advancing shared analysis, and introducing new tools and resources when needed. This approach helps more investment-worthy projects become investment-ready, and shifts the narrative about who is worthy of investment.

Climate Resilience in Central Appalachia Report

Climate change is already a reality affecting daily life in our region and across the world, but what does it mean for the future of Appalachia? Using research, analysis, and peer review from community organizations, government agencies, higher education, and technical experts, we assess likely impacts of climate change and forecast a future where Central Appalachia sees increasing in-migration as a result of the climate crisis. Is the region prepared? Whether the predicted changes present a crisis or an opportunity depends on our actions today. This 2023 report, produced by IA and the NC Institute for Climate Studies, urges a proactive climate-informed approach to regional economic resilience, with actionable recommendations focused on capital investment, public policy, research, and community engagement strategies. Find the report at investappalachia.org/climate-analysis.

Downtown Revitalization Playbook Website

More than 100 community economic development leaders collaborated to produce Thriving Downtowns: An Investment Playbook for Rural Appalachia, now hosted by Invest Appalachia on a dedicated interactive website. This playbook is meant to be a handy reference document for a variety of actors pursuing downtown revitalization and community-oriented investment more broadly. It features case studies, an investment glossary, how-to guides, and a community-readiness assessment, all available for free at downtownplaybook.org.

Community Investment Framer Cohorts

Early on, the IA planning process identified a critical need for place-based capacity to “frame up” community projects for investment. Our Community Investment “Framer” Training, piloted in 2022, helps local community actors develop the knowledge, skills, and connections to advance investment-worthy projects related to small business, social enterprise, community facilities, and downtown real estate. In 2023, we partnered with Mountain Bizworks to train a North Carolina-based cohort of “Framers” and with the Federal Reserve Bank of Richmond on a multi-state cohort that concluded in Spring 2024.
Thank you to IA’s supporters

IA Fund Investors

Catalytic Capital and Operating Funders
11th Hour Project (Schmidt Family Foundation), Appalachian Regional Commission, Bloomberg Philanthropies, Cassiopeia Foundation, Catalytic Capital Consortium (C3), Claude Worthington Benedum Foundation, Dogwood Health Trust, Economic Development Administration (ACT Now Coalition of WV), Educational Foundation of America, Federal Reserve Bank of Richmond, Fidelity Charitable, Grant Foundation, Hearst Foundations, Robert Wood Johnson Foundation

FROM OUR CEO
A special thank you from founding CEO Andrew Crosson to the organizations and individuals who provided critical support and leadership during Invest Appalachia’s long journey from the early brainstorming and design collaboratives to the startup and organizational development phases: the Appalachia Funders Network, Stephanie Randolph, Sandra Mikush, Sara Morgan, Jane Henderson, the BALLE/Common Future Fellows (rest in power Elandria Williams), Thomas Watson & the Rural Support Partners team, Jay Beekman, Deb Markley, Mark Conrad, LOCUS Capital, the IA Board of Directors, the Appalachian Regional Commission, the Benedum Foundation, and the Field Catalyst Cohort and Staff at Center for Community Investment. And to others, too many to name – you know who you are, thank you!

Connect With IA
Submit a project with investment potential
Are you working on a project that has investment potential, and you’re ready to see what’s possible? On our website, learn more about Invest Appalachia’s capital offerings or Submit a Project for consideration.

Become an investor
Are you a grantmaker looking to accelerate investment readiness around a specific geography, sector, or impact area? A Donor-Advised Fund looking to put your dollars leveraging much-needed investment into underserved communities? A corporation looking to partner on Corporate Social Responsibility or Community Benefits plans that get money to the ground? We offer a variety of flexible approaches for mission-aligned investors to support work focused on your priorities. Investors can connect with us by emailing capital@investappalachia.org.
### Management Team
Andrew Crosson (He/Him) 1  
Chief Executive Officer  
Ashville, NC

Baylen Campbell (He/Him) 2  
Director of Community Impact  
Hazard, KY

Mae Humiston (She/Her) 3  
Director of Grants and Operations  
Hazard, KY

### IA Fund Management
LOCUS Capital  
IA Fund investment manager, VA

Broadstreet Impact Services  
IA Fund administrator, national

Morgan Lewis, IA Fund legal counsel, national

### Contractors
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(Perpeppermill Strategies)  
WV

Kathy Graham (She/Her)  
and Ashley Cloutier (She/Her)  
Finance and Administrative Management (KG Bookkeeping)  
NC

Rural Support Partners  
NC

### Board of Directors
Stephanie Tyree (She/Her) 4  
Board President  
Executive Director, WV Community Development Hub  
Fayette County, WV

Sarah Morgan (She/Her) 5  
Board Treasurer  
President, Fahe Berea, KY

Stephanie Randolph (She/Her) 6  
Board Secretary  
Deputy Director, Cassiopeia Foundation  
Charlottesville, VA

Kevin Dick (He/Him) 7  
Program/Impact Committee Chair  
President & CEO, Carolina Small Business Development Fund  
Raleigh, NC

Michelle Foster (She/Her) 8  
The Greater Kanawha Valley Foundation  
Charleston, WV

Alex Gibson (He/Him) 9  
Executive Director, Appalshop  
Whitesburg, KY

Earl Gohl (He/Him) 10  
Appalachian Regional Commission (Retired)  
Washington, DC

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Loan Fund Manager, Woodlands Community Lenders  
Elkins, WV

Scott McReynolds (He/Him) 12  
Executive Director, Housing Development Alliance  
Krypton, KY

Debbie Phillips (She/Her) 13  
CEO, Rural Action  
The Plains, OH

Kerry Pigman (She/Her) 14  
Executive Director, Athens County Foundation  
Athens, OH

Bill Pollard (He/Him) 15  
CEO, Brightbridge, Inc.  
Chattanooga, TN

Bill Shelton (He/Him) 16  
VA Dept. of Housing & Community Development (Retired)  
Richmond, VA

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Regional Director of Community and Economic Development, Appalachian Voices  
Abington, VA

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Director, Western Women’s Business Center, Carolina Small Business Development Fund  
Asheville, NC

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Northern WV Brownfields Assistance Center at West Virginia University  
Summersville, WV

Jason Tartt Sr. (He/Him) 20  
Owner, T & T Organics & Co-Founder of EDGE  
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Alexis Close (She/Her) 21  
Program Director, Appalachian Resource Conservation & Development Council  
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Gabe Pena (He/Him) 22  
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Fayetteville WV

Sam Miller (He/Him) 23  
Development Director, Buckeye Hills Development Council  
Athens, OH

Tyler Hughes (He/Him) 24  
Director, The Crooked Road, Virginia’s Heritage Music Trail  
Big Stone Gap, VA

Crystal Good (She/Her) 25  
Publisher, Black By God  
Charleston, WV

Amelia Kirby (She/Her) 26  
Director, Sycamore Fund, Foundation for Appalachian Kentucky  
Harlan, KY

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CEO, Invest Appalachia (regional)

Donna Gambrell (She/Her) 29  
President and CEO, Appalachian Community Capital (regional)

Eric Horvath (He/Him) 30  
Former Director of Capital Strategies, Common Future (national)

Karen Jacobson (She/Her) 11  
Loan Fund Manager, Woodlands Community Lenders (WV)

Stephanie Randolph (She/Her) 6  
Deputy Director, Cassiopeia Foundation (VA)

Paul Wright (He/Him) 31  
Principal & Business Coach, Wright Venture Services (KY)