Dear Friends,

When we ended 2019—a strong year for Reinvestment Fund, with many exciting programs launched and critical projects funded—we could never have imagined the circumstances in which we would be writing to you now. While we remain financially sound, the people and places we serve are reeling from the impacts of a pandemic and entrenched systemic racism.

For more than 30 years, communities have looked to Reinvestment Fund and CDFIs across the country to ensure equitable opportunities for all Americans to live healthy, vibrant lives. Last year we originated $158.5 million in financing to help provide affordable housing, healthy food, job opportunities, health care and social services. And in this report, you’ll read about our partners: the nonprofits, community organizations, and small businesses working tirelessly to provide those services every day in some of America’s highest need communities. You’ll also read about how some are adapting and rising to meet the challenges of the pandemic. At this time, Reinvestment Fund is forging ahead and continuing to channel capital and expertise to stabilize and strengthen communities. That’s because we cannot afford to delay. In the communities we serve, poor housing, environmental pollution, segregation, lack of opportunity and limited access to quality health care are persistent challenges—amplified by the pandemic.

Systemic racism is a vector for COVID-19, with people of color and low-income communities bearing the brunt of its impact. Low-wage and hourly workers—those who have the most to lose financially—are most likely to have lost a job as entire sectors have been affected. The Federal Reserve estimates that close to 40% of households earning less than $40,000 have experienced job losses. The unemployment rate today for Black Americans is 16.8% compared to 12.4% for whites. And in many states, people of color are falling ill and succumbing to COVID-19 at rates far higher than their share of the population.
Reinvestment Fund has always used its capital, data and partnerships to challenge injustice and deliver equitable solutions. We are taking that commitment further with intentionality and action to reduce racial disparities that stem from historic and systemic racism. This includes embracing a learning mindset even as we search out and address our own blind spots when it comes to maintaining racial inequities. As the pandemic and continued disregard for Black lives has revealed, addressing racial equity is not only necessary—it is urgent. We cannot let privilege, wealth or skin color continue to determine a person’s health and wellbeing.

All people have the fundamental right to be healthy, safe, and joyful. Strong, vibrant neighborhoods expand opportunities for the people who live there—offering access to safe and affordable homes, healthy food, quality education, reliable health care, clean water and air, and jobs that pay the bills and help save for the future.

Reinvestment Fund is committed to making communities work for all people. Now more than ever, we know this work cannot be done alone.

As you consider the days ahead and your role in fighting systemic racism and the impact of this global pandemic, we have one request. Join with us, invest in us and partner with us. We need a wide community for support and accountability to improve our practices, increase our impact and sustain our focus to face this challenge head on and come through stronger on the other side.

Thank you for all you do.

DON HINKLE-BROWN  
President and CEO

MARK M. ZANDI  
Chairman of the Board
Building Local Wealth

For Tabitha Giddens, a supervisor at Philadelphia Family Court, investing in real estate is a newly discovered passion—thanks to Jumpstart, a program that helps start-up and small-scale property owners in Philadelphia, invest and develop in their neighborhoods and build wealth locally.

Created by real estate developer Ken Weinstein, the program provides training, a mentor, networking opportunities—and loans to finance the acquisition and renovation of up to three residential properties. By doing so, the program aims to preserve and rehab existing buildings in neighborhoods and to create affordable housing opportunities. Jumpstart Philly currently operates in eight neighborhoods, due in part to a $3 million loan from Reinvestment Fund.

To date, the program has 1,200 graduates—more than 85% of its graduates are women and people of color. Jumpstart has provided more than 160 loans totaling over $17.2 million, rehabbing more than 170 properties. For graduates like Giddens who has invested in her first property, the results have been immediate and transformative.

“I thought I’d be at the courthouse forever. But I have goals now. I’m hoping to make an empire,” she said. “Bottom line, Jumpstart Philly shifted my dreams in a way I never thought possible.”
The Clay Studio, founded in 1974, was built with one simple objective: put clay in front of as many people as possible.

“We say that clay is the great equalizer,” says Jennifer Martin, executive director of The Clay Studio. “It doesn’t matter who you are. Everyone can work with clay—and everyone who works with clay once comes back to it again and again.”

Indeed, the Clay Studio exists to serve everyone, and there are many different paths that lead to the studio. The studio offers classes, programming and exhibition space. It also runs the Claymobile, launched in 1994, which brings clay to nearly 100 different partnering sites throughout the city, serving school students, domestic violence survivors, children at the juvenile justice center, and senior populations.

Thanks to financing from Reinvestment Fund and several partners, the Clay Study is constructing a new facility that will expand its services and boost the creative economy in South Kensington, which is quickly becoming a destination point. The project broke ground in early 2020.
Expanding Quality Early Learning

Scottdale Early Learning, Inc. (SEL), is a longstanding nonprofit that has provided early education and parent training services to the central Dekalb County community in Georgia since 1977.

SEL operates a high-quality rated early learning center, which serves children ages 6 weeks to 5 years old, primarily from families that are low-income and from communities of color. It also offers programs specifically for refugee and immigrant families.

In 2019, with Reinvestment Fund’s financing, SEL expanded its footprint to open a second flagship location, Midway Woods. The expansion increases access to quality early education in a county where only 59% of low-income families were enrolled in the statewide Pre-K program.

Bria Fullerton, a full-time nurse and parent of two, volunteers at SEL, where both of her sons attended. She describes the center as not a typical day care.

“Where many childcare facilities focus on playtime alone, Scottdale takes a wholistic approach to literacy, math and social skills,” explains Fullerton. “And their efforts to keep parents engaged and consider community needs makes this a family.”
Food Systems Resilience

4P Foods is a food hub that aggregates food from local farmers and food producers, and distributes it to individuals and institutions throughout Washington D.C., Maryland, and Virginia.

As the pandemic-related shutdown raised panic for many members of the local food system, 4P Foods found an opportunity.

The food hub redirected food meant for wholesale towards its individual customers. 4P Foods also partnered with other food enterprises in the region to launch the Mid-Atlantic Food Resilience and Access Coalition to help coordinate the many players in the local food system. The pandemic revealed significant weaknesses in food supply chains, but also demonstrated that, with leadership and collaboration, local food systems can mobilize collectively to nourish their communities.

A new warehouse, partially financed through a Reinvestment Fund loan, provided necessary infrastructure to support these adaptations. Before the pandemic, 4P Foods delivered between up to 600 bags of food to its customers each week. That number has increased more than tenfold, to 7,000 bags of food each week. Its team of 25 people has grown to 100, working 24 hours a day to meet the skyrocketing demand for home delivery of local, healthy foods.
Caring for Patients and Workers

Like doctors and nurses on the frontlines responding to coronavirus in hospitals in New York City, home health aides from the worker-owned Cooperative Home Care Associates (CHCA) also rose to the challenge.

Based in the Bronx, CHCA provides in-home health care services for people who are elderly, chronically ill, or living with disabilities. Its health aides are predominantly low-income women of color.

Managing new supply chains, safety protocols, and ongoing education for aides — all while continuing to provide quality home care to people in need — has required the dedication of the entire CHCA team. For example, in a typical flu season, CHCA orders 7,000 protective masks over six months. After the onset of coronavirus, CHCA needed 10,000 protective masks every single week.

Reinvestment Fund financing had helped CHCA obtain working capital in 2019. A recent loan deferral from Reinvestment Fund and the collaboration of values-aligned networks, like other worker-owned co-ops and certified b-corps, have been critical in helping CHCA continue to offer quality home care in a way that keeps its health aides and clients safe.
Energy Conservation

The risks and costs of climate change are not equally shared: research shows that low-income people and communities of color disproportionately live in places with poor environmental quality and the resulting adverse health effects.

Reinvestment Fund has long viewed environmentally responsible investment as core to our mission. A key component of our clean energy commitment is investing in energy service companies and project developers who serve mid-sized projects that have significantly less access to traditional banking capital.

In 2019, these investments included permanent financing to SolarSense to construct and own/operate a roof-top solar system on a ShopRite in Westville, New Jersey. Reinvestment Fund also provided financing to Renew Energy Partners to support lighting and controls projects at three host facilities including a regional non-profit healthcare system in New York State.

By working with each of these firms, Reinvestment Fund has supported their growth, providing valuable capital that would otherwise be unavailable to these projects. And crucially, our financing has scaled the development of green infrastructure to reduce carbon emissions on the environment.
Understanding Evictions

Reinvestment Fund continues to build the body of research on evictions, aiming to support and inform ongoing efforts to reduce the effects of eviction on households and communities.

Last year, Reinvestment Fund released an updated study of evictions in Philadelphia and found that the rate of eviction filings dropped—by 10% from 2017 to 2018, continuing the decline that began in 2015.

However, this trend was uneven across the city, with African American neighborhoods seeing higher filings than other neighborhoods. Rates were at least twice as high in areas where more than 40% of the population is African American compared to the areas with the smallest shares of African American residents.

One stark finding was that when it comes to legal representation—only 10% of tenants had an attorney represent them in court, compared to 75% of plaintiffs. Informed by this work, in late 2019, Philadelphia City Council unanimously passed a bill that would provide lawyers to low-income tenants facing eviction in the city.

More recently, Reinvestment Fund released a study on the impact of the settlement process used most frequently in Philadelphia Landlord Tenant Court to resolve eviction disputes—the Judgment by Agreement. With an expected surge in evictions as a result of the pandemic, a true mediation process could help landlords and renters resolve issues before they lead to formal eviction.
Invest Health

When people are healthy, they are able to more fully participate in our economy, exercise the opportunity of civic engagement and involvement, as well as pursue their own hopes and dreams.

Cross-sector leaders from small and mid-sized cities continue to work with Reinvestment Fund on strategies to improve health and well-being for residents through the Invest Health initiative. In 2019, 10 of the 50 Invest Health cities were selected for additional support to advance policies and practices that increase capital flows to equity-promoting built environment investments. Invest Health has also been actively working to amplify practical ideas that improve the flow of capital to address the social determinants of health in small to mid-size places.

More recently, the program has made many of the resources that have previously not been available to the public, accessible online. These resources offer insight related to the programs’ core principles, which include channeling capital to small and mid-sized cities, using data as a driver, engaging communities authentically, and addressing the social determinants of health and equity.
Improving Food Access

Reinvestment Fund announced $1.8 million in financial and technical assistance awards to 23 projects through the Healthy Food Financing Initiative (HFFI) inaugural grants program in 2019. Funding for the HFFI grants program is provided by the USDA, authorized by the 2014 Farm Bill.

Among the awardees is Rogers Vegetable Farm, a farm in Sumter, South Carolina, that provides nearby counties with local-grown farm produce.

Clarence Rogers, who owns the Rogers Vegetable Farm, has been farming for 20 years. In rural communities like Sumter, while there’s plenty of food around thanks to farms like his, the problem is finding a way to buy the food. Most residents don’t have transportation to get into or around town to buy healthy foods and many don’t have the ability to pay for the food.

After being awarded a grant from HFFI, Rogers has been able to increase his community’s access to healthy food by investing in a mobile market that brings fresh produce and staple foods to underserved communities. He partners with healthcare centers and community sites to bring the mobile markets to patrons. Each location also accepts SNAP, WIC, and SFMNP, and participates in “Healthy Bucks,” a program through the South Carolina Department of Social Services.
Financing Transactions
CLOSED IN CALENDAR YEAR 2019*
$158 Million

- Housing: 11% ($17,897,542)
- Health Care: 26% ($41,628,291)
- Clean Energy: 18% ($28,014,782)
- Commercial Enterprise: 11% ($17,325,000)
- Education: 11% ($16,852,404)
- Financial Intermediary: 4% ($7,000,000)
- Community Asset: 15% ($24,110,664)
- Food Commerce: 4% ($5,670,000)

*Includes on and off balance sheet transactions.
## Financial Review

### Select Financial Data ($ in Thousands)

#### STATEMENT OF FINANCIAL POSITION

*as of December 31*

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2019</th>
<th>2018</th>
<th>2017*</th>
<th>2016</th>
<th>2015**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, cash equivalents and investments</td>
<td>106,843</td>
<td>111,776</td>
<td>53,549</td>
<td>59,868</td>
<td>55,069</td>
</tr>
<tr>
<td>Restricted Cash</td>
<td>27,787</td>
<td>26,886</td>
<td>34,230</td>
<td>31,362</td>
<td>27,596</td>
</tr>
<tr>
<td>Loans Receivable</td>
<td>443,280</td>
<td>453,639</td>
<td>389,289</td>
<td>333,113</td>
<td>295,715</td>
</tr>
<tr>
<td>Allowance for Loan Losses</td>
<td>(20,484)</td>
<td>(22,682)</td>
<td>(19,464)</td>
<td>(17,836)</td>
<td>(16,066)</td>
</tr>
<tr>
<td>Other Assets</td>
<td>10,622</td>
<td>12,789</td>
<td>6,625</td>
<td>59,243</td>
<td>45,192</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>568,048</strong></td>
<td><strong>582,408</strong></td>
<td><strong>464,229</strong></td>
<td><strong>465,750</strong></td>
<td><strong>407,506</strong></td>
</tr>
</tbody>
</table>

#### LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>2019</th>
<th>2018</th>
<th>2017*</th>
<th>2016</th>
<th>2015**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans Payable</td>
<td>354,901</td>
<td>373,958</td>
<td>280,176</td>
<td>265,992</td>
<td>230,706</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>30,638</td>
<td>32,079</td>
<td>22,818</td>
<td>26,871</td>
<td>25,873</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>385,539</strong></td>
<td><strong>406,037</strong></td>
<td><strong>302,994</strong></td>
<td><strong>292,863</strong></td>
<td><strong>256,579</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th>2019</th>
<th>2018</th>
<th>2017*</th>
<th>2016</th>
<th>2015**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted – Reinvestment Fund</td>
<td>72,006</td>
<td>60,790</td>
<td>57,724</td>
<td>52,484</td>
<td>45,895</td>
</tr>
<tr>
<td>Unrestricted – Sustainable Development Fund</td>
<td>10,216</td>
<td>9,860</td>
<td>9,633</td>
<td>9,184</td>
<td>9,181</td>
</tr>
<tr>
<td>Noncontrolling interest</td>
<td>16</td>
<td>(12)</td>
<td>—</td>
<td>5,244</td>
<td>5,859</td>
</tr>
<tr>
<td>With donor restrictions</td>
<td>100,271</td>
<td>105,733</td>
<td>93,878</td>
<td>105,975</td>
<td>89,992</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>182,509</strong></td>
<td><strong>176,371</strong></td>
<td><strong>161,235</strong></td>
<td><strong>172,887</strong></td>
<td><strong>150,927</strong></td>
</tr>
</tbody>
</table>

| Total Liabilities and Net Assets | 568,048 | 582,408 | 464,229 | 465,750 | 407,506 |

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*Includes deconsolidation of Development Partners, Inc. and reclassified for comparative purposes*

**2015 reclassified for comparative purposes**

***Includes Program services and fees, other income and net financial income***
**STATEMENT OF ACTIVITIES**

*for period ended December 31*

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2017*</th>
<th>2016</th>
<th>2015**</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earned Revenue ***</td>
<td>24,644</td>
<td>16,633</td>
<td>15,835</td>
<td>18,482</td>
<td>15,114</td>
</tr>
<tr>
<td>Grants and Contributions</td>
<td>4,628</td>
<td>21,206</td>
<td>8,326</td>
<td>30,283</td>
<td>8,437</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>29,272</td>
<td>37,839</td>
<td>24,161</td>
<td>48,765</td>
<td>23,551</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Expenses</td>
<td>16,751</td>
<td>16,555</td>
<td>24,996</td>
<td>22,145</td>
<td>19,279</td>
</tr>
<tr>
<td>Management &amp; General and Other</td>
<td>6,521</td>
<td>6,254</td>
<td>4,795</td>
<td>5,086</td>
<td>4,632</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>23,272</td>
<td>22,809</td>
<td>29,791</td>
<td>27,231</td>
<td>23,911</td>
</tr>
<tr>
<td><strong>Other Changes in Net Assets</strong></td>
<td>137</td>
<td>105</td>
<td>—</td>
<td>426</td>
<td>1,902</td>
</tr>
<tr>
<td><strong>Change in Total Net Assets</strong></td>
<td>6,137</td>
<td>15,136</td>
<td>(5,630)</td>
<td>21,960</td>
<td>1,542</td>
</tr>
</tbody>
</table>

* Includes deconsolidation of Development Partners, Inc. and reclassified for comparative purposes

** 2015 reclassified for comparative purposes

*** Includes Program services and fees, other income and net financial income
Performance, 2012-2019
($ in Millions)

Financial Summary

$11.2 million
Total Unrestricted Net Asset Growth

0.0%
Delinquency Ratio
Board of Directors

Mark Zandi, Chair
Moody’s Analytics

Saul A. Behar
University City Science Center

Dudley Benoit
Alliant Asset Management Co., LLC

Marland Buckner
MB2 Solutions

Phylis B. Cater
Healthcare Consultant

Michael Davis
Sheltering Arms

Lisa Detwiler
FS Investments

Daniel Hayes
Retired E&Y

Don Hinkle-Brown
Reinvestment Fund

Scott Jenkins, Treasurer
S.M. Jenkins & Co

Trinita Logue
ARC LLC

Katherine O’Regan
NYU Furman Center

Raymond Skinner
Skinner Consulting Services

John S. Summers
Hangley Aronchick Segal Pudlin & Schiller

Dr. Sandeep Wadhwa
Solera Network

Vicki Lundy Wilbon
Integral

Amanda High
Chief of Strategic Initiatives

Tracy Murray Moore
Chief Human Resources Officer

Nancy Wagner-Hislip
Chief Investment Officer

1 Executive Committee
2 Finance Committee
3 Audit Committee
4 Governance Committee

Executive Team

Don Hinkle-Brown
President and Chief Executive Officer

Michael Crist
Chief Financial Officer

Cheila Fernandez
Chief Compliance & Risk Officer

Ira Goldstein
President, Policy Solutions