

Sustainable Development Fund

2022-2023 Report

About Reinvestment Fund

- Reinvestment Fund is a national mission-driven financial institution that creates opportunity for underserved people and places through partnerships. We marshal the capital, analytics, and expertise necessary to build strong, healthy, and more equitable communities.
- Since 1985, Reinvestment Fund has made \$2.7 billion in cumulative investments and loans.
- We are supported by over 830 investors that include individuals, foundations, religious institutions, financial institutions, civic organizations and government.





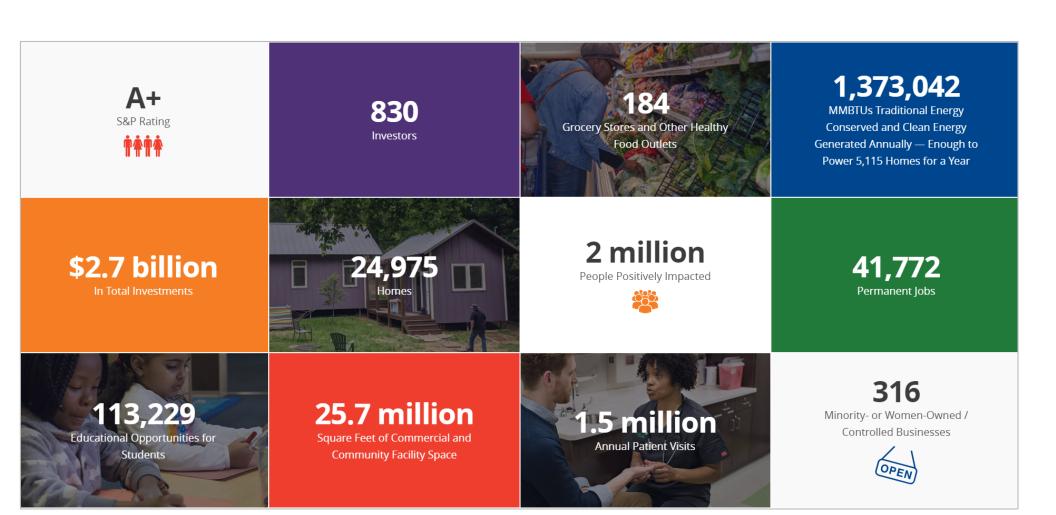
GSG HONORS 2017 Global Impact Asset Manager







Our Impact in Numbers





2022 SDF Activity

Lending

- ➤ Majority of SDF lending capital was deployed in 2016, 2017, 2018 in ~7+ year loans; these are now reaching maturity, with the funds returned and made available again to be re-deployed into new projects
- Loan maturities and loan prepayments resulted in \$8.4 million being available for new lending at year end
- No new loans closed in 2022, leaving a portfolio of \$3.4 million in loan receivables outstanding at year end across four loans
 - Overall, 2022 was a relatively quiet year for clean energy lending by Reinvestment Fund
 - Loan pipeline is being refilled (see following slides)

Grantmaking

- ➤ No new grants in 2022
 - Discussing with SDF Board how to efficiently award and effectively disburse funds (\$250k currently approved for new grant awards)



2023 SDF Year Ahead

Lending & Grantmaking

- > Legal Settlement
 - On March 2, 2023, a Final Order was issued by the PA PUC in a legal case that dates back to a civil complaint filed by the Commission in 2018
 - The Commission was seeking the return of certain PECO ratepayer funds and considered four different uses for those funds
 - The Order resulted in the distribution of the full \$6 million
 Settlement Amount to SDF
 - These funds were received on March 14, 2023, and are now available for new loans and grants



2023 SDF Year Ahead

Lending Pipeline

- One new loan currently in underwriting (Philadelphia, PA)
 - Supermarket co-op with a priority on sustainability, using renewable energy, and electrification is opening a new location in a currently vacant building (insulation, HVAC, LED lighting)
 - Approx. \$1.2 million
- One prospect in early structuring stage
 - Loan facility to support the expansion of energy-efficiency upgrades and solar installations among low-income households in Philadelphia
 - In discussion with local partner
- > Second prospect under review
 - Bridge loan to facilitate electrical upgrades in a large Philadelphia park
 - In discussion with project sponsors



2023 SDF Year Ahead

Other Considerations

- Reinvestment Fund Strategic Plan
 - Work started in 2022 and has resulted in a roadmap for the organization, with implementation details to be determined
 - A multi-year process, but climate-change impacts are a key component
- Working more closely with peer organizations
- Committing additional resources to climate work, especially considering the additional funds received through the legal settlement



Governance

SDF Board

- ➤ Board met in December 2022
 - > Two new board members were approved during the year
- ➤ Board meeting expected in first half of 2023 to discuss grantmaking approach

Bylaws

- Board proposal includes:
 - Adjustments to the length of the terms of board members
 - Number of required yearly meetings
 - Tailoring the mission to explicitly include projects that are emission reducing overall, even if they result in increased electrical usage





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