



REINVESTMENT
FUND

The 2024 Annual Report of the Sustainable Development Fund

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The 2024 Annual Report of the Sustainable Development Fund

I. INTRODUCTION

This 2024 Annual Report was prepared by Reinvestment Fund, the manager of the Sustainable Development Fund (“SDF”), to summarize for the Pennsylvania Public Utility Commission SDF’s activities during the calendar year.

II. HIGHLIGHTS AND ACCOMPLISHMENTS

Since its inception, SDF has deployed a total of \$65,103,929 towards its mission of supporting renewable energy, energy efficiency and other advanced clean energy technologies as shown on the following table:

| Type of Support | Number of Closed Transactions | Total Amount |
|--------------------|-------------------------------|---------------------|
| Debt financing | 53 | \$39,795,981 |
| Equity investments | 6 | \$3,788,770 |
| Grants | 381 | \$21,519,178 |
| Totals | 440 | \$65,103,929 |

The total funding SDF received from PECO was \$31,815,216, meaning that the PECO dollars have been fully deployed and are revolving again, as was the original intent.

III. SDF’s FINANCIAL APPROVALS IN 2024

A. SDF’s Energy Loans and Investments

In calendar 2024, Reinvestment Fund closed on three loans using SDF capital.

| Borrower | Amount of SDF Financing | Loan Closing Date | Comments |
|----------------------------------|-------------------------|-------------------|---|
| North 40 th Street LP | \$3,250,000 | 9/10/2024 | The Apartments at 40th Street Place is a 40-unit scattered-site affordable housing development in West Philadelphia’s Belmont and Mantua neighborhoods, areas facing increasing displacement risk due to rising property values. Led by Mt. Vernon Manor CDC (MVM), this project is designed to provide |

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| | | | <p>long-term affordable housing for low-income families, with units targeted at households earning between 20% and 50% of the Area Median Income (AMI). To support sustainability and affordability, all 40 units will receive rental subsidies from the Philadelphia Housing Authority, ensuring that tenants' rent and utility costs remain capped at 30% of their household income.</p> <p>Reinvestment Fund is supporting this development with a \$3.25 million SDF energy loan as part of the project's larger \$13 million construction financing package. This loan is specifically dedicated to funding high-performance energy efficiency measures, totaling \$3,429,000 in investment, that will reduce energy costs, improve building performance, and enhance resident comfort. The project is designed to achieve Enterprise Green Communities certification and a low Home Energy Rating System (HERS) index score, demonstrating its superior energy performance. Key efficiency upgrades include high-efficiency VRF heating and cooling systems, advanced insulation and air sealing, energy-efficient lighting and appliances, low-flow water fixtures, and smart metering technology.</p> <p>Beyond sustainability, the development strengthens the social fabric of the community by offering on-site supportive services, resident resource connections, and multi-bedroom units designed for families. Four units are specifically designated for very low-income individuals, including those experiencing homelessness or with special needs, and a support services reserve fund ensures tenants receive assistance in securing medical care, education, and job training.</p> |
| Chocolate Factory Leverage Lender LLC | \$5,000,000 | 11/14/2024 | <p>The Chocolate Factory Redevelopment is an adaptive reuse project in Philadelphia's Bridesburg neighborhood, converting a 67,031-square-foot historic factory into a headquarters for Concilio, a leading Latino advocacy organization providing social services, foster care, and community engagement programs. Concilio, the anchor tenant, will administer Community Umbrella Agency (CUA) services under contract with the Philadelphia Department of Human Services (DHS), offering case management, adoption services, and behavioral health programs to at-risk youth and families. The redevelopment preserves an iconic industrial building, eliminating blight while delivering a modern, energy-efficient community space designed to house both Concilio and additional social service providers.</p> |

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| | | | <p>SDF is supporting the project with a \$5 million energy efficiency loan, funding improvements that will significantly reduce energy consumption and ensure long-term affordability. The renovations include high-performance insulation, energy-efficient HVAC systems, LED lighting with smart controls, and stormwater management upgrades. These measures enhance the building’s energy profile, lower operating expenses for nonprofit tenants, and contribute to the overall sustainability of the redevelopment. The project’s historic preservation approach, combined with its emphasis on energy efficiency and community impact, positions the Chocolate Factory as a model for integrating sustainable development into social service infrastructure.</p> |
| Called to Serve CDC Inc | \$1,200,000 | 12/10/2024 | <p>The Rev. Leon H. Sullivan Community Impact Center, spearheaded by Called to Serve CDC, is transforming a long-vacant historic church annex in North Philadelphia into a community hub offering vital services. This project will house a primary care clinic operated by Temple University, an E-Sports career pathways program, art therapy spaces, and community engagement areas, all designed to support economic development, health equity, and violence intervention in a severely underserved neighborhood. The redevelopment is designed to achieve LEED Silver certification, incorporating energy-efficient HVAC systems, advanced lighting controls, and high-performance building materials to ensure sustainability and long-term operational affordability.</p> <p>SDF provided a \$1.2 million bridge loan as part of the project’s financing structure, helping to bridge government grants and historic tax credit equity. The energy-focused components of the redevelopment—such as high-efficiency heating, cooling, and ventilation systems, low-VOC materials, and improved insulation—not only align with SDF’s mission but also help reduce utility costs for nonprofit tenants, making the center more financially sustainable. The restoration of stained-glass windows, in addition to being an architectural feature, supports daylighting strategies to reduce artificial lighting demand. As a landmark investment in social infrastructure and clean energy, this project ensures that North Philadelphia residents have access to essential services in a modern, environmentally responsible facility.</p> |
| TOTALS: | \$9,450,000 | | |

B. SDF's Energy Grants

Following its relaunch in late 2023, the Sustainable Development Fund (SDF) Grants Program awarded four grants in 2024 totaling \$275,000, marking a renewed commitment to advancing clean energy adoption and efficiency in the PECO service region. The selected projects reflect SDF's focus on integrating sustainability with strong community impact, supporting organizations that implement energy-efficient building upgrades, expand access to clean energy technologies and knowledge, and enhance environmental performance in nonprofit and community-serving facilities.

These first grants since the program's relaunch represent a strategic effort to align energy investments with broader social and economic priorities, including affordable housing, early childhood education, and community health services. Grantees are incorporating high-performance energy systems, sustainable design principles, and long-term cost-saving measures, ensuring that their projects deliver both immediate energy savings and lasting benefits for the communities they serve.

The momentum generated in 2024 provides a strong foundation for future investment, positioning SDF as a key resource for organizations committed to scaling clean energy solutions in Pennsylvania's most critical sectors.

| Grant Recipient | Total Amount | Disbursement Periods | Comments |
|-----------------------|--------------|----------------------|---|
| Green Building United | \$25,000 | 9/24; 12/24 | <p>Green Building United is facilitating a convening of energy service contractors in Southeastern Pennsylvania to address barriers in implementing Inflation Reduction Act (IRA) energy efficiency incentives. The project aims to explore the feasibility of a Regional Building Energy Hub, which could serve as a one-stop resource for building owners seeking energy efficiency upgrades. Key focuses include marketing clean energy programs, workforce development, and financing mechanisms for energy efficiency improvements. The project aligns with SDF's energy measures by promoting building electrification, weatherization, and energy-efficient upgrades through contractor engagement and industry capacity-building.</p> <p>Beyond energy savings, this initiative plays a role in advancing workforce development, particularly for contractors serving small businesses and community-focused nonprofits, ensuring that historically underrepresented groups have access to the training</p> |

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| | | | and resources needed to participate in the growing clean energy economy. |
| Appletree Childcare & Learning Center | \$50,000 | 7/24; 10/24 | Appletree Childcare & Learning Center is replacing outdated single-pane aluminum windows and wooden entry doors with energy-efficient double-pane commercial-grade vinyl windows and steel doors. This upgrade improves thermal control, reduces heating and cooling costs, and enhances classroom comfort and safety. The project directly implements energy efficiency improvements, aligning with SDF's mission by reducing energy consumption and increasing sustainability within a community-focused educational facility. The improved energy efficiency directly benefits young children by creating a safer, more comfortable learning environment, ensuring that the center can continue providing high-quality early education while reducing operational costs—savings that can be reinvested into educational resources for underserved families. |
| Called To Serve CDC Inc. | \$100,000 | 12/24 | <p>The Rev. Leon H. Sullivan Community Impact Center, spearheaded by Called to Serve CDC, is transforming a long-vacant historic church annex in North Philadelphia into a community hub offering vital services. It received a SDF grant alongside the SDF loan. This project will house a primary care clinic operated by Temple University, an E-Sports career pathways program, art therapy spaces, and community engagement areas, all designed to support economic development, health equity, and violence intervention in a severely underserved neighborhood.</p> <p>The redevelopment is designed to achieve LEED Silver certification, incorporating energy-efficient VRF mechanical systems, advanced lighting controls, and high-performance building materials to ensure sustainability and affordability. The project aligns with SDF's goals by integrating high-performance energy systems and promoting energy-efficient building design in a historically significant and underserved area. Additionally, the restoration of stained-glass windows enhances natural lighting and energy efficiency, further contributing to sustainability goals.</p> <p>More than just an energy-efficient building, the Community Impact Center serves as a vital hub dedicated to economic empowerment, youth</p> |

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| | | | engagement, and wellness. By honoring the legacy of Rev. Leon H. Sullivan, the center aims to revitalize the neighborhood by fostering educational programs, providing job training, and creating a gathering space that promotes social cohesion and opportunity for North Philadelphia residents. |
| Mt. Vernon Manor Inc | \$100,000 | 12/24 | <p>This affordable housing development is constructing 40 units with strong sustainability measures, including Enterprise Green Communities certification and compliance with Energy Star Multifamily New Construction standards. All units are required to meet a HERS rating of 60 or lower, demonstrating high energy efficiency. The project provides energy-efficient, affordable housing in a rapidly gentrifying area, reducing utility costs for low-income residents while incorporating sustainable building practices.</p> <p>In addition to ensuring long-term affordability, this development provides stable housing for families facing economic hardship, particularly those at risk of displacement due to rising housing costs. The inclusion of supportive services helps residents access medical care, food, education, and job training, ensuring that this project not only provides shelter but also fosters long-term community stability and economic resilience.</p> |
| TOTALS: | \$275,000 | | |

IV. 2024 FINANCIAL DISBURSEMENTS AND REPAYMENTS

A. SDF's Energy Loans

The SDF loan portfolio remains active with a total of six outstanding loans, including three newly originated in 2024. Disbursements were made on two of the three SDF energy loans closed in 2024.

| Borrower | Amount Disbursed | Loan Closing Date |
|---------------------------------------|--------------------|-------------------|
| North 40 th Street LP | \$0 | 9/10/2024 |
| Chocolate Factory Leverage Lender LLC | \$5,000,000 | 11/14/2024 |
| Called to Serve CDC Inc | \$1,119,265 | 12/10/2024 |
| Total: | \$6,119,265 | |

In 2024, SDF recorded a full loan repayment of \$2,640,627 from Urban Philadelphia Liberty Building, LLC, which was used for energy improvements to the Aloft Hotel project in Center City Philadelphia. The loan was fully repaid in August 2024.

The table below provides an overview of the current outstanding loans, including loan recipients, amounts, and repayment status.

| Borrower | Closing Date | Maturity Date | Committed Amount | Outstanding | Repayment Status |
|---|---------------------|----------------------|-------------------------|--------------------|-------------------------|
| Green Line Workspace LLC | 8/17/2018 | 9/1/2025 | \$120,664 | \$120,664 | Current |
| Solar Sense LLC | 5/14/2020 | 6/1/2030 | \$466,032 | \$466,032 | Current |
| The Weavers Way Cooperative Association | 5/25/2023 | 5/25/2030 | \$1,423,783 | \$1,423,783 | Current |
| North 40 th Street LP | 9/10/2024 | 9/1/2026 | \$3,250,000 | - | Current |
| Chocolate Factory Leverage Lender LLC | 11/14/2024 | 11/14/2031 | \$5,000,000 | \$5,000,000 | Current |
| Called to Serve CDC LLC | 12/10/2024 | 12/1/2016 | \$1,200,000 | \$1,119,265 | Current |
| Total: | | | \$11,460,479 | \$8,129,744 | |

B. SDF's Energy Grants

All four of SDF's grant recipients received their full commitments by the end of 2024.

| Grant Recipient | Total Amount Disbursed | Disbursement Periods |
|---------------------------------------|-------------------------------|-----------------------------|
| Green Building United | \$25,000 | 9/24 ;12/24 |
| Appletree Childcare & Learning Center | \$50,000 | 7/24 ; 10/24 |
| Called to Serve CDC Inc | \$100,000 | 12/24 |
| Vernon Manner Inc | \$100,000 | 12/24 |
| Total: | \$275,000 | |

V. PECO-UNICOM MERGER PROGRAMS

As of December 31, 2015, SDF had disbursed all of the funding received from the PECO-Unicom merger for wind (\$12,000,000), solar (\$4,000,000) and public education (\$2,500,000). These three "Temporarily Restricted" accounts are now closed and all SDF funds now appear as "Unrestricted but Contractually Limited as to Use." Please see the SDF annual reports from 2015 and earlier years for information about this \$18.5 million of funding and support for renewable energy.

VI. FINANCIAL REPORT

SDF has received a total of \$31,815,216 from PECO Energy. This figure consisted of eight quarterly payments in 1999 and 2000 from distribution charges that total \$3,335,216 and the lump sum accelerated payment of PECO quarterly payments through December 31, 2006, totaling

\$9,980,000. SDF had also received, pursuant to the terms of the PECO Energy/Unicom merger agreement, three installments of \$4,000,000 for the Pennsylvania Wind Development Program (total of \$12,000,000); five annual installments of \$500,000 for public education about renewable energy (total of \$2,500,000); and four annual installments of \$1,000,000 for SDF's solar photovoltaic program (total of \$4,000,000). In March 2023, the Pennsylvania Public Utility Commission approved a settlement agreement that resulted in the transfer of \$6 million to SDF.¹

SDF's financial statements for the twelve-month period ending December 31, 2024, show total financial income of \$1,163,217 and net financial income of \$778,258.

Operating expenses for 2024 totaled \$93,431, consisting of Reinvestment Fund's management fee for managing the SDF².

On December 31, 2024, SDF held \$12,237,399 of funds in SDF's cash account available for lending. Outstanding receivables (loans net of allowance for losses) as of December 31, 2024, totaled \$7,887,462 of which \$401,087 were current assets and \$7,486,375 are non-current assets. Total assets on December 31, 2024 were \$20,155,990. SDF's liabilities on December 31, 2024, totaled \$108,480. As of December 31, 2024, SDF's total net assets were \$20,047,510.

On December 31, 2024, included in cash available for lending, SDF held \$1,088,351.47 in Alternative Compliance Payments (ACPs), which includes \$856,556.65 (comprised of \$32,699.65 Solar ACP, \$364,014.83 Tier I ACP, and \$459,842.17 Tier II ACP) from West Penn Power Sustainable Energy Fund (WPP) in December 2024.

The audited financial statements will be available upon request by contacting Ben Anderson, Portfolio Manager, Reinvestment Fund, 1700 Market Street, 19th Floor, Philadelphia, PA 19103 by email at ben.anderson@reinvestment.com or by telephone at 215.574.5850.

VII. SDF BOARD ORGANIZATIONAL MATTERS

SDF board of directors at year end consisted of the following members:

- Alex Dews (Green Building United)
- Michael Freeman (Emerald Energy Consulting)
- Matthew Madia (Bridgeway Capital)
- Sonny Popowsky (retired PA Consumer Advocate)

¹ [Settlement Agreement in the Pennsylvania Commonwealth Court matter of Pennsylvania Public Utility Commission v. the Delaware Valley Regional Economic Development Fund, No. 491 MD 2018](#)

² The SDF board approved Reinvestment Fund annually taking a management fee equal to 0.5% of the SDF funds under management. This fee is in lieu of personnel, space, and other internal expenses. Third-party expenses (such as bank fees and the audit) are likewise recoverable.

- Jacqueline Golden (PECO)
- Christina Simeone (Kleinman Center for Energy Policy)
- Sidharth Singh (Strategic Finance Group)
- Lori Van der Voort (PWI Engineering)
- Sherif Youssef (Philadelphia Gas Works)
- Akil Marsh (Clearway Energy)

At the December 2023 meeting, the board reviewed the 2024 budget and annual program plan. The board approved both by email after the meeting. In addition, the board discussed revisions to the SDF bylaws. The bylaw revisions were approved by the board via email in February 2024. RF filed the amended bylaws with PUC on February 29, 2024.

The SDF 2025 budget and annual program plan are under development and upon completion will be shared with the SDF board directors for review.

**The 2024 Annual Report
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Addendum**

I. 2024 ADMINISTRATOR'S EXPENSES FOR SDF

| | |
|----------------------------|---------------|
| Fund Management Fee (0.5%) | 93,431 |
| Bank Fees | 0 |
| Total: | 93,431 |

II. SDF LOANS, EQUITY INVESTMENTS AND GRANTS APPROVED IN 2024

| Type of Support | Number of Closed Transactions | Total Amount |
|--------------------|-------------------------------|--------------------|
| Loans | 3 | \$9,450,000 |
| Equity investments | 0 | 0 |
| Grants | 4 | \$275,000 |
| Totals | 7 | \$9,725,000 |

III. SDF LOANS, EQUITY INVESTMENTS AND GRANTS CLOSED/EXECUTED IN 2024

| Type of Support | Number of Closed Transactions | Total Amount |
|--------------------|-------------------------------|--------------------|
| Loans | 3 | \$9,450,000 |
| Equity investments | 0 | 0 |
| Grants | 4 | \$275,000 |
| Totals | 7 | \$9,725,000 |

IV. SDF LOANS, EQUITY INVESTMENTS AND GRANTS DISBURSED IN 2024

| Type of Support | Number of Closed Transactions | Total Amount |
|--------------------|-------------------------------|--------------------|
| Loans | 3 | \$9,450,000 |
| Equity investments | 0 | 0 |
| Grants | 4 | \$275,000 |
| Totals | 7 | \$9,725,000 |

V. YEAR-END FUND BALANCE (NET ASSETS)

| |
|----------------------|
| \$ 20,047,510 |
|----------------------|