



Impact Investment Yearly Summary 2022



We all know the value of having access to affordable, safe housing and stable, good jobs. Both are critical to achieving health and wellbeing. But people of color and residents of low-income communities have been historically excluded from good housing and jobs due to structural racism. Using the tools of impact investing, RWJF is working with partners to increase investments that can help bolster these communities.”



Richard Besser, MD
President and CEO
RWJF

The Robert Wood Johnson Foundation (RWJF) is working to ensure that all residents in all communities have the opportunity to reach their best possible health and wellbeing. This means having access to housing that is affordable, rewarding jobs, childcare, and health services, among other factors. To advance this vision, RWJF uses impact investments alongside grantmaking, strategic communications, and policy change efforts.

Over the past year, we’ve provided loans, equity investments, and guarantees to 12 organizations that are bringing capital and financial services to people with low incomes and communities of color. These investments will help people buy a home, start a business, build their savings—and catalyze neighborhood changes that will put entire communities on the path to better health.

In 2022, RWJF was proud to make strategic impact investments in organizations in collaboration with co-investors across the U.S. as part of our

commitment to improving health and racial equity. Over the next five years, we will attract \$1 billion from other investors to advance progress toward a U.S. where everyone, no matter who they are or where they live, can reach their best possible health and wellbeing. To date, we have leveraged more than \$430 million from other investors toward this goal. As we look ahead to 2023, we are committed to increasing investments in communities that historically have experienced a lack of investment, using health equity as our North Star.

Our Strategies



ADVANCING RACIAL EQUITY

Investment opportunities and partnerships that bend the arc towards racial equity by expanding ownership, good jobs, and pathways to wealth for people of color.



COMMUNITY DEVELOPMENT FINANCE SYSTEM

Investments that support a longer-term flow of capital into communities with low incomes by making the community development finance system more durable, expansive, and equitable.



PROGRAM-DIRECTED INVESTMENTS

Investments that are linked to RWJF’s specific programmatic priorities.

2022 Investments

Advancing Racial Equity

GARY COMMUNITY VENTURES'

DEARFIELD FUND FOR BLACK WEALTH

A \$2.5 million investment in Gary Community Ventures' **Dearfield Fund for Black Wealth** will expand homeownership among Black families in the Denver metropolitan area by providing low-cost down payment assistance.

ENTERPRISE COMMUNITY PARTNERS'

RENTER WEALTH CREATION FUND

A \$5 million investment in Enterprise Community Partners' **Renter Wealth Creation Fund** will provide renters in multifamily buildings with wealth-creating and savings opportunities via rent rebates, resident services, and proceeds from future property sales or refinancing.

BLACKSTAR STABILITY DISTRESSED

DEBT FUND

A \$4 million investment in and \$500,000 grant to the **Blackstar Stability Distressed Debt Fund** will help families who have been affected by predatory lending stay in their homes by transitioning them to more affordable, traditional mortgage payments.

APIS & HERITAGE LEGACY FUND I

A \$4 million investment in and \$400,000 grant to the **Apis & Heritage Legacy Fund I** will build wealth among workers and foster good jobs by expanding employee ownership of businesses with large workforces of color.

Community Development Finance System

CAPITAL IMPACT PARTNERS

A \$10 million investment in and related \$1 million grant to **Capital Impact Partners**, part of Momentus Capital, will unlock and channel capital for high-need community projects that provide families with access to affordable housing, healthcare, and healthy food, and equip entrepreneurs with tools to build businesses and create jobs.

COUNCIL OF DEVELOPMENT FINANCE AGENCIES (CDFA)

A 10-year, \$18 million guarantee, approximately \$1 million contract with and \$2.1 million program grant to CDFA's **Equity Capital Loan Guarantee Program** will support development finance agencies who are testing new underwriting methods to increase lending to business owners that historically have been excluded from opportunity.

FEDERATION OF APPALACHIAN HOUSING ENTERPRISES

A \$4 million investment in and related \$600,000 grant to the **Federation of Appalachian Housing Enterprises** will expand homeownership across Appalachia by providing loans to buyers who face financial challenges making a 20% down payment.

INVEST APPALACHIA

A \$5 million investment in and related \$500,000 grant to the **Invest Appalachia Fund** will spur inclusive economic growth and health equity in Central Appalachia by supporting clean energy, creative placemaking, community health, and food and agriculture projects in the region.

NATIONAL ASSOCIATION FOR LATINO COMMUNITY ASSET BUILDERS

A \$4 million investment in and related \$650,000 grant to the **National Association for Latino Community Asset Builders** will provide loans to affordable housing developers and small businesses in Latino communities, which historically have been excluded from economic opportunity.

OPPORTUNITY FINANCE NETWORK

A \$10 million investment in and related \$1 million grant to Opportunity Finance Network's **Finance Justice Fund** will increase access to small-business loans in rural, urban, and Indigenous communities—places that mainstream financial institutions often do not reach.

Program-Directed Investments

COMMUNITIES UNLIMITED

A \$5 million loan and related \$575,000 grant to **Communities Unlimited** will provide water utilities in seven Southern U.S. states with loans to cover the costs of preparing a competitive application for federal funds to improve their water infrastructure.

ROC USA

A \$4.75 million guarantee to support a loan from Prudential Insurance to **ROC USA** and related \$850,000 grant to ROC USA will expand resident ownership of manufactured home communities across the nation.

Orienting Insurance Industry Investments Toward Community Development and Health Equity

The insurance market is one of the largest pools of private investment capital in the U.S.

In 2022, RWJF partnered with insurers and industry stakeholders on a new initiative with a goal of bringing more long-term capital to community development. Dr. Julie Morita, executive vice president of RWJF, spoke at the American Council of Life Insurers (ACLI) Annual Conference in September about the role that life insurance companies can play in helping strengthen communities through impact investing.

"Community development finance is often an invisible, but ubiquitous, system of lenders that specialize in working with communities to build the social infrastructure that families and neighborhoods need to thrive. Small businesses and affordable housing—especially in communities with low incomes and communities of color—are made possible by lenders like community development finance institutions, minority depository institutions, development finance

authorities, and housing finance agencies. These are the lenders that often finance the hardest-to-complete projects—at the neighborhood level—where [long-term] sources of funding are harder to come by.

These lenders develop deep relationships with borrowers at the start of a project. And that relationship often continues long after the project is complete. Those relationships are an important reason why the sector has a long and well-documented record of repayment.

When families are economically secure, they can protect themselves, protect their assets, and build generational wealth. [...] And data show that affordable housing translates into improved physical and mental health. We believe insurers benefit [in turn] when housing is good, and safe, and affordable."

ACLI's 360 Community Capital Initiative, which enables life insurers to easily invest in affordable housing, is just one example of how the insurance industry

can help build healthier communities. RWJF has given a grant to the National Association of Insurance Commissioners for its Center for Insurance Policy and Research to develop a scope of work to research how insurers can invest in social infrastructure that promotes health.

We have also made grants in six states where the state insurance departments are working to address the health impacts of climate change on populations that have been marginalized:

- Alabama
- Colorado
- Connecticut
- Kentucky
- Louisiana
- South Carolina

These grants are part of a multi-pronged initiative to unlock more capital for community development—while benefiting insurers through stronger, healthier, and more resilient households and communities.



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