



# Impact Investment Yearly Summary 2023



We all deserve to live in a place that allows us to live our healthiest lives possible. But across the U.S., structural barriers—including inequitable investment in essentials like housing, jobs, water, and community infrastructure—have limited opportunity. RWJF's impact investments dig deep to address structural racism and strive to change how capital reaches people and communities that historically have been excluded from opportunity so communities can thrive.”



**Richard Besser, MD**  
President and CEO  
RWJF

The Robert Wood Johnson Foundation (RWJF) is working to ensure that all people in all communities have the opportunity live the healthiest life possible. This means having access to housing that is affordable, jobs that pay a living wage, high quality childcare, and healthcare. To advance this vision, RWJF uses impact investments alongside grantmaking, strategic communications, and policy change efforts.

In 2020, the Robert Wood Johnson Foundation (RWJF) announced a \$200 million commitment to impact investment, building on a legacy commitment of \$100 million. In December 2023, our Board allocated an additional \$325 million for impact investment, **bringing the total to \$625 million**. We take seriously the responsibility of using these funds to improve health and economic opportunity for communities, small business owners, and households that historically have experienced a lack of investment—such as rural communities, communi-

ties of color, and communities with low incomes—so that everyone will have a fair and just opportunity to thrive.

By 2025, our initial allocation is expected to attract, or “leverage,” an additional \$1 billion from other investors. At the end of 2023, we were halfway to that goal.

Looking back, RWJF has made \$48 million in loans, equity investments, and guarantees in 2023 to eight organizations across the U.S. alongside a growing number of co-investors. These transactions are described below.

Looking forward, we are excited about the new investment opportunities we are pursuing for 2024 and beyond, including a more intentional focus on homeownership preservation and strengthening insurance protections as part of the Foundation’s commitment to improving health and racial equity.

# Our 2023 Investments

In addition to our deposits, loans, equity investments, and guarantees, RWJF provides companion grants to help organizations build capacity to absorb investment and other standalone grants for research, field building, and investment readiness. In 2023, we issued nearly 40 grants in addition to our impact investments.



## Advancing Racial Equity

- A \$15 million loan and \$750,000 companion grant to **Housing Partnership Network's** CDFI lending arm is advancing homeownership in communities with low incomes by providing low-cost, long-term mortgage loans.
- A \$4 million loan to a fund sponsored by **Hogar Hispano, Inc.** is helping to increase the supply of affordable housing and prevent foreclosures for families with low to moderate incomes. As of 2024, RWJF will provide general ongoing support for Hogar Hispano for the next five years.

Additional grants aimed at advancing racial equity include \$400,000 to support the **Heirs' Property and Estate Planning Legal Clinic** at the Howard University Center for an Equitable Economy and Sustainable Society, and \$250,000 to support **Just Value's** work to foster equitable wealth generation and retention through fair home appraisals, among others.



## Community Development Finance System

- A \$5 million loan and \$500,000 companion grant to the **Four Bands Community Fund** to support the Mountain Plains Regional Native CDFI Coalition is creating economic opportunities for tribal members and Indigenous people in North Dakota, South Dakota, Montana, and Wyoming.
- A \$5 million loan and \$675,000 companion grant to **National Housing Trust Community Development Fund** is helping community land trusts acquire properties for long-term affordable housing and providing flexible, long-term loans to smaller, less established community land trusts.
- Building on a previous \$5 million guarantee to **Community Investment Guarantee Pool (CIGP)**, an additional \$5 million guarantee is funding CIGP's allocations to intermediaries making capital available for affordable housing, climate resilience, and small-business opportunities in communities with low incomes and communities of color.

Additional grants aimed at strengthening the community development finance system include a \$500,000 grant to **NDN Collective Inc.** to build the collective power of Indigenous people, communities and nations and \$150,000 for the **National Disability Finance Coalition**, the only national organization in the U.S. promoting the importance of CDFIs serving communities with disabilities, among others.



## Program-Directed Investments

- A \$5 million loan and ongoing grant support to **Greenprint Partners** is helping build green stormwater infrastructure in communities that are likely to be most impacted by climate-related events.
- A \$4 million loan to the **LISC NJ CDFI Capital Growth Fund** is supporting improvements in New Jersey communities with deep and sustained poverty and racial and economic segregation in collaboration with local community development lenders.
- A \$5 million loan and \$500,000 companion grant to **Nonprofit Finance Fund** is supporting its Catalyzing Finance for Racial Equity initiative to better enable New Jersey community-based organizations to acquire, develop, rehabilitate, and operate affordable housing and community facilities in communities that historically have experienced a lack of investment.

Additional program-directed grants include \$150,000 to the **Water Finance Exchange** to evaluate the use of credit enhancement to increase access to capital markets for the development and improvement of water infrastructure in communities with low incomes and communities of color, and ongoing support to the **National Association of Insurance Commissioners** to assess risk-adjusted returns and regulatory implications of social impact investments, among others.



#### FEATURED INITIATIVES:

## Addressing Historic Inequities and Structural Racism in Community Investment

2023 was a year of promise in which historic amounts of federal funding available for infrastructure improvements—and a commitment to dispersing those funds equitably—coupled with a growing recognition of the need for resident leadership and community-led solutions. At the same time, we saw frequent extreme weather events disproportionately impact communities with low incomes and communities of color, and housing costs rapidly outpacing wages.

Our impact investments are considered through the lens of improving health and racial equity—and how we can invest in or provide capital for solutions that fight discriminatory or predatory lending, residential segregation and displacement of a community's residents, and unmet treaty obligations to Native American and Indigenous communities.

Our borrowers and partners are showing others what's possible through creative solutions to some of the nation's most pressing challenges. A glimpse of their work follows.



#### FLIPPING THE SWITCH ON ACCESS TO FEDERAL FUNDING

It's paradoxical that many of the communities that would benefit most from available federal funding and other public- and private-sector investments often don't have the staffing capacity, technical expertise, or financial capability to apply. These communities are "shovel worthy" of investment, but not yet "shovel ready," meaning they have work to do to build the necessary human or financial capacity to secure and deploy funding.

RWJF funded **Enterprise Community Partners** (starting in 2021) to help municipalities apply for HUD 108 funds that allow them to leverage up to five times their annual federal **Community Development Block Grants** to provide low-cost, flexible financing for economic development,

housing, public facility, and infrastructure projects. To date, with technical assistance from Enterprise, the cities of Toledo, Oakland, and Birmingham unlocked \$96 million to create and retain jobs, increase affordable housing, and advance equity by supporting investments in neighborhoods of color.

An RWJF loan to **Communities Unlimited** (awarded 2022) is enabling water utilities in seven Southern states to pay for the design and engineering plans, environmental studies, and legal expenses needed to apply for federal water funds to upgrade infrastructure for drinking water, wastewater, and stormwater. To date, Communities Unlimited has closed six loans totaling \$2.6 million, and if successful in securing federal funding, will leverage, or help those utilities unlock, \$34.9 million.

#### WHAT IS HUD 108?

The Section 108 Loan Guarantee Program is an important but underutilized program that allows communities to "borrow" against a future Community Development Block Grant award to invest in larger, more costly community development projects if they have limited up-front resources.

## ADDRESSING THE IMPACT OF STRUCTURAL RACISM IN COMMUNITIES

Improving health and racial equity takes time and is not work that any one organization can do alone. Our investments seek to ensure that capital and solutions that reflect community priorities make it the “last mile” to people and places that struggle against a lack of capital and capacity.

For example, we know CDFIs with first-hand knowledge of Native American communities’ needs are best suited to serve Native communities, but have limited access to capital and credit. Our loan to **Four Bands Community Fund Inc.** (2023) seeks to address this gap by strengthening Four Bands’ work—and its lending to the Mountain Plains Regional Native CDFI Coalition—financing businesses and community development projects, expanding job opportunities, offering personalized support to their clients, advocating for policies that are beneficial for Native business, and educating Indigenous entrepreneurs in the tribal nations of

the Great Plains region spanning North Dakota, South Dakota, Montana, and Wyoming.

To address the problem of people losing their homes through foreclosures and large corporate investors buying loans owned by Freddie Mac, Fannie Mae, and the U.S. Department of Housing and Urban Development (HUD), RWJF provided a loan to a fund sponsored by **Hogar Hispano, Inc.** (HHI; 2023) to buy pools of mortgages at risk of foreclosure to preserve existing homeownership and create affordable homeownership opportunities for families with low to moderate income. For homeowners who are behind on mortgage payments, HHI will revise their financing terms to ease payments, helping them to keep their homes. The goal is to help stave off both foreclosures and see these assets under the control of mission-driven entities. Currently, fewer than 1% of government-owned homes are sold to non-profits focused on affordable housing.

## Our Strategies



### ADVANCING RACIAL EQUITY

*We seek to protect and improve the health and wealth of homeowners with low incomes and homeowners of color by preserving homeownership to expand their pathways to financial security.*



### COMMUNITY DEVELOPMENT FINANCE SYSTEM

*We help financial capital flow into communities with low incomes and communities of color by investing in intermediaries that provide financial products to these communities. In this way, we can help increase access to opportunity and make the community development finance system more durable and equitable.*



### PROGRAM-DIRECTED INVESTMENTS

*We make investments linked to RWJF’s specific programmatic priorities to complement RWJF’s other efforts in those areas.*

## Contact Information



**KIMBERLEE CORNETT**  
Director,  
Impact Investments  
[kcornett@rwjf.org](mailto:kcornett@rwjf.org)



**ZOILA JENNINGS**  
Lead Impact Investment  
Officer  
[zjennings@rwjf.org](mailto:zjennings@rwjf.org)



**CLAIRE MORDUCH**  
Senior Impact Investment  
Operations Analyst  
[cmorduch@rwjf.org](mailto:cmorduch@rwjf.org)