



REINVESTMENT FUND (RF)

reinvestment.com



ABOUT THIS PROJECT

Reinvestment Fund (RF) is raising capital to support and extend its Creative Placemaking strategy. This strategy targets investments in the arts and creative economy that catalyze and build on other complementary efforts to revitalize distressed neighborhoods. The initial pipeline targets three primary geographies: one in which RF is well established (Baltimore) and two in which its Creative Placemaking investments are more emergent (Atlanta and New Orleans). Projects financed through this investment will be community driven and target work that eliminates blight, reduces vacancies, provides school or community programming and/or creates jobs. Projects must also include an intentional arts or cultural heritage component, a place-based focus and a community-facing aspect.

WHY WAS THIS NEEDED?

CHALLENGE: As cities redevelop distressed areas, incorporating Creative Placemaking elements into projects and upholding the voices, desires and needs of local communities and artists is not always a core priority of developers. Without that focus, the risk is gentrification and displacement. **RESPONSE:** RF will invest in Creative Placemaking strategically tied to large-scale community development efforts, including a light rail expansion and an arts and education campus. The investments will allow it to continue and expand work to ensure that artists, creative enterprises and creative uses are an integral piece of community development frameworks. RF will select projects where the community is engaged and that are driven or occupied by organizations with strong programming that will benefit the communities in which they are located.

IMPACTED LOCATION



BALTIMORE, ATLANTA,
NEW ORLEANS

YEAR APPROVED

2016

TYPE OF TRANSACTION

PRI LOAN

KRESGE PROGRAM

ARTS & CULTURE

AMOUNT OF INVESTMENT

\$3 MILLION

GRANT SUPPORT

\$150,000

TERM OF INVESTMENT

10 YEARS



ABOUT THE BORROWER

Reinvestment Fund is a nonprofit, certified Community Development Finance Institution (CDFI) founded in 1985 with a mission to build wealth and opportunity for low-wealth people and places through the promotion of socially and environmentally responsible development. At its founding, RF focused primarily on affordable housing through a community-development loan fund. It expanded that focus in the early 1990s to do more strategic investments in Philadelphia's most distressed neighborhoods. RF has since expanded its geographic footprint and now makes investments in multiple sectors, including early childhood, healthy food, health care facilities, charter schools, and arts and culture organizations. Today, RF has nearly \$1 billion in assets under management and has invested more than \$30 million in Creative Placemaking projects, including the local arts college, two theaters and a makerspace. Additionally, RF launched Policy Map for public access in 2008. This sophisticated online mapping tool holds extensive data on demographics, real estate, health, jobs, and more in communities across the U.S.

Key Considerations



Kim Dempsey
Deputy Director
Social Investment Practice

- » In 2016, Kresge launched an initiative called Kresge Community Finance to invest millions through a standard loan offering in Community Development Finance Institutions (CDFIs) and Development Finance Agencies (DFAs) working in ways aligned with Kresge program strategies.
- » CDFIs and DFAs responded with requests for more than \$280 million in investment. Ultimately, 14 organizations received financing totaling \$30 million through PRIs – including RF.
- » Reinvestment Fund recently implemented a two-year pilot that embedded Creative Placemaking strategies into its portfolio of projects in Baltimore.
- » Kresge's proposed PRI will fund up to 25 percent of project costs for large-scale projects and as much as 50 percent of total project costs for small-scale projects.
- » Remaining funds will be sourced through other philanthropic partners, federal and state historic tax credits, New Markets Tax Credits and, when appropriate, RF's own core loan fund.
- » In 2014, Kresge partnered with the Surdna Foundation to offer grants to CDFIs working in disinvested communities on projects integrating arts, culture and creativity as part of comprehensive community revitalization. Named Catalyzing Culture and Community through CDFIs (C4), the joint initiative helped support and expand the involvement of CDFIs in Creative Placemaking. RF was part of this C4 cohort.



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