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In this impact report, you will see that we have made significant commitments to driving meaningful change and exploring alternative pathways to economic equity. From negotiating more than $10 billion in Community Benefit Agreements with major banks to sponsoring legislation that holds powerful actors to account, our advocacy efforts are helping lay the groundwork for a more equitable financial landscape. And our initiatives like our Economic Wellness Promotores program -- now in year three -- further demonstrate our commitment to empowering, reinvesting in and rebuilding communities.

Looking ahead, we remain dedicated in our vision of combating systemic racial and economic injustices. By continuing to advocate for progressive policies, forge strategic partnerships, and connect communities, we are poised to meet our mission of creating a more equitable future for all Californians.

We hope you enjoy our 2023 Impact Report.
ORGANIZING AND REBUILDING OUR COMMUNITIES

WHAT WE DO.
Rise Economy, formerly the California Reinvestment Coalition, is a 501(c)(3) nonprofit organization that has grown to become the largest statewide community reinvestment coalition in the country. Over the last three decades, we have worked with our members to identify changing community needs, monitor bank practices, and advocate for systemic changes in the financial services industry and state and federal policy arenas.

HOW WE DO IT.
Driving Empowerment
Our work drives empowerment to support leaders to take back power from a racist system and build agency and control over their own success.

Advocacy & Action
We push for policies and practices that promote racial and economic justice and that address the root causes of inequality, redlining and systemic racism.

Growing Collaboration
We partner with frontline groups and organizations to achieve our shared goals and forge new alliances that create lasting change.

Our Members

- Community Development Financial Institutions (CDFIs)
- Small business technical assistance providers
- Legal services agencies
- Fair housing agencies
- Faith-based organizations
- Tenants' rights organizations
- Affordable housing developers
- Housing counseling agencies
- Community Land Trusts
- And many others
2023 HIGHLIGHTS

From adopting a new visual identity and name to negotiating more than $10 billion in Community Benefits Agreements (CBAs) for California communities, 2023 was a big year for Rise Economy. The impact of 2023 set the groundwork for a promising 2024.

- $10B in Community Benefit Agreements.
- 6 in-depth research and policy reports published.
- 1K families connected to Financial Wellness Promotores.
- 5 state legislative policy campaigns advanced.
- 11 BIPOC-led CDFIs advanced.
- 300+ organizations engaged in our campaigns.
Our work each year shows our dedication to holding banks accountable. We accomplish this by protecting the Community Reinvestment Act (CRA) to correct the injustices of redlining. Additionally, we engage in corporate advocacy, such as the open letter we sent to bank CEOs in September 2023, which highlighted our concerns over litigation and lobbying by banking trade organizations that directly oppose our mission and the public statements they have made in support of racial equity.

**COMMUNITY BENEFIT AGREEMENTS**

The Community Reinvestment Act (CRA) is a civil rights law that creates a positive obligation for banks to invest in low- and moderate-income communities where they do business. Under the CRA, the public can submit comments to bank regulators on how well banks are living up to their CRA obligation. This public input becomes especially important during bank mergers as the banks seek approval for the merger from their regulators. A window of opportunity opens for Rise Economy to negotiate Community Benefit Agreements (CBAs) with banks during these merger periods.

A standout achievement last year was the advocacy and ensuing collaboration with First Citizens Bank following the collapse of Silicon Valley Bank. At risk was a multi-billion dollar CBA that Rise Economy and our partners had previously negotiated with the now defunct Silicon Valley Bank, with $9 billion of that commitment dedicated to California community needs. After much dialogue and community pressure, including a Daily Kos petition that garnered over 22,500 signatures, First Citizens Bank agreed to substantially adopt the Silicon Valley Bank CBA, essentially doubling First Citizens Bank’s community support in California.
Over the past six years, we have negotiated over $116 billion in community investments with a number of banks, including U.S. Bank, BMO Harris, Mechanics Bank, Flagstar Bank, Banc of California, Central Valley Community Bank and Umpqua Bank. The results include:

- **Small Business Support**: $26.2 billion aimed at enhancing small business lending in LMI areas and for businesses earning under $1 million annually.
- **Community Development**: $25.8 billion invested in projects including $4.1 billion for affordable housing development.
- **Mortgage Lending**: $44.45 billion allocated to homeownership opportunities for LMI and BIPOC individuals.
- **Philanthropy**: $276 million in grants and contributions supporting diverse community initiatives, including housing counseling and homeless prevention.

Included in these CBAs we’ve secured bank commitments to strengthen community land trusts, support nonprofits in property acquisition and rehabilitation, and to create Special Purpose Credit Programs (SPCPs), which enable lenders to develop targeted programs for individuals affected by lending discrimination, systemic racism, and redlining. These agreements also create incentives for banks to empower developers of color through capacity building and financing housing projects in neighborhoods of color, alongside investments in climate resilience and broadband access and adoption.

**REFORMING THE COMMUNITY REINVESTMENT ACT**

**OUR COMMITMENT TO HOLDING BANKS ACCOUNTABLE**

Every year, Rise Economy members engage with banks operating in California to evaluate their adherence to community commitments under the CRA. Last year, 156 community leaders from 118 organizations participated in at least one bank meeting to advocate for our campaigns, ensuring that community needs are recognized by the financial sector and banking regulators.

2023 marked the completion of the most significant updates to the CRA rules in nearly three decades. These changes, which came after an extensive regulatory review process and hundreds of public comments submitted by Rise Economy members, were meant to address many of the shortcomings of the prior rule in light of changes in the banking industry, such as the dominance of online banking.
While the new CRA rules introduced more stringent standards and enhanced transparency, they fell short of incorporating race and substantively addressing climate-related financing. Despite these shortcomings, Rise Economy was prepared to support the updates. However, the banking industry has initiated lawsuits to derail these changes, aiming to avoid the imposition of these stricter standards, which we believe would result in greater investment in BIPOC communities.

For more than two decades, Rise Economy had urged bank regulators to implement a rule under the Dodd Frank Wall Street Reform Act of 2008 that would require banks to collect and report race and gender data of their small business borrowers, as is currently done with home loans. In 2020, we even sued the Trump Administration for failure to develop the rule. That case resulted in an agreement by the Consumer Financial Protection Bureau to develop the rule, which it finalized in March of last year.

Small business, community, and civil rights groups applauded and lauded the new rule as a transformational moment that would invariably increase access to credit for women and BIPOC owned small businesses, help enforce anti discrimination laws, and reduce the racial, gender, and other wealth gaps. Banking and business groups responded by bringing three lawsuits to halt the new rule.

In response, Rise Economy, alongside 100 members and allies, addressed 44 bank CEOs with an open letter highlighting concerns over litigation and lobbying by banking trade organizations that run in direct opposition to our mission and public statements they have made in support of racial equity. Out of 44 letters, ten banks replied in writing, Capital One engaged in discussions, and Bank of America has offered to meet. Six responses fully addressed all of our queries, with only Beneficial State Bank and Amalgamated Bank affirmatively answering and providing insights, aligning closely with our views.
In 2023, we launched several public policy initiatives. These include a campaign to increase transparency of property ownership in California and a leading-edge exploration of the viability of establishing a California-level CRA for state-chartered banks, credit unions, and other money transmitters.

**PUBLIC POLICY INITIATIVES**

**Transparency in Housing Ownership**

In 2023, in the face of growing consolidation in the rental housing market, Rise Economy made progress in advocating for a new state policy to increase the transparency of who owns property in our state. The use of anonymous LLCs hides the extent to which California’s housing and commercial property stock is increasingly concentrated in the hands of large corporations. These sophisticated entities use numerous LLCs to create the impression that they are small mom and pop investors when, in fact, they own hundreds of properties.

By requiring the owners of businesses held in LLCs and similar corporate entities to disclose their names, existing laws designed to protect Californians can be enforced, ranging from worker safety laws to habitability requirements in rental housing. This policy would support law-abiding business owners by ensuring bad actors are unable to hide behind layers of corporate entities to operate with impunity. It also would enable communities to understand who owns businesses and properties in their neighborhoods.

**A California State CRA**

Since the enactment of the federal CRA in 1977, financial services are increasingly provided by non-bank entities. Online mortgage providers, FinTech companies and the explosive growth of credit unions had not been not envisioned at the time the CRA was created, thus these entities are not evaluated for their performance in serving communities where they conduct substantial business.
Furthermore, the federal CRA lacks an explicit consideration of race and ethnicity in evaluating banks’ performance.

In 2023, Rise Economy initiated conversations with members and lawmakers on the viability of establishing a state framework similar to the CRA for state chartered banks, state chartered credit unions, independent mortgage companies, and money transmitters that hold consumer funds. By broadening the scope of CRA, California would create an affirmative obligation for these financial institutions to meet community needs like affordable housing and support for small businesses. We have estimated this obligation could generate mortgage lending, small business lending and support, community development lending and investment, and philanthropy upwards of $21B per year.

In 2023, we continued our work of using public funds for public good by working closely with Friends of the Public Bank East Bay to help establish a public bank that would serve Oakland, Berkeley and Richmond, working with the California Public Banking Alliance to move forward with the creation of a public bank for the City and County of Los Angeles, and much more.

Public Funds for Public Goods
Currently, public funds in California cities and counties are mostly held by the big banks. The California Public Banking Act (AB857), signed into law in 2019, enables cities, counties, and joint powers authorities to establish their own public banks that can redirect taxpayer money toward local communities rather than increasing profits for Wall Street shareholders.
In 2023, Rise Economy worked closely with Friends of the East Bay Public Bank to help establish a public bank that would serve Oakland, Berkeley and Richmond, and we worked with the California Public Banking Alliance to move forward the creation of a public bank for the City and County of Los Angeles. Rise Economy Paulina Gonzalez-Brito was appointed to be a board candidate for the Public Bank East Bay and was elected as co-chair.

A Bank Account for Every Californian
Commercial banks have long failed to adequately serve BIPOC families. Prior research conducted by Rise Economy and the Roosevelt Institute documented a pattern of discrimination against Black and Brown secret shoppers who tried to open bank accounts. It’s no wonder that 11.3 percent of Black households and 9.3 percent of Hispanic households were unbanked, according to the FDIC’s most recent survey[1], compared to 2.1 percent of White households.

Enter CalAccount, a promising new public banking option that has the potential to succeed where Wall Street banks have failed. AB1177, signed in 2021, authorized the creation of a Blue Ribbon Commission to study the feasibility of a publicly sponsored, privately managed retail banking option that would allow Californians to access their wages and public benefits without worrying about overdraft fees, monthly service fees, or minimum balance requirements.

Since then, Rise Economy has been organizing and collaborating with our members to ensure community voices are heard as the viability of CalAccount is assessed and the structure of the offering is developed. In 2023, the Blue Ribbon Commission selected the RAND Corporation to conduct a market analysis of CalAccount. Rise Economy, SEIU California and the California Public Banking Alliance pushed the researchers to adopt certain recommendations, including recommendations for collaborating with public, labor and NGO partners in the design and rollout of CalAccount.


Economic Wellness Promotores
In the past year, Rise Economy has significantly advanced its mission to democratize access to financial resources through the Economic Wellness Promotores program. This initiative is at the forefront of our efforts to increase economic security for low- and very-low income people of color. Employing the “Community Health Promoter” model, which has become an established practice to increase access to healthcare, our program leverages the power of community and shared experience to expand access to banking. Promotores, who are deeply rooted in the cultures and experiences of those they serve, engage in direct outreach.

Promotores spearhead our participation in the Open Air Economy Collaborative, an LA-based partnership between Inclusive Action for the City, East LA Community Corporation, Public Counsel and Rise Economy. Supported by a $5 million three-year grant from Chase, this innovative program provides holistic business support in the form of capital, business coaching, legal assistance and financial education to Black and Latina street vendors and other micro-entrepreneurs.

In 2023 Promotoras excelled in community outreach, imparting essential economic and financial preparedness insights to more than 1,000 individuals. Promotores’ approach, characterized by empathy, compassion, and respect, has facilitated meaningful connections, fostering trust among people facing significant barriers to financial security. By equipping community members with the knowledge, skills and confidence to advocate for their own economic security, Rise Economy’s Promotores are building a network of financially empowered people.

Read the Case Study - Page 11
Small businesses are the backbone of our economy. For a neighborhood of color to thrive and push back against pressures of displacement and disinvestment, small business ownership by members of the community itself is essential. Community Development Financial Institutions (CDFIs) provide affordable capital to small business owners who are often ignored by banks or preyed upon by predatory lenders.

In 2021, Rise Economy launched The Resilience Fund. Comprising contributions from banks and philanthropic partners, the $4.5 million Resilience Fund was established to incubate a cohort of 11 new and emerging BIPOC-led CDFIs across the state.

Chosen by a Community Advisory Committee and operating in 22 counties, these organizations provide capital and technical assistance to low-income BIPOC small business owners and micro-entrepreneurs throughout the state. Each cohort member received unrestricted two-year grants of $250,000, along with comprehensive training, technical assistance, peer learning and connections to banks and funders.

### Resilience Fund Impact
- $5.5 million in loans made to small businesses and micro-entrepreneurs.
- 1027 loans processed
- 630 loan originations
- 52 high-interest loans refinanced
- 94.6% average repayment rate
- 118 small businesses with 3-20 employees created/sustained
- 853 micro-businesses with 3 or fewer employees created/sustained
- 518 jobs created/retained through the cohort’s lending activities
- 55 affordable housing or ADU units created, preserved, rehabilitated
- 1,249 families positively impacted

### Small business owners & microentrepreneurs served
- 66% Women
- 54% Low income
- 55% Latinx/Hispanic
- 42% Black/African American
- 58% Immigrants
- 64% Limited English proficiency

Go In-Depth: Learn more about the Resilience Fund at: [https://bit.ly/3yJZPmq](https://bit.ly/3yJZPmq)
CASE STUDIES

A HOME FOR FORMERLY UNHOUSED VETERANS

In early 2021, the East LA Community Corporation (ELACC), a Rise Economy member based in Boyle Heights, initiated the construction of Whittier Place II. The development of Whittier Place II was partly financed by a $12,250,000 construction loan from Umpqua Bank, facilitated through a Community Benefit Agreement (CBA) with Rise Economy.

Read the full case study: bit.ly/3x8osZJ

“2023 will be the year of CBA implementation and holding banks accountable to their promises to communities.”

KEVIN STEIN
Chief of Legal and Strategy

A LESSON IN ECONOMIC WELLNESS

Rise Economy collaborated with LINC Housing in Los Angeles to offer a financial awareness series aimed at fostering a positive mindset towards money. Participants began to replace negative thoughts with positive affirmations, building a supportive network that led to personal growth and even new job opportunities for some.

Read the full case study: bit.ly/4bMgpkp

“The Economic Wellness Promotores program strengthens connections between BIPOC communities, microentrepreneur vendors and other community organizations. Our primary focus is empowering individuals with 1-on-1 coaching and comprehensive financial knowledge.”

JULIA ORNELAS
Economic Wellness Promotores Program Manager
FINANCIAL RESULTS

TOTAL INCOME: $3,078,572

- Donor Restricted Contributions: $2,070,000
- Unrestricted Contributions: $880,590
- Member Dues: $30,050
- Interest: $18,069.47
- Dividends: $23,079.49
- Unrealized Gains/(Loses): $5,832.88
- Misc.: $50,950.86

TOTAL EXPENSES: $2,914,434

- Salaries: $1,686,757.66
- Payroll Taxes & Benefits: $394,359.40
- Consulting & Professional Fees: $237,157.40
- Operating & Program Expenses: $186,167.65
- Grants to Other Orgs: $23,079.49
- Fundraising Events: $34,992.25

Download 2023 financial statements at: bit.ly/3x1eYPX
ACKNOWLEDGEMENTS

This is the first impact report published under our new name and offers a snapshot of the work of our team of dedicated advocates, our members and partners. We would like to acknowledge the financial contribution of our legacy members, foundation partners, corporate funders and individual donors.

With their generous support, we’re one step closer to combating generations of systemic racial injustice and building economic resilience.

RISE ECONOMY
LEGACY MEMBERS

- Clearinghouse CDFI
- Momentus Capital
- Accion Opportunity Fund
- MidPen Housing Corporation
- Visionary Home Builders of California
- Bay Area Development Company
- Western Center on Law & Poverty

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