

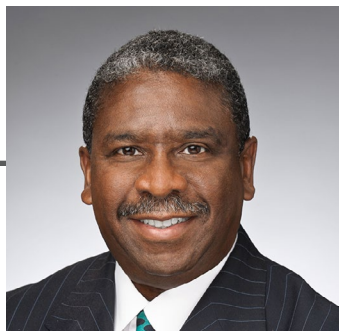
BUILDING BACK BALTIMORE



ANNUAL REPORT

2021

MESSAGE FROM THE CHAIR AND CEO



Chairman
Arnold Williams



CEO
Mark Kaufman

The Neighborhood Impact Investment Fund (“NIIF”) completed its second full year of operation amid unprecedented challenges for Baltimore and our nation. This includes a raging pandemic that highlighted and reinforced racial and economic disparities that have persisted for decades. The burdens of the COVID-19 pandemic have fallen hardest on low-income, minority communities served by NIIF. Residents in these neighborhoods face greater health challenges, are more likely to become unemployed, and now confront significant hurdles as we move toward recovery.

Yet these events have also underscored the need for tools such as NIIF to combat socioeconomic and racial inequities with purpose and resources. As a place-based fund, NIIF is singularly focused on providing flexible, mission-driven capital in neighborhoods that have been deprived of resources and investments to support economic opportunity and social change for residents. Launched by Baltimore City, with support from the Mayor and Department of Housing and Community Development, we work to align with policy objectives and to leverage public, private and philanthropic resources that maximize investment impacts.

We are proud to report that NIIF committed more than \$15 million in new investments for the year ended June 30, 2021. This brings the total committed since our inception to more than \$25 million, with more than \$16 million of that amount deployed. This capital has financed projects that range from large-scale affordable housing and commercial development to the initial homes of a neighborhood-focused community land trust and PPP loans. We have also worked in partnership, using NIIF capital to fund small business lending by both local and national partners and to launch an innovative loan program targeting small developers renovating single-family homes for affordable homeownership. NIIF is committed to racial equity and commits a substantial portion of our investments to minority-owned or minority-led borrowers.

As a new fund, we are working to build infrastructure and sustainability for the long haul. This year, NIIF was certified by the United States Treasury Department as a Community Development Financial Institution “CDFI”. This certification recognizes mission focused organizations that provide financial services to low-income communities and provides access to additional resources. In April 2020, NIIF was honored to receive a grant of more than \$1.8 million from Treasury’s CDFI Fund to support its lending.

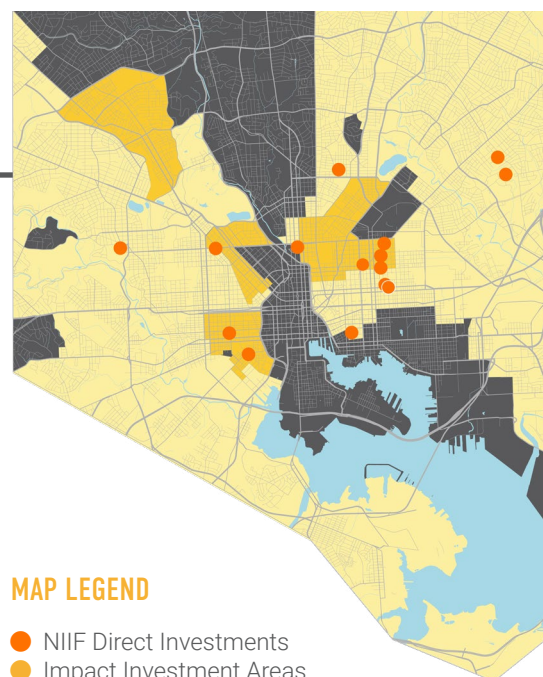
Today, we believe that better days are ahead. Vaccines are available to combat COVID-19, significant stimulus funds focus on equity and supporting low-income communities, and an economic re-emergence is taking hold. Meeting the challenge and ensuring that all neighborhoods benefit from community investment has never felt more important. At NIIF, we look forward to being a part of this effort. We shall continue to work in alignment with the City and its leadership, support our Eligible Neighborhoods with dedication and commitment, and work with you as we join in to Building Back Baltimore.

PLACE-BASED INVESTING

NIIF brings much needed capital to historically disinvested communities in Baltimore City to support inclusive, equitable growth. As a public-private partnership created and launched by Baltimore City, NIIF is a place-based fund with loans and investments targeting Eligible Neighborhoods defined by the City that have suffered for generations from lack of investment, segregation, and racial discrimination. These neighborhoods, which comprise roughly 65% of the city, are home to more than 90% of the City's Black residents.

The need for purposeful and flexible investment in these underserved communities has never been more acute. In addition to systemic barriers to capital availability, they have been disproportionately impacted by the ongoing pandemic. Through its investments, NIIF seeks to accelerate economic recovery, catalyze business activity, deliver needed services, and create greater economic opportunity for residents.

In 2021, its second full year, NIIF closed transactions with total commitments of \$15.3 million and deployed \$10.3 million to support the hard work being done by our residents and our partners. Our investments leveraged significant additional resources, with total project level investment of \$41.7 million at the closing of these transactions.



MAP LEGEND

- NIIF Direct Investments
- Impact Investment Areas
- Eligible Neighborhoods

	FY 2021	Since Inception
NUMBER OF LOANS CLOSED	10	18
NIIF FUNDS COMMITTED	\$15,346,283	\$25,402,875
NIIF FUNDS DEPLOYED	\$10,277,109	\$16,143,433
NIIF FUNDS OUTSTANDING (AT YEAR END)	\$12,002,286	\$12,002,286
TOTAL NIIF + LEVERAGED COMMITMENTS (AT CLOSING)	\$ 41,716,635	\$90,430,675

The Neighborhood Impact Investment Fund fiscal year ends on June 30th.

INVESTMENT OVERVIEW

NIIF seeks to meet a broad array of investment needs within its Eligible Neighborhoods and has adopted a two-pronged investment strategy to provide direct loans for large scale projects and to make strategic investments in partner funds to provide complementary products to meet other market needs. Of the 18 loans closed since inception, 13 have been direct project loans and 5 have been strategic fund investments.



Direct Project Investments

NIIF invests directly in impactful development projects with loan products that can be accessed at any point in the development timeline, including acquisition, predevelopment, construction and term financing. NIIF also provides bridge loans to accelerate future grant awards, tax credits or other funding sources.



Strategic Fund Investments

NIIF invests in non-bank, mission-oriented loan funds that serve key market segments that NIIF is less well positioned to serve on its own. Initial lending partners have included funds that provide unsecured loans for small businesses, SBA loans through the Paycheck Protection Program, and a new fund delivering small real estate loans to small developers acquiring and renovating affordable single properties for homeownership.

Since its inception, NIIF has worked to support a wide range of transactions in Eligible Neighborhoods. Below is a breakdown by project type.



Multifamily Housing	4
Single Family Housing	3
Mixed Use	1
Community Facilities	4
Commercial	2
Small Business	4

NIIF INVESTMENT IMPACT

NIIF monitors measurable impacts in key areas that include jobs created, housing units created, and small businesses assisted. The data presented reflects (1) projected outcomes expected from a financing round in which NIIF is a participant and (2) projected outcomes once the project is fully completed, including additional financing that may be required. The small business data reflects activities by intermediaries who received strategic investment capital from NIIF to re-lend in Eligible Neighborhoods.

Impacts from FY 21 Investments	Projected to Result from NIIF Financing	Projected to Result from Project Completion
PERMANENT FULL-TIME EQUIVALENT JOBS	94	94
CONSTRUCTION FULL-TIME EQUIVALENT JOBS	154	923
HOUSING UNITS CREATED OR PRESERVED	342	682
NUMBER OF SMALL BUSINESSES FINANCED	21	41

NIIF also recognizes that “who” is as important as “what” when it comes to investing. We purposefully work to meet the needs of borrowers who face challenges in accessing capital, with a focus on borrowers who are minority or women owned or led. In addition, we actively support the efforts of non-profit organizations that deliver services to the broader community.

NIIF Counterparties	FY 2021	Since Inception
NUMBER OF LOANS CLOSED	10	18
SPONSOR / BORROWER IS MINORITY-OWNED OR CONTROLLED	4	5
SPONSOR / BORROWER IS WOMEN-OWNED OR CONTROLLED	2	2
SPONSOR / BORROWER IS MINORITY LED	6	9
SPONSOR / BORROWER IS A NON PROFIT	6	11

POWER OF PARTNERSHIPS

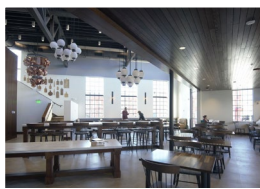
NIIF collaborates with government and other mission focused capital providers to expand capacity and maximize impact in Eligible Neighborhoods. We are proud that virtually all of our transactions since inception have included participation by one or more divisions in the City of Baltimore, the State of Maryland, or a Community Development Financial Institution (CDFI). We are grateful for the partnership of the entities below in our transactions to date and look forward to building on this initial success in the coming years.

**ACCION
OPPORTUNITY
FUND**



GROUNDWORK KITCHEN

Meals with Meaning



925 Washington Blvd.
Baltimore, MD 21230

Forty years ago, Paul's Place started out as a small soup kitchen serving meals twice a week in Washington Village. It grew to provide hot meals daily, a food pantry, nurses' clinic, clothing, showers, laundry services, peer recovery, support groups, and other resources for those in need in Southwest Baltimore's Pigtown neighborhood. Recognizing the need for jobs as a long term solution, Paul's Place set forth to create a social enterprise that could have direct employment impacts.

In July 2021, Groundwork Kitchen opened its doors in the heart of Pigtown as a full-service restaurant offering a free culinary training program for individuals interested in hospitality careers. The two story, triangular shaped building on Washington Boulevard has a large commercial kitchen that opens to a first-floor dining room with 100 seats and a carry-out shop.

Groundwork Kitchen launched the first cohort of its culinary training program in October 2021. Designed in partnership with national non-profit Catalyst Kitchen, this free 12-week program teaches people aged "18 to 80" front-of-house and back-of-house skills from a dedicated staff as well as guest chefs from around the area.

"Our goal is to bring a successful restaurant that can serve our community and help fund the culinary arts program that provides training, jobs and economic activity in Baltimore," says Bill McLennan, executive director of Paul's Place. "That's how we bring about long-term and sustainable economic stability for our students."

As one of its first transactions, NIIF was pleased to provide a \$2 million bridge loan to support the transaction and supplement a mortgage loan from Enterprise Community Loan Fund, New Markets Tax Credits and generous support from government, foundations, and private sector donors. The project was recently named "Small Business Deal of the Year" at a New Markets Tax Credit industry conference.

Neighborhood

PIGTOWN

Loan Amount

\$2.0 MILLION

Total Transaction Size

\$10.6 MILLION



Paul's Place Executive Director Bill McLennan has announced that he will be retiring from Paul's Place in 2022 after more than 20 years of leadership and service to the community. We wish Bill the best and feel lucky to have worked together.

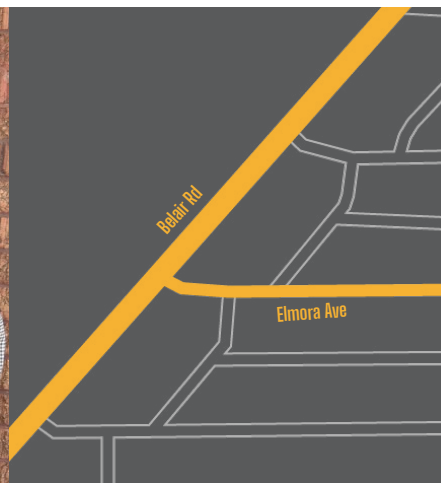
DIRECT PROJECT INVESTMENT

NEHI COMMUNITY LAND TRUST

Affordable Homeownership



Shavell Young in front of her new home with Mayor Brandon M. Scott; her son Jakauri; her real estate agent, Keichel Lawter; and Garrick Good, Executive Director, North East Housing Initiative.



2101 Belair Road
Baltimore, MD 21213

Shavell Young is a lifelong Baltimore City resident and graduate of Baltimore City's Augusta Fells Savage Institute of Visual Arts and the Community College of Baltimore County. In June 2021, she became a homeowner. Ms. Young was the first person to purchase a renovated home through the North East Housing Initiative (NEHI) Community Land Trust.

"NEHI enables people like me to own a home, and to create wealth and a legacy for my son," said Ms. Young. "I'm grateful to NEHI, to the city and to everyone involved for making this possible."

NEHI is a non-profit 501(c)(3) community land trust (CLT) dedicated to providing permanently affordable shared equity housing in Northeast Baltimore. One of several CLT initiatives in Baltimore City supported by the Affordable Housing Trust Fund, NEHI works to transform vacant and blighted properties into affordable homeownership opportunities.

As a CLT, NEHI purchases properties, many of them from Baltimore City, and hires local contractors to convert them into livable dwellings complete with new HVAC, energy-efficient appliances, and other updates. Once completed, NEHI sells them at prices affordable to buyers making 80% or less of the area median income. Buyers complete a housing "stewardship" counseling program through Belair-Edison Neighborhoods, Inc. and receive new homeowner coaching to manage everything from in-house repairs to lawn maintenance. Affordability is supported by funding from the Affordable Housing Trust Fund and preserved through the CLT structure in which NEHI retains ownership of the underlying land for each home.

"We are working to create homes for families to be proud to live in while maintaining it and making it affordable for the long term," said NEHI Executive Director Garrick Good.

NIIF joined with the National Housing Trust Community Development Fund to provide construction financing to support the acquisition and renovation of five single family homes by the NEHI Community Land Trust.

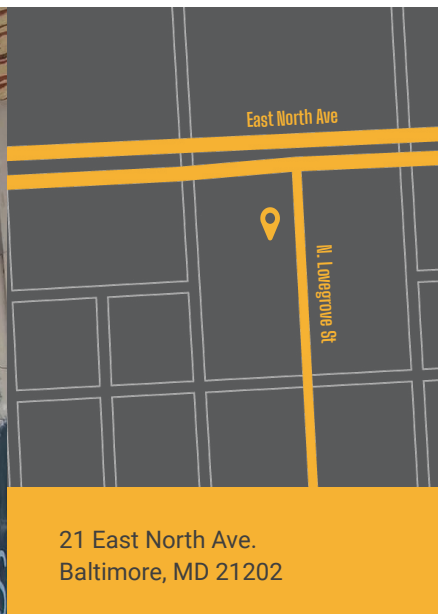
Neighborhood
FOUR BY FOUR

Loan Amount
\$200,000

Total Transaction Size
\$400,000

ODELL'S

A Landmark Reborn



A unique Tudor architecture style building on North Avenue that closed more than 30 years ago is now being brought back to life. Originally opened in 1909 as an auto showroom for the earliest vehicles, the building later served as a dance academy and, most recently, as home for the famous Odell's Nightclub. In the height of the disco era, the club attracted party-goers who danced until daybreak.

Through a \$6.6 million renovation led by Jubilee Baltimore, this 18,000 square foot landmark in Station North will be home to two non-profits, Code in the Schools and Arts for Learning Maryland (formerly Young Audiences of Maryland).

Arts for Learning partners with hundreds of schools and community organizations in all 24 Maryland school districts to transform the lives of youth through hands-on, arts integrated learning experiences. Code in the Schools provides computer science education programming for Baltimore City youth to help them thrive in school and in the workforce.

"Being in a building with such a rich history of creativity and joy in the center of the vibrant Station North Arts & Entertainment District is a dream come true," said Stacie Sanders Evans, President & CEO of Arts for Learning Maryland. "Now, as an active member of this community, we'll bring Baltimoreans together through creative expression, engaged learning, collaboration, and exploration. We're grateful to partners like the Neighborhood Impact Investment Fund for helping make this happen."

NIIF provided a \$1.7 million construction loan for the project alongside bridge financing from Reinvestment Fund. The project was led by Jubilee Baltimore and Property Consulting, Inc. The project received support from state and federal Historic Tax Credits, New Market Tax Credits, Maryland DHCD, Central Baltimore Partnership, and private foundations in the community.

Neighborhood
CHARLES NORTH

Loan Amount
\$1.7 MILLION

Total Transaction Size
\$6.6 MILLION

"The saying at Odell's was 'You'll know if you belong'" said Mayor Brandon Scott, "and what Young Audiences and Code in the Schools are doing here is telling our young people that they belong."

DIRECT PROJECT INVESTMENT

WALBROOK JUNCTION

Providing an Opportunity for Ownership



Typically, the purchase of real estate in West Baltimore receives minimal attention or interest from the surrounding community. But Lyneir Richardson's purchase of the Walbrook Junction Shopping Center was far from typical, as it gave the surrounding community a unique opportunity.

"As we were looking into the purchase we thought, what if the community had the opportunity to own this?" said Richardson, co-founder and CEO of TREND Chicago.

Through a crowd funding strategy and countless community meetings, including more than 30 zoom calls, Richardson raised more than \$330,000 from more than 100 investors to partner with TREND in its acquisition of the shopping center. Local investors benefit from services in the community and have wealth building opportunities.

This is TREND's third shopping center purchase and is part of a strategy to create local ownership of core retail assets in predominantly Black communities. In Richardson's words, "Our thesis is that these centers will have a better chance if the community has an ownership stake. They will take pride in it, protect it, and patronize it."

The 47,000 square foot center is a key neighborhood asset with a Save-a-Lot Grocery store and Rite Aid Drugstore as longstanding tenants. Since taking control, Richardson has focused on further grounding the center in the community by hiring a local black-owned property management company and sponsoring a little league baseball team. Walbrook recently hosted a community health fair where neighborhood residents were able to get Covid-19 vaccines and pick up healthy fresh produce boxes.

NIIF joined the Reinvestment Fund in supporting the transaction, with each providing \$2.9 million in financing.

Neighborhood
MOUNT HOLLY

Loan Amount
\$2,900,000

Total Transaction Size
\$6,600,000

"You need lenders who understand and believe in the ambition of our mission," said TREND CEO Lyneir Richardson.

CHIME SOLUTIONS

Bringing Jobs to Baltimore



With more than 20 years of success in business information and call center services, Marc Wilson founded Atlanta, Georgia based Chime Solutions (Chime) in 2016. Today, the company is a rapidly growing provider of customer care and other outsourced solutions to companies in healthcare, financial services, insurance, and telecommunications industries. One of Chime's missions is to purposefully locate and recruit employees in low-income disinvested communities to create job opportunities and economic mobility for residents.

In June 2021 Chime, in conjunction with a \$5.5 million investment from Arctaris Impact Investors, launched operations in Baltimore. Arctaris is a mission-focused investment fund whose Baltimore activity is backed by anchor commitments from the Abell Foundation and NIIF. Operating in Baltimore is part of Chime's national strategy.

There is a lot to what we are trying to accomplish, says Wilson. "As a Black-owned company, it's important for us to invest in our communities and create as many jobs as possible by utilizing the multiplier effect. This approach means that for every job you create, another is created, resulting in more money being spent in the community." Chime hired more than 50 employees from Baltimore within six months of launching in the city and has plans for a total of 300.

"There is so much talent in Baltimore that is left behind," says Chime Solutions Founder and CEO Mark Wilson. "We are working to bring jobs to those communities."

FINANCIAL REVIEW

Statement of Financial Position (as of June 30)

	2021	2020
Assets		
Cash, Cash Equivalents and Investments	\$41,563,135	\$47,733,484
Grants and Other Receivables	1,002,800	2,003,000
Loans Receivable	12,002,286	4,978,583
Loan Loss Reserve	(657,538)	(275,881)
Other Assets	178,338	290,377
Total Assets	\$54,089,021	54,729,563

Liabilities and Net Assets

Liabilities		
Loan Payable	51,700,000	51,700,000
Other Liabilities	109,357	45,606
Total Liabilities	51,809,357	51,745,606

Net Assets		
Unrestricted	1,279,664	983,957
With Donor Restriction	1,000,000	2,000,000
Total Net Assets	2,279,664	2,983,957

Total Liabilities and Net Assets	54,089,021	54,729,563
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Statement of Activities (period ended June 30)

Revenue		
Interest and Other Earned Revenue	669,284	963,238
Grants and Other Contributions	100,913	3,006,400
Total Revenue	770,197	3,969,638

Expenses		
Program Services	1,171,250	933,202
Provision for Loan Loss Reserve	381,657	275,881
Management, General and Other	303,240	268,406
Total Expenses	1,474,490	1,201,608
Change in Net Assets	(704,293)	2,768,030

BOARD OF DIRECTORS

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Joyce Moskovitz
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Augie Chiasera
Fagan Harris
Dana Johnson
Mary John Miller
Ernst Valery
Sonja Wells
Jalal “Jay” Greene
Colin Tarbert
Paul Taylor

STAFF

Mark Kaufman, President and CEO
Lori Glass, Chief Lending Officer
Sean O’Neill, Community Development Officer
Kayenda Twesigye, Community Development Fellow

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REJ & Associates, Inc.