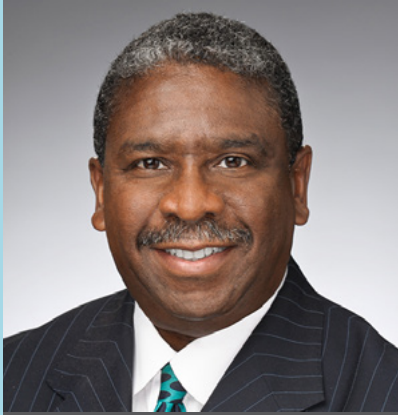




BUILDING THROUGH PARTNERSHIP

2023 ANNUAL REPORT

MESSAGE FROM THE CHAIR AND CEO



CHAIRMAN
Arnold Williams



PRESIDENT & CEO
Mark Kaufman

Baltimore City leadership created the Neighborhood Impact Investment Fund (NIIF) as an intentional and focused effort to address decades of inequity and outright disinvestment in communities of color. This bold step was part of a broader community development effort designed to elevate neighborhoods and support residents.

We are pleased that NIIF has emerged as a vibrant contributor in our neighborhoods and, more broadly, to the City's community development ecosystem. Having navigated five years of significant economic volatility, political transitions, and a global pandemic, NIIF is now an important and growing source of critical financing for impactful initiatives across the city.

In Fiscal Year 2023, we committed more than \$12 million to new projects, bringing total commitments in our 4 years of lending to approximately \$45 million. We continued to support a wide range of projects including the large-scale redevelopment of more than 1,300 units of mixed-income rental housing in East Baltimore; the acquisition of a blighted downtown building by a longstanding non-profit for renovation into its headquarters and an addiction treatment facility; and the community-driven transformation of an abandoned West Baltimore school into a landmark that honors the contributions and legacy of Supreme Court Justice Thurgood Marshall. In every case, we are proud to stand with borrowers and communities who work tirelessly to revitalize our neighborhoods.

NOTES

This report and financial information from the Neighborhood Impact Investment Fund covers the fiscal year beginning July 1, 2022, and ending June 30, 2023 ("Fiscal 2023")

The progress that we have made is built on a foundation of collaboration at all levels. Our borrowers bring a commitment to equitable growth and dedication to the communities where they live and serve. Their projects often rely on critical funding from City, State, and Federal programs, in addition to local and national philanthropic organizations. Our loans are typically only part of a financing package that may include other CDFIs, mission aligned lenders, banks or private capital.

This year's report highlights our work and the partnerships with borrowers, lenders, and other funders that make these transactions possible. We hope not only to honor these collaborative efforts, but also to encourage future partnerships that can expand our impact and uplift Baltimore for years to come.

As of this report, our Fund is stronger than ever. We have grown our client base and recently secured a \$5 million grant commitment from the US Treasury's CDFI Fund to support NIIF lending. We are also building internal capacity to improve our efficiency and flexibility. At the same time, with interest rates elevated and lending standards tightening, the importance of our work as a flexible mission-based lender is also great. Our clear and continued focus will be on channeling our resources and collaborating with others to enhance economic opportunity and equitable development.

We thank our staff, our Board of Directors, and all our partners who support NIIF in our collective efforts. We look forward to working together as we continue to uplift Baltimore neighborhoods.

**“THE LEGAL SYSTEM CAN FORCE
OPEN DOORS, AND SOMETIMES
EVEN KNOCK DOWN WALLS, BUT
IT CANNOT BUILD BRIDGES. THAT
JOB BELONGS TO YOU AND ME.”**

■ THURGOOD MARSHALL

PARTNERING FOR A BETTER FUTURE

As a place-based fund, NIIF was built on the recognition that racial divides have long characterized Baltimore. Our city's blemished heritage includes the first Union casualties of the Civil War in 1861, the nation's first racially restrictive housing ordinance in 1910, and patterns of segregation that are still pervasive today. Investment capital has followed the same path, with predominantly Black neighborhoods starved of investment for decades. As a result, many Baltimore neighborhoods remain characterized by concentrated poverty, high unemployment rates, food deserts, and high levels of crime.

NIIF was launched by Baltimore City in 2019 as a direct and targeted response to neighborhood investment disparities. We lend only in Baltimore City and focus exclusively on the neighborhoods where financing needs are greatest. Through our lending, NIIF enhances economic growth in neighborhoods, catalyzes business activity, supports the delivery of needed services, and creates greater economic opportunities for residents.

Addressing decades of inequity requires more than any one fund. Therefore, we seek to work collaboratively at all levels to support equitable growth. From predevelopment loans that finance design and engineering needed to secure funding to bridge loans that address timing gaps when funding is secured, our financing is designed to complement other components and maximize available resources. As part of a broader ecosystem, we use our flexibility to bridge gaps and leverage resources to realize the potential of impactful community development initiatives.



The partnerships we have created in our short history are vital to the work that we do and to our success. They span the wide range of development partners we finance, the public, private and philanthropic funders who invest with us, the other mission lenders who share our vision, and the communities that we serve.

In 2023, its fourth full year, NIIF committed an additional \$12.1 million and deployed a total of \$10.9 million in investments. These transactions leveraged significant additional resources from our transaction partners, with total project-level investment in these transactions from all sources reaching \$30.2 million. All investments supported NIIF's Eligible Neighborhoods whose populations average 85% Black residents, and the majority of our loans support borrowers who are minority-owned or minority-led.

	FY 2023	SINCE INCEPTION
NUMBER OF LOANS CLOSED	9	34
NIIF FUNDS COMMITTED	\$12,088,220	\$44,387,981
NIIF FUNDS DEPLOYED	\$10,979,311	\$33,277,534
NIIF FUNDS OUTSTANDING (AT YEAR-END)	\$23,039,792	\$23,039,792
TOTAL NIIF + LEVERAGED COMMITMENTS (AT CLOSING)	\$30,278,412	\$175,915,228

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. This includes additional financing that may be required. The small business data reflects activities by intermediaries for financing provided by NIIF to small businesses in Eligible Neighborhoods.

IMPACTS FROM FY 23 INVESTMENTS*	PROJECTED TO RESULT FROM NIIF FINANCING	PROJECTED TO RESULT FROM PROJECT COMPLETION
PERMANENT FULL-TIME EQUIVALENT JOBS	5	162
CONSTRUCTION FULL-TIME EQUIVALENT JOBS	270	530
HOUSING UNITS CREATED OR PRESERVED	17	568
NUMBER OF SMALL BUSINESSES FINANCED	0	2

Within NIIF's Eligible Neighborhoods, we purposefully work to meet the needs of minority borrowers and non-profits that face particular challenges in accessing capital. We seek to collaborate with other CDFIs to build an ecosystem that can support these neighborhoods over the long term.

	FY 2023	SINCE INCEPTION
NUMBER OF LOANS CLOSED	9	34
SPONSOR / BORROWER IS MINORITY-OWNED OR CONTROLLED (INCLUDING NFP)	6	15
SPONSOR / BORROWER IS WOMEN-OWNED OR CONTROLLED (INCLUDING NFP)	2	4
SPONSOR / BORROWER IS MINORITY-LED (INCLUDING NFP)	6	19
INVESTMENT IS IN PARTNERSHIP WITH A CDFI	56%	62%

NOTES

*Job data are sponsors' best estimates. Construction jobs, if not provided by sponsor, were estimated for real estate projects using a multiplier for direct and indirect employment of 7 jobs per \$1MM of Total Development Costs

PROJECT INVESTMENTS

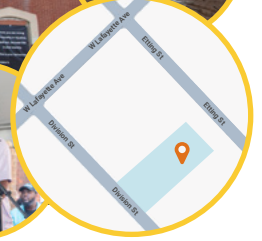
THE JUSTICE THURGOOD MARSHALL AMENITY CENTER AT P.S. 103

PRESERVING CIVIL RIGHTS HISTORY IN WEST BALTIMORE

JUSTICE THURGOOD MARSHALL SHOULD BE TO BALTIMORE WHAT THE REV. MARTIN LUTHER KING JR. IS TO ATLANTA.”

REV. DR. AL HATHAWAY

EXECUTIVE DIRECTOR OF BELOVED COMMUNITY SERVICES CORPORATION AND PASTOR EMERITUS OF UNION BAPTIST CHURCH



Through the vision of Dr. Alvin C. Hathaway, Sr. and a coalition of supporters, the former P.S. 103 Henry Highland Garnet School in Upton is being redeveloped as the Justice Thurgood Marshall Amentiy Center. The three-story building at 1315 Division Street was constructed in 1877 and served as a school for almost a century.

Thurgood Marshall, who was born and raised in West Baltimore, attended the school from 1st to 8th Grade in 1914 to 1921. He would go on to become a legendary civil rights lawyer who successfully argued *Brown v. Board of Education* and later served as the United States' first African American Supreme Court justice. The school would also educate other future civil rights leaders, including Maryland State Senator Clarence M. Mitchell III and U.S. Congressman Elijah E. Cummings.

Sadly, the building has sat vacant since the 1990s and suffered extensive fire damage in 2016. However, this project will rehabilitate and transform the historic structure into a dynamic community hub and tourism site that honors the proud legacy of Justice Marshall

and provide a variety of services to city residents that include legal support, restorative justice programming, and an evidence-based, public health gun violence intervention initiative.

"I look at P.S. 103 and see the opportunity for a catalytic investment – for a historic building and for the people and the community of West Baltimore," said Dr. Alvin C. Hathaway, Sr., President/CEO of Beloved Community Services Corporation and Pastor Emeritus of Union Baptist Church. "I think when people see historic properties come back to life, it kind of says that the old can become new and it sends a signal to people that their community is worthy of investment."

NIIF joined Reinvestment Fund in providing for bridge financing that helped leverage support from U.S. Bank, City First Bank and Enhanced Capital, as well as state, federal and philanthropic partners. Beloved Community Services Corporation sponsored the transaction after being awarded the redevelopment rights through a competitive RFP process organized by the Baltimore City Department of Housing and Community Development.

FINANCIAL PARTNERS



EnhancedCapital

usbancorp



REINVESTMENT
FUND



ADDRESS
1315 DIVISION STREET



NEIGHBORHOOD
UPTON



NIIF LOAN AMOUNT
\$3.3 MILLION



TOTAL TRANSACTION SIZE
\$14.1 MILLION

PROJECT INVESTMENTS

BAKERS VIEW TOWNHOMES

CREATING HOMEOWNERSHIP OPPORTUNITIES IN DRUID HEIGHTS

EACH OF THE AFFORDABLE TOWNHOMES AT BAKERS VIEW IS A BEACON OF WHAT IS POSSIBLE WHEN WE INVEST WITH HEART AND PURPOSE IN OUR NEIGHBORHOODS. TOGETHER, IN PARTNERSHIP WITH THE CITY, THE COMMUNITY, AND THE DEVELOPERS, WE WERE ABLE TO TRANSFORM BLOCKS OF PREVIOUSLY VACANT HOUSES INTO A BEACON FOR WHAT'S POSSIBLE IN OUR CITY WHEN WE WORK TOGETHER. IT'S MY HOPE THAT THIS COMMUNITY NOT ONLY THRIVES, BUT THAT ITS SUCCESS SPURS US ON TO CONTINUE THIS TYPE OF WORK ALL ACROSS BALTIMORE."

MAYOR BRANDON SCOTT



Druid Heights Community Development Corporation (DHCDC) has been hard at work encouraging community development through various initiatives in Druid Heights since 1974. The organization is currently completing predevelopment activities for the next phase of the Bakers View Homeownership Development, a project that will result in 57 quality, for-sale, single-family homes available to buyers earning up to 120% of the Area Median Income (AMI).

NIIF provided a \$1.24 million financing package that included a bridge loan and construction facility for four homes on Division Street. The homes were completed in October 2023, and all of the homes have since been sold to households making between 80% and 120% of the Area Median Income. This project will foster stability and growth in this West Baltimore community and was

made possible thanks to generous grant contributions from both the Baltimore City and State of Maryland Departments of Housing and Community Development.

"We are excited to continue providing affordable homeownership through our next phase of the Bakers View Homeownership Development Project. We appreciate the support from NIIF, as well as the continued partnership of our stakeholders which include the Baltimore City Department of Housing and Community Development and the State of Maryland Department of Housing and Community Development," said JohnDre Jennings, Executive Director of DHCDC.

FINANCIAL PARTNERS



ADDRESS
2309-2315
DIVISION STREET



NEIGHBORHOOD
DRUID HEIGHTS



NIIF LOAN AMOUNT
\$1.2 MILLION



TOTAL TRANSACTION SIZE
\$2.1 MILLION

PROJECT INVESTMENTS

FAMILY RECOVERY PROGRAM HEADQUARTERS

OVERCOMING ADDICTION AND REUNITING FAMILIES

“ONE OF THE REASONS THAT I BELIEVE WE ARE SUCCESSFUL IS BECAUSE, MY STAFF AND MYSELF, WE DON'T WORK WITH THE FAMILIES IN OUR PROGRAM. WE WALK WITH THEM. WHEN I WORK WITH YOU, I TELL YOU WHERE TO GO AND WHAT TO DO. WHEN I WALK WITH YOU, I GO TO APPOINTMENTS AND COURT HEARINGS WITH YOU.”

DR. JOCELYN GAINERS

CEO AND PRESIDENT OF THE FAMILY RECOVERY PROGRAM



The Family Recovery Program (FRP) has provided critical support to families struggling with addiction for more than 19 years. In May 2023, FRP closed on the acquisition of a building to serve as its future headquarters in East Baltimore.

FRP works in collaboration with the Department of Social Services and the court system to assist adults seeking to overcome drug issues and who want to maintain custody of their children. Working with FRP, parents are more likely to complete treatment and retain custody, improving outcomes for families, reducing reliance on foster care, and lowering costs to the child welfare system.

NIIF provided a loan of \$550,000 to support FRP's acquisition of a vacant building located at the intersection of N. Gay and Orleans Streets. Once restored, the building will provide office space for the non-profit, allow for expansion of their programming, and offer greater stability to the families they serve.

FRP is working in partnership with Episcopal Housing Services on the project after having successfully collaborated on the redevelopment of the 28,000 square foot Harry & Jeanette Weinberg Building at Sage Center. In addition to developing its own projects, Episcopal provides development assistance to other nonprofit organizations that share its mission of assisting those most in need.

“Having closed on the property, we are now embarking on a capital campaign to transform the building into our permanent home so that we can expand our critical services to the community,” said Dr. Jocelyn Gainers, President and CEO of the Family Recovery Program.

FINANCIAL PARTNER



ADDRESS
401 N GAY STREET



NEIGHBORHOOD
JONESTOWN



NIIF LOAN AMOUNT
\$550,000



TOTAL TRANSACTION SIZE
\$730,000

PROJECT INVESTMENTS

PERKINS-SOMERSET-OLDTOWN CNI TRANSFORMATION

SUPPORTING HISTORIC INVESTMENT IN AFFORDABLE HOUSING

“THE FUTURE OF THIS COMMUNITY HOLDS GREAT PROMISE AS ONE OF INCLUSION AND OPPORTUNITY. YOU WILL SEE THE MANIFESTATION OF THAT PROMISE VERY SOON.”

JANET ABRAHAMS

CEO AND PRESIDENT OF THE HOUSING
AUTHORITY OF BALTIMORE CITY



In Fiscal Year 2023, NIIF closed three additional loans to support the ongoing Perkins-Somerset-Oldtown (PSO) revitalization. The Fund closed a \$1.5 million predevelopment loan and a \$2.1 million predevelopment loan to finance the third and fourth phases, respectively, of the Perkins Homes redevelopment led by McCormack Baron Salazar. Additionally, in April 2023 NIIF provided a \$1.4 million predevelopment loan for the last phase of the Somerset Homes redevelopment led by Mission First Housing Group and Henson Development.

The three projects are part of a comprehensive plan that involves the demolition of obsolete public housing buildings and the ground-up construction of a vibrant mixed-income community with more than 1,300 units of affordable and market-rate housing, a brand-new school, community parks, neighborhood improvements, and

a supportive services plan aimed at helping families meet their goals. Led by the City of Baltimore and the Housing Authority of Baltimore City (HABC), the project has received \$40 million in federal support through the Choice Neighborhoods program at HUD as well as significant City and State funding.

In total, NIIF has provided five predevelopment loans for the Perkins-Somerset-Oldtown redevelopment in collaboration with the Reinvestment Fund and HABC. Two of these projects are now in the construction phase. The loan for the Somerset redevelopment will support an eight-story multifamily project with a 35,000 square foot grocery store on the ground floor. Collectively, NIIF has committed approximately \$6 million to the PSO revitalization.

FINANCIAL PARTNERS



**REINVESTMENT
FUND**



**HOUSING
AUTHORITY of
BALTIMORE CITY**



ADDRESS
MULTIPLE BUILDING



NEIGHBORHOOD
PERKINS HOMES
AND OLDTOWN



NIIF LOAN AMOUNT
\$5 MILLION
ACROSS 3 LOANS



TOTAL TRANSACTION SIZE
\$10 MILLION ACROSS
3 LOANS

PROJECT INVESTMENTS

COMMUNITY LAND TRUST EXPANSION

INCREASING AFFORDABLE HOUSING IN NORTHEAST BALTIMORE

“OUR GOAL IS TO MAKE DREAMS COME TRUE FOR FAMILIES THAT DIDN'T FEEL THEY HAD THE ABILITY TO BUY A HOUSE. THROUGH OUR COMMUNITY LAND TRUST, A FAMILY CAN OWN A HOME FOR A \$700 PER MONTH PAYMENT INCLUDING TAXES AND INSURANCE, VERSUS PAYING OVER \$1,000 A MONTH IN RENT, OFTEN FOR SUBSTANDARD HOMES.”

GARRICK GOOD

EXECUTIVE DIRECTOR OF NORTH
EAST HOUSING INITIATIVE



In August 2022, NIIF closed a revolving bridge loan for North East Housing Initiative (NEHI), a non-profit community land trust dedicated to providing permanently affordable shared equity housing in North East Baltimore. The \$337,500 loan is part of a \$750,000 facility led by National Housing Trust Community Development Fund (NHT), a national CDFI based in Washington DC that specializes in land trust lending.

This is the second loan to NEHI that NIIF has completed in partnership with NHT. The loan will cover the acquisition and hard cost for the rehabilitation of up to 10 homes in the Four by Four/Belair-Edison

neighborhood. The project is supported by funding from Baltimore's Affordable Housing Trust Fund.

NEHI's goal is to transform vacant, abandoned, and foreclosed properties into permanently affordable homes for people with an AMI of 80% and below, creating wealth and minority homeownership opportunities while helping to revitalize the Four by Four neighborhood and the Belair-Edison Corridor.

FINANCIAL PARTNERS



ADDRESS
SCATTERED SITE



NEIGHBORHOOD
FOUR BY FOUR



NIIF LOAN AMOUNT
\$337,500



TOTAL TRANSACTION SIZE
\$711,000

ACTIVITY SINCE INCEPTION

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



MULTIFAMILY HOUSING **8**



SINGLE FAMILY HOUSING **8**



MIXED USE **3**



COMMUNITY FACILITIES **7**



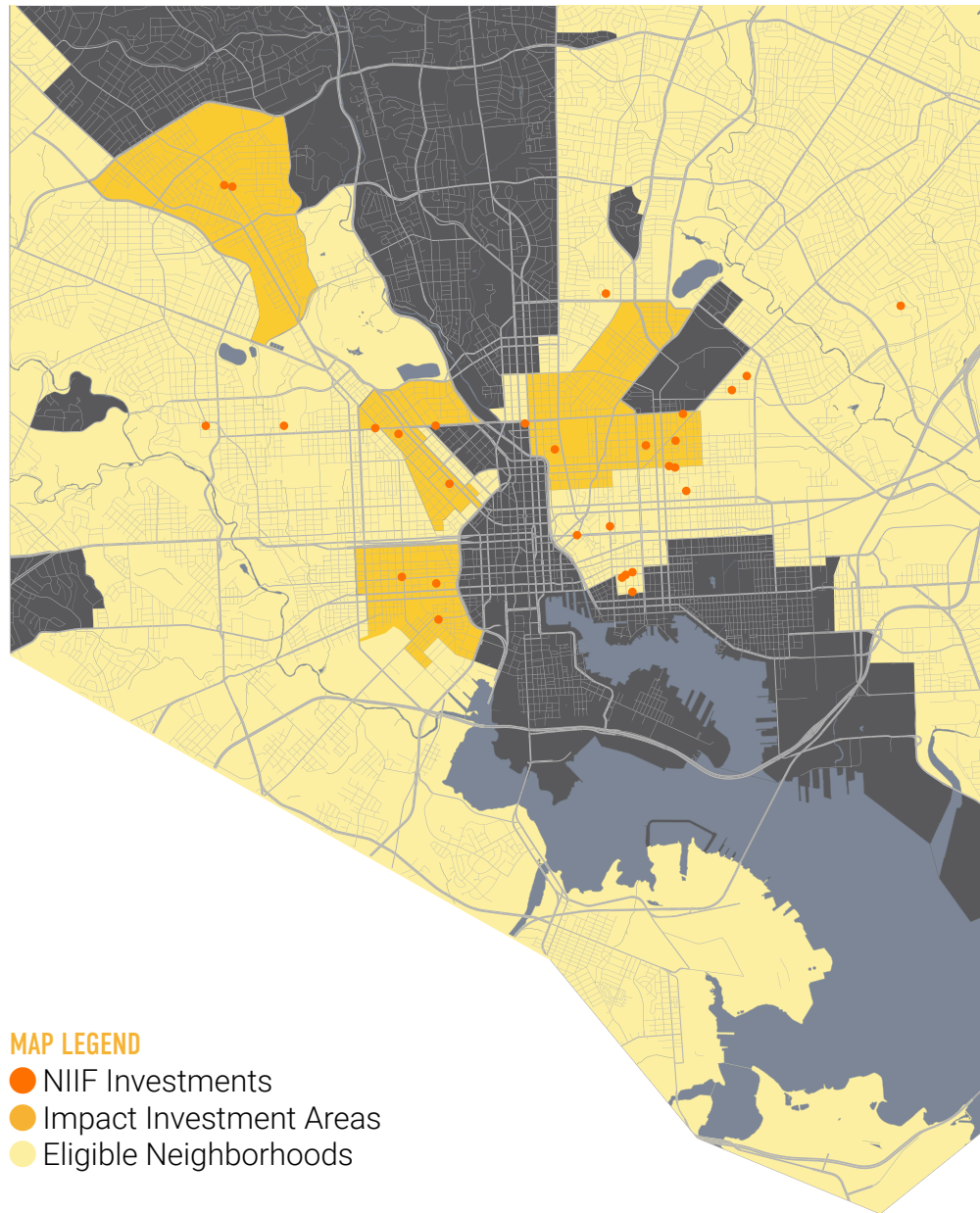
COMMERCIAL **3**



SMALL BUSINESS **5**

FINANCIAL REVIEW

STATEMENT OF FINANCIAL POSITION (AS OF JUNE 30)	2023	2022
ASSETS		
CASH, CASH EQUIVALENTS AND INVESTMENTS	\$35,318,104	\$41,956,431
GRANTS AND OTHER RECEIVABLES	\$988,265	-
LOANS RECEIVABLE	\$23,039,792	\$14,795,309
LOAN LOSS RESERVE	(\$1,639,407)	(\$875,990)
OTHER ASSETS	\$278,540	\$162,442
TOTAL ASSETS	\$57,985,294	\$56,038,192
LIABILITIES AND NET ASSETS		
LIABILITIES		
LOAN PAYABLE	\$51,700,000	\$51,700,000
OTHER LIABILITIES	\$68,703	\$71,716
TOTAL LIABILITIES	\$51,768,703	\$51,771,716
NET ASSETS		
UNRESTRICTED	\$4,661,951	\$4,259,976
WITH DONOR RESTRICTION	\$1,554,640	\$6,500
TOTAL NET ASSETS	\$6,216,591	\$4,266,476
TOTAL LIABILITIES AND NET ASSETS	\$57,985,294	\$56,038,192
STATEMENT OF ACTIVITIES (PERIOD ENDED JUNE 30)		
REVENUE		
INTEREST AND OTHER EARNED REVENUE	\$2,046,618	\$698,164
GRANTS AND OTHER CONTRIBUTIONS	\$2,162,040	\$2,668,143
TOTAL REVENUE	\$4,208,658	\$3,366,307
EXPENSES		
PROGRAM SERVICES	\$1,743,614	\$1,040,270
PROVISION FOR LOAN LOSS RESERVE	\$763,417	\$218,452
MANAGEMENT, GENERAL AND OTHER	\$514,929	\$339,225
TOTAL EXPENSES	\$2,258,543	\$1,379,495
CHANGE IN NET ASSETS	\$1,950,115	\$1,986,812



BOARD OF DIRECTORS

CHAIRMAN	ARNOLD WILLIAMS Abrams, Foster, Nole & Williams
TREASURER	JALAL “JAY” GREENE Baltimore City Department of Housing and Community Development (Retired)
SECRETARY	JOYCE MOSKOVITZ Riverside Advisors
DIRECTOR	MARC BROADY Maryland Thoroughbred Racetrack Operating Authority
DIRECTOR	F.T. BURDEN Springboard Community Services
DIRECTOR	AUGIE CHIASERA M&T Bank
DIRECTOR	JOHN HAMILTON Municipal Employees Credit Union of Baltimore
DIRECTOR	MARY JOHN MILLER Johns Hopkins University 21 st Century Cities Initiative
DIRECTOR	LINDA SORDEN Enterprise Community Loan Fund (Retired)
DIRECTOR	ERNST VALERY Ernst Valery Investments
DIRECTOR	SONJA WELLS City First Bank
CITY DIRECTOR	LORI GLASS Baltimore City Department of Housing and Community Development
CITY DIRECTOR	COLIN TARBERT Baltimore Development Corporation
CITY DIRECTOR	PAUL TAYLOR Baltimore City Mayor’s Office of Minority and Women-Owned Businesses

STAFF

MARK KAUFMAN
President & CEO

PATTI CHANDLER
Chief Financial Officer

RYAN RATTANNI
Senior Lending Officer

SAMMY NDIYO
Controller

JACOB CROUSE
Loan Officer and Impact Manager

Thank You.



We are a Community Development Financial Institution, certified by the U.S. Treasury Department, dedicated to delivering capital and promoting inclusive equitable growth in Baltimore's historically disinvested neighborhoods. We seek to support communities through loans and investments that can accelerate community revitalization, catalyze business activity, and provide greater economic opportunity for residents.

Address

Box 354
711 W 40th St, Ste 153
Baltimore, MD 21211

Website

www.baltimoreniif.org

Email

info@baltimoreniif.org

DESIGNED BY

REJ & Associates, Inc.