

20
IMPACT
REPORT
20



BUILDING
JUST
NEIGHBORHOODS



YEAR OF THE
RESOLUTE



DEAR FRIENDS,

2020 was a year of unthinkable challenges to our societal survival, and a collective call to action to demand justice for all. It was a year that pushed our team to pivot and refocus to better serve our communities. We were driven (and continue to be) by the resiliency and the unflinching courage of the businesses and residents who fight every day for safety, quality of life, and equal opportunities in a world that has treated them unfairly.

When COVID-19 began to grip our society, we immediately focused on our small businesses and residential tenants, knowing that rent payments and income streams would be disrupted. We tirelessly searched for resources to support our community, including negotiating with our financing sources to collaborate on ways for all parties to weather the storm. When tenants made the difficult decision to close their businesses, we worked with them closely to navigate the emotional and financial toll of their transition.

The unnecessary and tragic lives lost to racism, excessive force, and other injustices made it more clear than ever we needed to do more as landlords, property owners, and real estate experts to create equitable spaces and help our communities thrive. We looked and listened to those around us whose wisdom helped us heal, educate, grow, and create better spaces for entrepreneurs and residents.

With the dedication of our partners, Mosaic Development Partners and the Philadelphia Housing Authority, we started construction on Sharswood Ridge, a mixed-use development bringing key essential services and affordable housing to residents of Philadelphia's Sharswood

neighborhood. With an unwavering commitment from Palace Builders, SHIFT Builders, and Smith & Roller, we worked through masked construction and health precautions to build the nation's most civically-engaged community at J-centrel.

There were moments that showed us the true meaning of community when members of our team and tenants found ways to swiftly support Philadelphia. Some tenants rallied friends to sew and distribute masks while others donated portions of their profits to local organizations and products to frontline workers. Our team donated 12,000 masks and PPE items to local hospitals, delivered family meals with Sunday Suppers, and donated to Philly food banks.

And a further note on team SHIFT. Spread across projects, buildings, and screens, our team showed up virtually and in-person to advance our

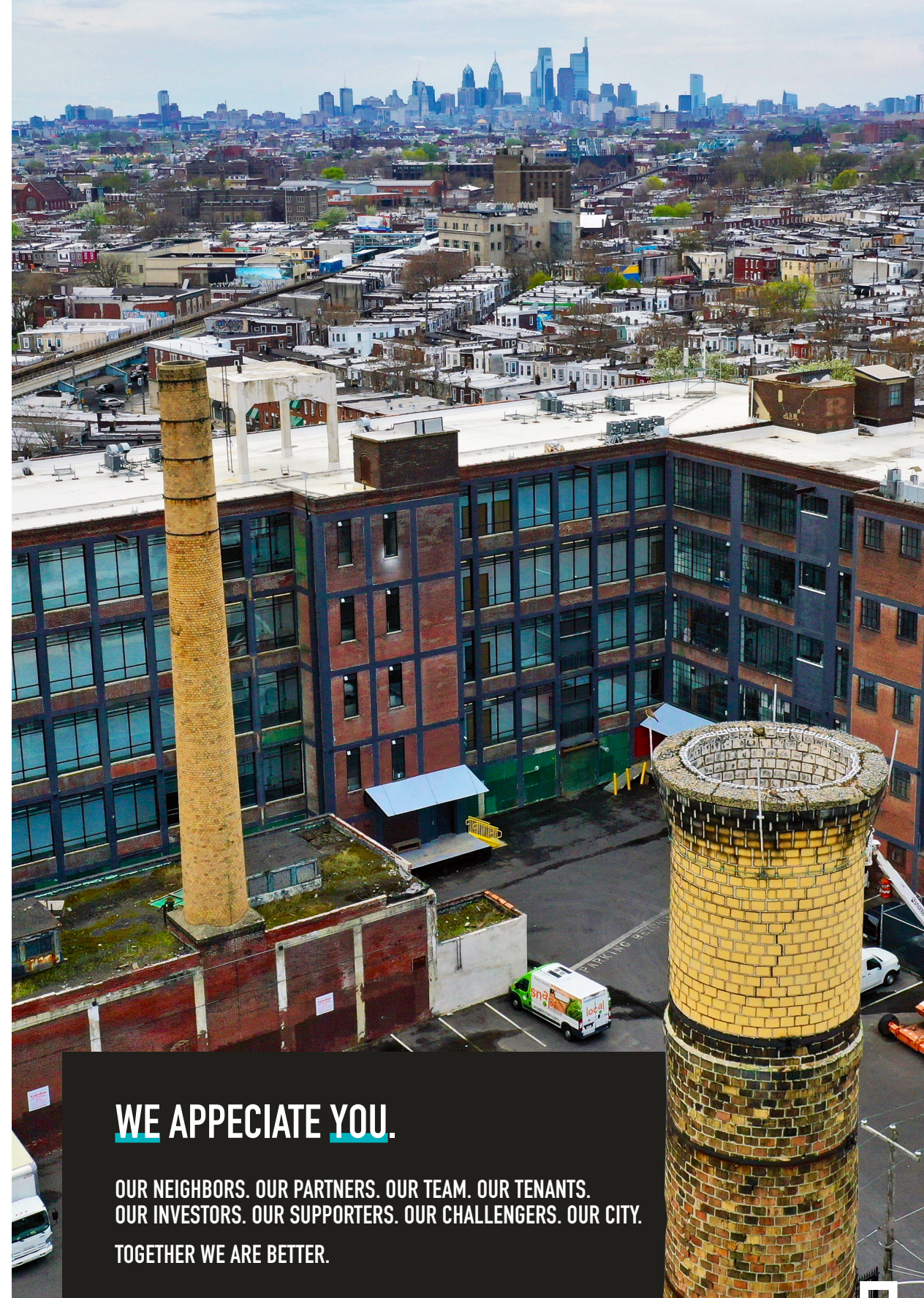
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work. A special shout to our maintenance techs and property management team, who served as our frontliners, making sure our tenants and residents continued to receive priority care.

2020 strengthened our commitment to our communities to build just neighborhoods. It was a year that while separated us, made us find more ways to support each other. It further instilled that our work and the lasting change we seek can only be realized with the support of our partners and community members. We are endlessly thankful to everyone that has helped us, and will continue to carry our mission forward. We must remain resolute in the people we serve and pursuits that drive us.

Take care and stay safe.

TEAM SHIFT



WE APPRECIATE YOU.

**OUR NEIGHBORS. OUR PARTNERS. OUR TEAM. OUR TENANTS.
OUR INVESTORS. OUR SUPPORTERS. OUR CHALLENGERS. OUR CITY.
TOGETHER WE ARE BETTER.**

WE ARE ON A MISSION TO BUILD, JUST NEIGHBORHOODS.

SHIFT is a neighborhood investment group who executes real estate projects and financing strategies that create equitable and mixed-income communities for the long-term.

We deliver community solutions and programming that maintain and diversify a neighborhood's character while maximizing long-term affordability and minimizing displacement.

We are a Certified B Corporation® with experience in every level of real estate development from investment management to impact measurement, development to construction, and leasing to property management. We own and manage just under 2 million square feet of real estate, including commercial, residential, mixed-use, and vacant lots Together with our partners, we are:

- + Re-energizing obsolete industrial buildings to foster economic development through various businesses and entrepreneurs
- + Providing more affordable spaces and homes for small businesses and residents
- + Recapturing the vitality of once thriving main streets through innovative programming and development



OUR VALUES PUSH US FORWARD.

Creative

We are resourceful decision makers, integrating both independence and collaboration.

Unflappable

We are confident, flexible, deliberate, and diligent in crisis and in calm.

Relentless

We drive towards the goal, stopping only at completion.

Compassionate

We are understanding for the communities and stakeholders we work with.



OUR COMMITMENTS TO OUR COMMUNITIES.

Every resident deserves a safe, affordable quality home with access to supportive services.

Quality workforce development, job opportunities, and thoughtful retail and services for neighborhood residents.

Building trusted relationships and strategic partnerships to deliver value-add programming and services to community members.

Every resident should have access to safe spaces and passages, health services, and healthy food and activity options.

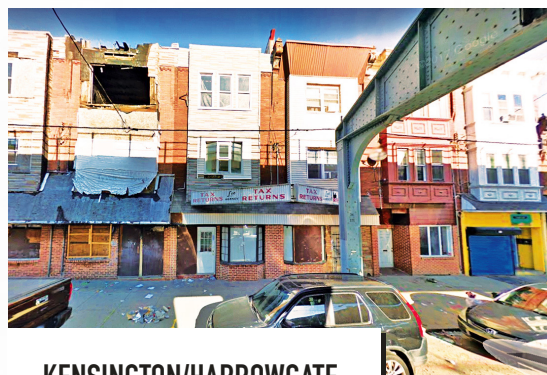
Supporting local artists through the development and preservation of artists spaces and commissioning of public projects

Providing opportunities for under-represented groups via our team, vendors and suppliers, and tenants, to build stronger, more equitable, and more cohesive communities.

THROUGH 2020 \$100MM capital invested in the neighborhoods we serve	THROUGH 2020 \$5.9MM spent on businesses in the neighborhoods we serve
THROUGH 2020 \$1MM invested on fire safety systems	THROUGH 2020 39% dollars spent in Philadelphia
THROUGH 2020 \$863K spent on environmental assessment/remediation	IN 2020 8 community-wide projects/programs
THROUGH 2020 100% residences at 60% Philadelphia AMI or less	THROUGH 2020 53 single-family homes and apartments renovated
IN 2020 8 commercial spaces renovated	IN 2020 29 commercial spaces leased
THROUGH 2020 875+ temporary jobs in construction/maintenance	THROUGH 2020- 650+ jobs brought to/created in neighborhood
IN 2020 53% of our team from an unrepresented group	IN 2020 72% of tenants from an unrepresented group

PHILADELPHIA ROOTS

Our investments are place-based, people-focused, and purpose-driven. Our approach is part of a greater vision to strengthen Philadelphia by laying the groundwork for opportunity for communities in historically overlooked neighborhoods.



KENSINGTON/HARROWGATE

POPULATION

60,949 (1% of Philadelphia)

MEDIAN HOUSEHOLD INCOME

\$25,983 (\$15,000 less than Philadelphia)

UNEMPLOYMENT RATE

24.15% (2X higher than Philadelphia)

HEALTH OUTCOMES RANKING (OUT OF 46 PHILADELPHIA NEIGHBORHOODS)

Upper Kensington/ Juniata Park: 46th
Harrowgate: 32nd

CHILDREN IN POVERTY

57.6% (1.7X higher than Philadelphia)

HOUSING CODE VIOLATIONS (PER 1,000 HOUSING UNITS)

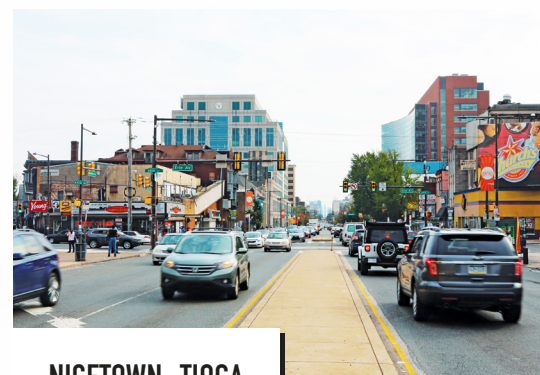
765 (~5X higher than Philadelphia)

TRAVEL TIME TO WORK >60 MINUTES (% POPULATION)

23.6% (~1.7X higher than Philadelphia)

VACANT BUILDINGS (% OF TOTAL)

4.3% (~1.7X higher than Philadelphia)



NICETOWN—TIOGA

POPULATION

90,198 (1.6% of Philadelphia)

MEDIAN HOUSEHOLD INCOME

\$21,825 (\$15,000 less than Philadelphia)

UNEMPLOYMENT RATE

21.5% (1.7X higher than Philadelphia)

HEALTH OUTCOMES RANKING (OUT OF 46 PHILADELPHIA NEIGHBORHOODS)

Nicetown-Tioga: 45th
Hunting Park-Fairhill: 34th

CHILDREN IN POVERTY

53.8% (1.5X higher than Philadelphia)

HOUSING CODE VIOLATIONS (PER 1,000 HOUSING UNITS)

1,445 (~9X higher than Philadelphia)

TRAVEL TIME TO WORK >60 MINUTES (% POPULATION)

27.7% (~1.2X higher than Philadelphia)

VACANT BUILDINGS (% OF TOTAL)

10.3% (~4.3X higher than Philadelphia)



SHARSWOOD

POPULATION

21,816 (.4% of Philadelphia)

MEDIAN HOUSEHOLD INCOME

\$19,750 (\$20,000 less than Philadelphia)

UNEMPLOYMENT RATE

15% (1.2X higher than Philadelphia)

HEALTH OUTCOMES RANKING (OUT OF 46 PHILADELPHIA NEIGHBORHOODS)

Sharswood-Stanton: 40th

CHILDREN IN POVERTY

49.1% (1.3X than Philadelphia)

HOUSING CODE VIOLATIONS (PER 1,000 HOUSING UNITS)

1,154 (~7Xs higher than Philadelphia)

TRAVEL TIME TO WORK >60 MINUTES (% POPULATION)

21.0% (~1.5Xs higher than Philadelphia)

VACANT BUILDINGS (% OF TOTAL)

5.2% (~2.2Xs higher than Philadelphia)



COVID upended life. Everyone had to endure profound changes and pivots. We saw firsthand how our small businesses and communities were challenged, and how our team and tenants worked together to preserve livelihoods.

RESPONDING TO UNCERTAINTY WITH STRENGTH, COMPASSION, AND FORTITUDE



MASK MAKING. PHOTO THANKS: SEWCIAL CAFE

When COVID hit, our teams and tenants came together to support frontliners, our communities, and each other. MaKers of all mediums handmade masks to donate to local Philly frontline workers and shared tutorials for others in their circles to do the same. Some businesses were working to protect others' lives while their businesses were starting to endure their own financial stressors. We saw our small businesses continue to donate some of their profits to neighborhood organizations hit hardest by COVID. Team SHIFT donated 12,000 gloves, 2,000 masks, thousands of applicators, medical booties, lab coats, and hairnets to Temple University Hospital. Our team volunteered with neighborhood organizations to deliver and donate food to families in our community.

Our small business community was hit hard. Our team acted swiftly. We worked directly with each entrepreneur to create individualized support plans. We provided financial resources and assisted with COVID-related programs. We negotiated rent deferrals with 29 tenants between April and June. We created an online marketplace to help promote and boost our tenants' transition to a mostly online world. Despite the actions of our tenants and team, about 30 small businesses had to close. We know the people behind these businesses are resilient, and will again, if not already, bounce back and continue sharing their passion. Our doors are always open.

DONATING MASKS TO THE PHILADELPHIA FURNITURE BANK



NEIGHBORHOOD CONEXIÓN

At times during the lifecycle of our SHIFT Neighborhood Fund, we sell and transition our properties to community members, neighborhood groups, and community-minded developers.

In 2020, we sought to transition one of our strategically located mixed-use properties at 1945 E. Allegheny in Kensington. As we looked for the right buyers, our partner, FINANTA/Community First Fund, introduced us to their [Affinity Group Lending Program](#). Their program provides access to small-dollar loans, credit building, and technical assistance in a group setting to entrepreneurs and consumers who are looking to increase their financial capability and reach their financial goals. The groups are typically formed by individuals that have an affinity because of their culture, family, or community connections.

FINANTA connected us with one of their clients who was interested in purchasing the property. SHIFT's leasing and finance teams worked



PHOTO THANKS: IMPACT SERVICES

together with Raquel and Richard to navigate the lending process and provide them extended time to complete the transaction. At the end of 2020, Raquel and Richard purchased the property with a loan from [IMPACT Services' Loan Fund](#). We, with the support of community partners, were able to provide Raquel and Richard with real estate and lending literacy, help them realize their dream, and learn from the process to help our team assist similar community members and groups in the future.

3,000 SQUARE FEET

Donated to the Philadelphia Diaper Bank to help distribute 2.3 million donated diapers and 256,000 period products in 2020

10,000 SQUARE FEET

Donated to the Police Athletic League to host their annual job fair

1,000 SQUARE FEET

For Philadelphia's 24th Police District's Police Assisted Diversion (PAD) program. The PAD program takes a health-centered approach to divert people who committed low-level, non-violent drug, prostitution, and retail theft offenses away from the criminal justice system and towards supportive, peer-based social services that are customized to the participants' needs. The Police Department partnered with Prevention Point, the Salvation Army, and Merakey, a developmental, behavioral health and education non-profit provider, to provide these supportive services in our space. Annually, the PAD program serves 1,200 program participants.

Sharswood Ridge



USING THE BUILT ENVIRONMENT TO IMPROVE A COMMUNITY'S WELL-BEING

Breaking ground on Sharswood Ridge was a groundbreaking moment for the Sharswood community, our partner, [Mosaic Development](#), our investors, and SHIFT. Our collective launched a project that weaves the voices and vision of a community to deliver essential and vital services like grocery, healthcare, and banking, with mixed-income housing where almost half of the units are below-market rates, and over 200+ permanent jobs with 70% expected to be available for local residents.

Sharswood Ridge has set the standard for equitable development. Together with Mosaic and our public and private partners, we are building Sharswood Ridge as an anchor to the commercial corridor and as a bridge that

will create more wealth building opportunities for residents to reach economic independence, and help improve the health and safety of the neighborhood. We are poised to open doors in 2022.

LOCATION

Sharswood neighborhood North Philadelphia (2077 Ridge Avenue)

DETAILS

234,000 square feet mixed-use development
Mixed-income housing with almost half at below-market rates

Tenants: grocery, healthcare, banking

EXPECTED COMPLETION

2022

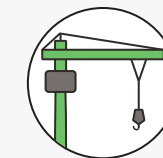
[Sharswood Ridge] checks so many boxes for our residents...A lack of access to healthy foods—we have a supermarket in this development. Check that box. Access to adequate health care—we have an urgent care coming here. Box checked. Access to banking—a new bank is locating here. Check that box. More affordable housing—for seniors. Check the box. Businesses which are minority-owned gaining economic opportunity. A black developer is developing this project.



COUNCIL PRESIDENT
DARRELL L. CLARKE



CONSTRUCTION BEGINS



NEIGHBORHOOD INVESTMENT

JOBS GENERATOR (EXPECTED 2021)

200+
TEMPORARY CONSTRUCTION/
MAINTENANCE JOBS

200+
PERMANENT JOBS

70%
of the jobs expected to be available for
neighborhood residents

LOCAL SPENDING (2020)

\$14,827
SPENT ON LOCAL VENDORS

39.1%
CONTRACTS WITH LOCAL VENDORS

22%
of contracts awarded to Minority
Business Enterprises

12%
of contracts awarded to Women's
Business Enterprises

PARTNER

MOSAIC
DEVELOPMENT PARTNERS

PHA
PHILADELPHIA HOUSING AUTHORITY

BUILDING THE NATION'S MOST CIVICALLY-ENGAGED COMMUNITY

Our team and partners masked up and tooled up to bring us closer to opening J-centrel. A historic industrial building who once housed looms, sewing machines, and furniture manufacturing. Transformed into loft-style residences and ground floor retail and workspaces. Built on a foundation of quality and better affordability and pulsing with a heart of supporting their neighbors, J-centrel is setting the standard for how residents and businesses meaningfully engage and participate in their community.

WEAVING THE BUILDING INTO THE FABRIC OF THE NEIGHBORHOOD AND THE LIVELIHOODS OF THE COMMUNITY

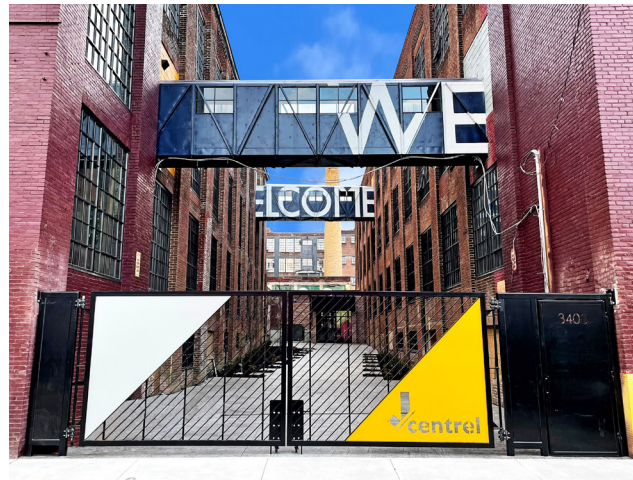
Designing quality spaces and more affordable living were top of mind. Investing in efficient energy and water systems came next, thanks to Pennsylvania's [Commercial Property-Assessed Clean Energy \(C-PACE\) financing](#), a first for any project in the Commonwealth. These systems are expected to reduce J-centrel's total carbon footprint by 2,700 metric tons of CO₂ equivalent.

With J-centrel's structural integrity set, we worked on creating a culture of integrity. We listened to our neighbors who sought a connection to new residents, even down to the simplest form of hello. We listened to current residents and business owners asking for J-centrel residents to support the existing initiatives and goals of the community. We partnered with neighborhood organizations who focus on community building, economic development, and resident health and safety.



J-CENTREL COURTYARD BEFORE

J-CENTREL COURTYARD TODAY



LOCATION

Harrowgate neighborhood North Philadelphia (3400 J Street)

DETAILS

155,000 square feet mixed-use development

116 loft-style 1-, 2-, and 3- bedroom apartment residences

Ground floor retail / small business studios

EXPECTED COMPLETION

2021

BUILDING BLOCKS

Our listening turned into action. We developed the Good Neighbor Program to offer rent discounts up to \$100/month for J-centrel residents who volunteer four hours of service with our partner organizations or who are an employee of a Good Neighbor Program partner. The program is designed for existing neighbors and J-centrel residents to connect, work together, and support the community.

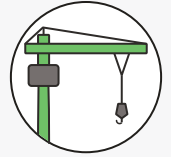
Our commercial tenancy followed suit. We sought tenants who embrace community building and neighborhood investment. [Càphê Roasters](#), a local Vietnamese coffee roaster whose mission is to bring communities together, will open its first coffee shop at J-centrel. Anchoring alongside Càphê will be IF Lab from the creative energies of [Little Giant Creative](#). IF Lab's goal is to help entrepreneurs in underinvested neighborhoods turn their ideas into viable companies, with a special focus on minorities, low-income individuals and Kensington residents.



J-CENTREL LOFT RESIDENCE



J-CENTREL WELCOME



NEIGHBORHOOD INVESTMENT

JOBS GENERATOR
(2020)

200+
TEMPORARY CONSTRUCTION/
MAINTENANCE JOBS

LOCAL SPENDING
(2020)

\$8.7MM
INVESTED

\$1.5MM

SPENT ON:
CLEANING
SECURITY
CURB/ SIDEWALK REPAIRS
STORMWATER/ SEWER REPAIRS,
LANDSCAPING
EXTERIOR PAINT
EXTERIOR MASONRY REPAIRS
NEW HISTORICAL WINDOWS
EXTERIOR LIGHTING

PARTNER
SMITH & ROLLER

Residents and businesses are joining the J-centrel community. Come meet J-centrel and follow our progress.

J-centrel

JCENTREL.COM

Our commitment to small businesses

OPENING DOORS

In 2020, while some of our small businesses closed due to financial strains from COVID and others moved on to other studios, we welcomed our most diverse group of entrepreneurs and organizations to our MaKen and SHIFT community.

12PLUS

ALICE ALEXANDER
CAMERON WASHINGTON ENTERPRISES
D'MONT REESE PHOTOGRAPHY & VIDEO
ENERTIA GROUP
GOOD GOOD CHOCOLATES
IMPRESSO COFFEE
KISMET BAGELS
LEE RUMSEY
LYS "LOVE YOURSELF"
MATERNITY CARE COALITION
MUSEBRND
MICHELE KISHITA STUDIO
MILK JAWN
PAT PHILLIPS
THE PHILADELPHIA CANVAS CO. & BAIN LLC
PHILADELPHIA MENTAL HEALTH CARE CORPORATION
COMMUNITY TREATMENT TEAMS INCORPORATED
REVAMPED PAINTBALL
SAMSPACE DISTRIBUTOR INC
SIMETI SCHOOL OF GYMNASTICS
SUNDAY SUPPERS
TESORO DESIGN
TOMMY TOMMY II
TULSI MADDULA
VENN SPORTS
WASH CYCLE LAUNDRY
XO FETTI

26 new small businesses in 2020

22 new minority-, woman-, LGBTQIA-owned businesses

57 new jobs brought to the neighborhood

65 creative economy small businesses

8 non-profit / community-focused organizations

Industries Apparel
Accessories
Bio-science technology
Creative entrepreneurs
Food manufacturers
MaKers/Artists
Non-profit and social services organizations



MICHELE KISHITA STUDIO



TESORO DESIGN: ETHICALLY MADE LEATHER GOODS



KISMET BAGELS (AND SCHMEARS)



SIMETI SCHOOL OF GYMNASTICS



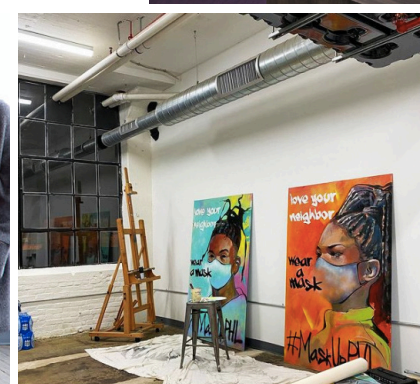
MILK JAWN SMALL BATCH ICE CREAM



MATERNITY CARE COALITION AT MAKEN STUDIOS SOUTH



12+: EMPOWERING STUDENTS TO UNLOCK THEIR FULL POTENTIAL



DAMON BAIN ARTIST



20 IMPACT REPORT 20NE

IN 2021 WE WILL CONTINUE TO DELIVER ON OUR COMMITMENTS TO OUR COMMUNITIES, CREATE BETTER SPACES FOR SMALL BUSINESSES TO GROW, AND STRENGTHEN OUR CONNECTION WITH NEIGHBORS.

VISION-IN-PROGRESS: [SHIFTCAPITAL.US/IMPACT](https://www.shiftcapital.us/impact)

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SPECIAL THANKS TO OUR PARTNERS
FOR PHOTOS AND STORIES.

