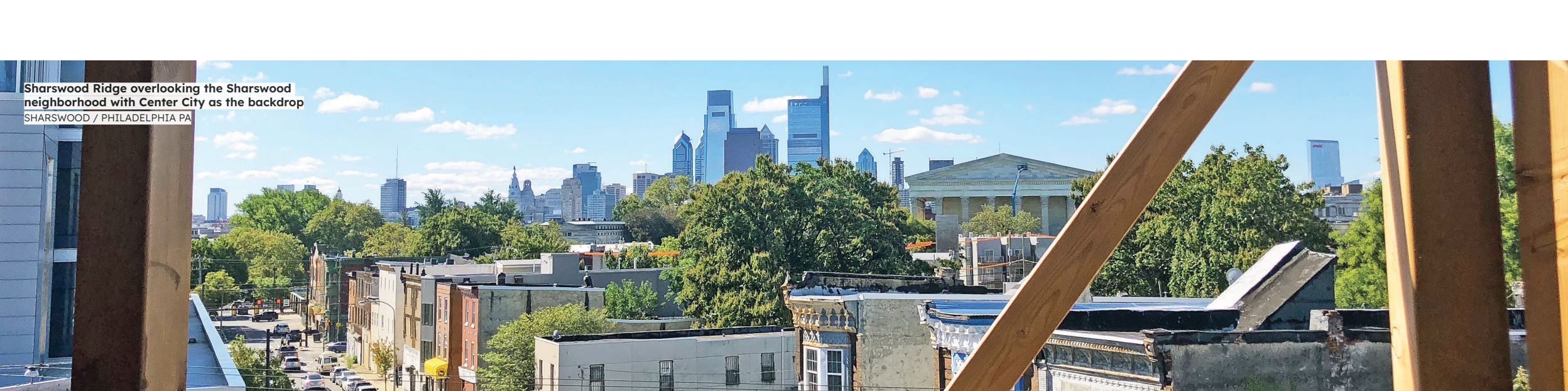


2021

Impact Report

MOVING
FORWARD



Sharswood Ridge overlooking the Sharswood neighborhood with Center City as the backdrop
SHARSWOOD / PHILADELPHIA PA

Dear Friends,

Out in the world, SHIFT Capital is a real estate developer. A label that places an almost absolute stigma on our creative-minded, solutions-focused, and community-serving team. We have strived to dispel the notions that are attached to this label ever since we started almost a decade ago. At our heart, SHIFT is a neighborhood investor. Investing in the built environment to strengthen the communities where we invest. Working with neighbors, small businesses, entrepreneurs, funders, partners, and friends to support the communities where we invest. Showing up when and where we can to lend a hand to, stand up for, and be there for the communities where we invest.

These communities are coping with and tackling head on some of the most insufferable economic and social challenges our City (and the world) has bear witness to and failed to help solve. These challenges are

entrenched and generational, requiring time and a collective and collaborative effort to lay paths to solutions. We strongly believe the work we do is part of the solution base.

Our investments help turn vacated buildings into living rooms, places to dine, safe spaces for community services, and studios for creativity and experimentation. What we thoughtfully create helps to open doors and opportunities for small business production hubs, novel ideas and scientific breakthroughs, community-serving organizations, youth learning centers, safe quality homes for residents, and jobs for community members and Philadelphians. Programs, like our Good Neighbor Program, help to create bridges between residents and community members through supportive engagement. All to lay the groundwork for economic and social supports for the neighborhood, to provide safer and cleaner places for residents and businesses, and to develop stronger participation and relationships with neighbors.

2021 was a year of introspection for our team, helping us to strengthen our neighborhood connections and mission progress with more focused accountability and actions. We committed to certain workforce inclusionary goals for construction jobs, contracting, suppliers, and vendors as well as to attracting a more diverse mix of small businesses and entrepreneurs. Behind the scenes, our team laid the groundwork for project reporting and tracking that will hold us accountable to our project inclusionary goals.

2021 was also a year when we said we can do better for communities. We made a standing commitment to:

Continue to elevate local, emerging developers. We established our Developer-in-Residence program, a program that integrates mission-aligned developers, focusing on minority- and women-owned businesses, with our team to provide cross-training in large-scale development and financing projects.

Set better standards in the real estate industry and continue to break the mold of real estate development. We invested in our models for impact measurement and reporting and established new mission-driven partnerships to actualize industry-wide best practices.

Invest in and with the Next Generation of impact real estate leaders. We are systematically investing in a stronger real estate ecosystem by bridging the barriers to entry. Our investments with diverse-led groups in Washington DC and Newark NJ has helped elevate locally led groups with ambitious impact agendas in their respective communities.

Our collective actions and the collective support of neighbors, partners, investors, and our team will continue to move us forward in making generational investments in people and places in Philly and beyond. Forward is the only direction we know.

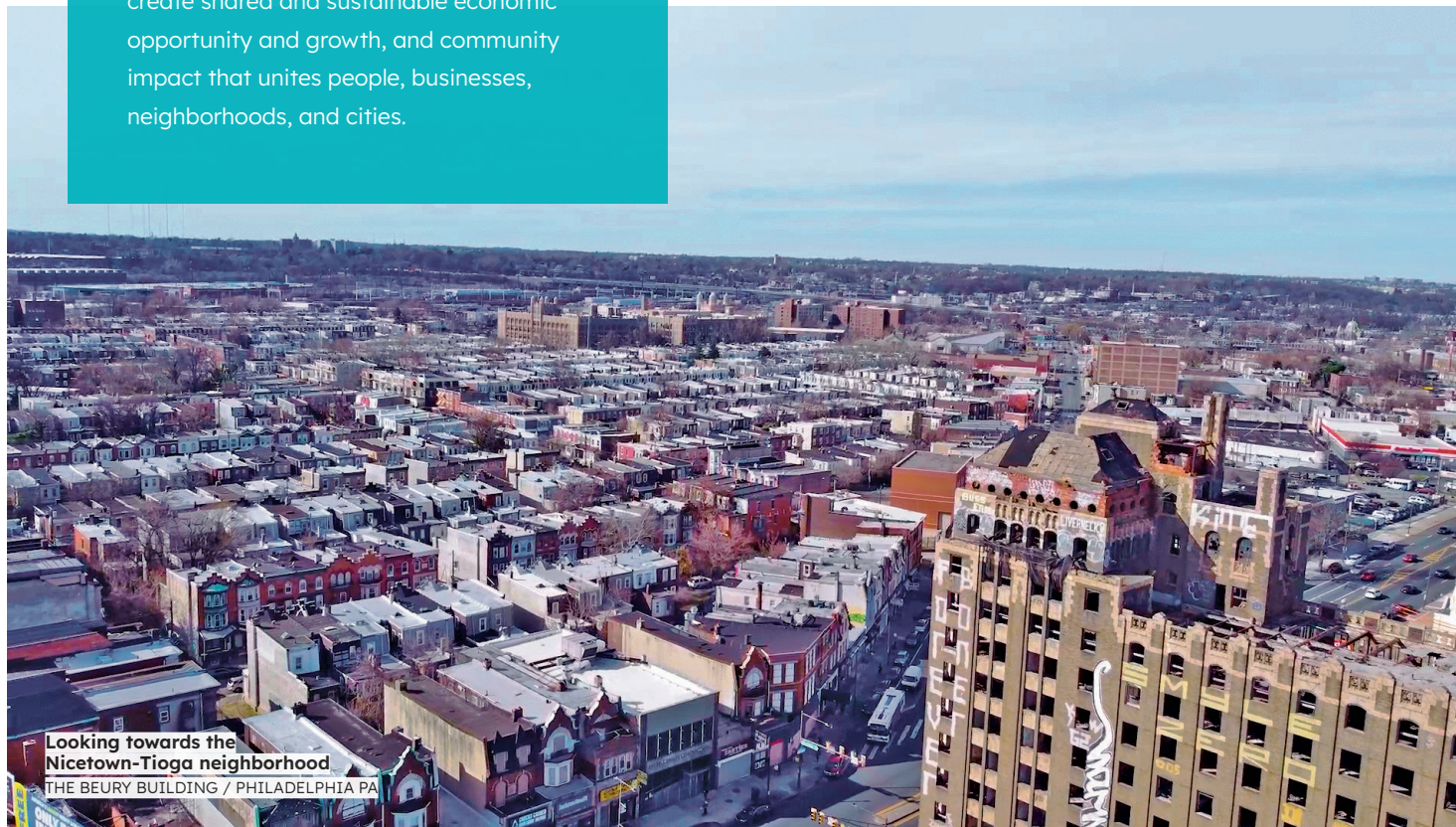
TEAM SHIFT

PURPOSE FIRST SHIFT Capital

Founded in 2012, 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 own and manage a mix of 2 million square feet of new and refactored industrial, commercial, and residential spaces for small businesses, entrepreneurs, and residents. As a Certified B Corporation®, we are driven to put purpose first, paramount to profit made. We believe that by putting purpose first, we are driving stronger long-term outcomes for communities, society and our investors.

Our mission is to build just and equitable neighborhoods

We believe community-centered investments create shared and sustainable economic opportunity and growth, and community impact that unites people, businesses, neighborhoods, and cities.



Looking towards the
Nicetown-Tioga neighborhood
THE BEURY BUILDING / PHILADELPHIA PA

Our values

Our team shows up every day. On screen, on the ground, on site. With communities, partners, and people. Across our teams and neighborhoods. We bring our talent and tenacity. We learn by listening to others and find growth in this learning. We challenge each other and enjoy our camaraderie.

Creative

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

Unflappable

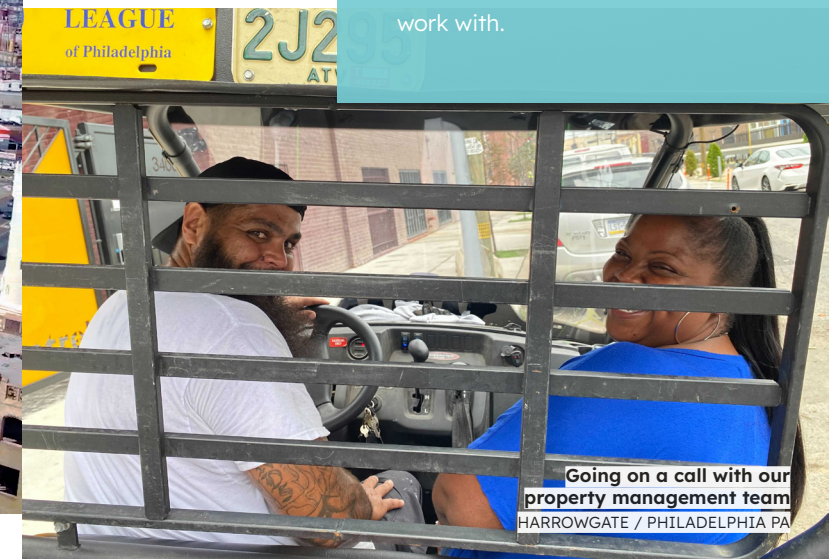
We are confident, flexible, deliberate, and diligent in crisis and in calm.

Relentless

We drive towards the goal, stopping only at completion.

Compassionate

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



Going on a call with our
property management team
HARROWGATE / PHILADELPHIA PA

Accountable actions to affect positive change

Our theory of change

We look to increase the long-term self-sufficiency, safety, prosperity, and quality of life for residents in underserved urban areas through holistic, thoughtful real estate development and services, blended financing across the private, public and nonprofit sectors, and partnership and programming with city, community, and industry leaders.

Our Theory of Change is grounded in the international standards of the United Nation's Sustainable Development Goals.



We believe

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

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

In 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.

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

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

Commitments to our communities

~\$220MM
capital invested in the neighborhoods we serve

THROUGH 2021

\$6.5MM
spent on businesses in the neighborhoods we serve

THROUGH 2021

40%
dollars spent in Philadelphia

THROUGH 2021

960
temporary jobs in construction/maintenance

THROUGH 2021

700+
jobs brought to/created in neighborhood

IN 2021

\$343K
spent on environmental assessment/remediation

THROUGH 2021

\$300K
invested on fire safety systems

THROUGH 2021

16
trees planted

IN 2021

3
murals or art projects completed

IN 2021

136
residential units

IN 2021

74%
residences at 80% Philadelphia AMI or less

IN 2021

36%
residences at 60% Philadelphia AMI or less

IN 2021

48%
of our team from an unrepresented group

IN 2021

24%
of our team identify as female

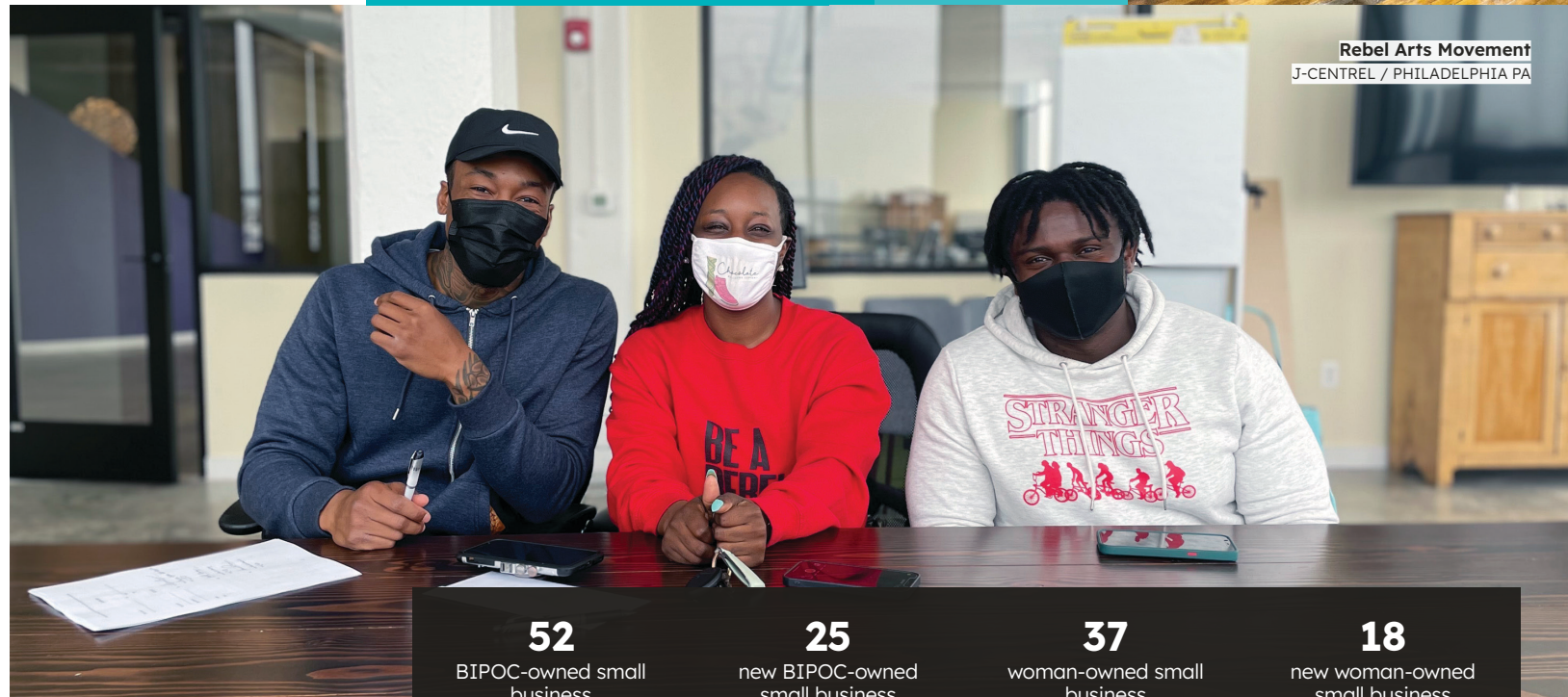
IN 2021

165K
commercial square footage leased
IN 2021

52
creative economy tenants

12
food and beverage tenants

7
social service/
nonprofit tenants
AS OF 2021



52
BIPOC-owned small business

54% of total small businesses

AS OF 2021

25
new BIPOC-owned small business

63% of total new small businesses

IN 2021

37
woman-owned small business

38% of total small businesses

AS OF 2021

18
new woman-owned small business

45% of total new small businesses

IN 2021



2020 ONE

Showcasing 2021 moments from our team, the small businesses we work with, and the neighbors we partner with.

BioAnalysis LLC, a Black-owned, non-clinical research organization opens its HQ in Harrowgate, bringing scientists to MaKen South.

Construction begins on 3200 Kensington Avenue. Sixteen residences with street-level retail—at the corner of Kensington and Allegheny. “This intersection, known as ‘K&A,’ is arguably [Philadelphia’s] largest heroin market and a hotspot for gun violence.” Residences will open in 2022.



SHIFT worked with a group of primarily Latinx investors to guide them in becoming collective owners of a real estate portfolio of our previous properties in Kensington.

Partnering with the Norris Square Community Alliance, SHIFT was awarded the Mi Casa RFP to provide development support for building single family homes on vacant lots.



SHIFT joins The Menkiti Group—a 100% minority-owned Certified Business Enterprise missioned to transform lives, careers, and communities through real estate—and the community of Historic Anacostia in Washington DC to break ground on MLK Gateway II, SHIFT’s first project outside of Philadelphia.



SHIFT partners with Newark NJ-local developers, Hanini Group, and regional investor, CoInvestment Partners, to acquire and purchase three buildings in Newark’s growing Central Business District. SHIFT’s second project outside of Philly.

Artist Jess X. Snow, Mural Arts Restorative Justice Department’s Women’s Reentry Pilot Program participants, and artists create “The Future Is Worth The Fight, Just Hold On & You Will See ” mural next to J-centrel.

SHIFT launches our Developer-in-Residence program to train and cultivate emerging developers. Voyage Investments joins the program.

J-centrel opens and our Good Neighbor Program launches providing rent discounts for residents who volunteer or work in J-centrel’s neighborhood.

Càphê Roasters open their first cafe in Philly; from Kensington Storefront Challenge winner to roaster and wholesale in MaKen North to full-service cafe at J-centrel.

SHIFT’s Board membership on the Kensington Corridor Trust transfers to the community. SHIFT and neighborhood partners created the Trust to give the Kensington community control of real estate and capital along the Kensington Avenue corridor.



BRDG Studios, a tech-interactive experience shop that bridges creative technology & precision manufacturing, opens its full-capacity HQ at 3775 Kensington Avenue.

Make safe at the legendary Beury Building. Four decades vacant, SHIFT begins a rebirth of Philly’s North Broad Street cornerstone.



We lead real estate projects and programs driven by equitable development best practices.

With each of our projects, our team factors economic mechanics and community needs to collectively strengthen the social fabric of communities. We believe considerations for residents, neighbors, and tenants, are as important as our financial considerations.

In 2021, our team continued to intentionally invest in projects that are transit-oriented, community-serving, and small business friendly, and that mix high quality design and delivery. We worked towards building thoughtful spaces and places that were inclusive, safe, and welcoming for everyone. With partners, we worked along some of Philadelphia’s commercial corridors in the neighborhoods of Harrowgate/Kensington, Sharswood, and Nicetown-Tioga-North Broad Street, where we laid the groundwork to remove decades-old blight and add community-serving, essential businesses and services.

Philadelphia Neighborhoods

	Kensington/ Harrowgate	Nicetown-Tioga	Sharswood
Population	61,615 (4% of Philadelphia)	97,422 (6% of Philadelphia)	31,664 (2% of Philadelphia)
Median Household Income	\$34,374 (\$15,000 less than Philadelphia)	\$29,092 (\$20,000 less than Philadelphia)	\$25,162 (\$24,000 less than Philadelphia)
Unemployment Rate	52.2% (1.2X higher than Philadelphia)	53.2% (1.2X higher than Philadelphia)	51.1% (1.2X higher than Philadelphia)
Health Outcomes (out of 46 Philadelphia Neighborhoods)	46th Upper Kensington 32nd Harrowgate	45th Nicetown-Tioga 34th Hunting Park-Fairhill	40th Sharswood-Stanton
Children in Poverty	57.6% (1.2X higher than Philadelphia)	53.8% (1.1X higher than Philadelphia)	63.5% (1.3X higher than Philadelphia)



HARROWGATE

Welcome to J-centrel

J-centrel is an adaptive-reuse of an old mill turned 116 apartment residences with an onsite cafe and ground-level retail and working studios for entrepreneurs and community-service services. J-centrel is accessible to Kensington Avenue, the main street that runs through Philadelphia's Harrowgate and Kensington neighborhoods.

At our J-centrel Opening Day, we gathered entrepreneurs, residents, and community members and partners to officially open our doors.



In 2021:

We welcomed 10 new small businesses to J-centrel and the Harrowgate community. We welcomed entrepreneurs delivering community-serving services, small business support for minority-owned businesses, food and beverage, and creative experiences.

We launched our Good Neighbor Program for residents to support the communities of Harrowgate and Kensington. Good Neighbor offers rent discounts up to \$100/month for residents who volunteer four hours of service with our partner organizations or who are an employee of a Good Neighbor Program partner.

We committed to providing a more sustainable way for residents to access everyday essentials. We partnered with The Rounds, a zero-waste refill and delivery service, to deliver household basics, personal care products, and pantry staples, right to residents. The Rounds work with local businesses to deliver pantry items and employ locally at their Neighborhood Refillment Centers.

Since J-centrel's launch

18 Volunteer hours completed

12 Good Neighbor partners

13 Good Neighbor participants

Residents volunteered with:
Philadelphia Diaper Bank,
Friends of Harrowgate Park,
Harrowgate Civic Association

11 J-centrel residents used The Rounds

92% Retention since launch

36 Deliveries made to J-centrel

285+ Pieces of plastic and boxes saved

HARROWGATE

Intersection united

Our project at 3200 Kensington Avenue offered complexities across financing, development, and construction, and with the realities of violence and drug-related incidents at its physical intersection. Uniting with partners, investors, and the community, our team overcame the challenges to be on track in 2022 to deliver a mix of street-level retail for community-serving businesses and quality living apartments for residents.



3200 Kensington gave us opportunities to employ local residents like Patrice, a longtime resident who has worked tirelessly to help people experiencing addiction and homelessness. Patrice provided site coordination while connecting with neighbors who inquired about the project.

From Patrice:

"Thank you so much for the opportunity you have given me. All of my life I have worked to be successful. And everything I needed was always to make a difference. Now I can teach and show my kids what it's like to work and work hard. Because of you I have a chance to find a place somewhere in this world."

From our team:

"Since starting back in November Patrice brings joy to the site and is so committed to ensuring that each person on site feels safe and secure."

SHARSWOOD

Supportive services and living rooms

Sharswood Ridge is a commercial and residential anchor development that sits along the Ridge Avenue commercial corridor anchor in Philadelphia's Sharswood neighborhood. Mixed market rate and affordable apartment residences with street-level retail providing essential and supportive services to the neighborhood, including a grocery store, urgent care, eateries, and a community bank.



Sharswood Ridge broke ground towards the end of 2020, and our team and partners, Mosaic Development Group and the Philadelphia Housing Authority, took off in 2021 with ground-up construction.

- + Secured project grants with financial partners
- + Connected pieces of our 1st modular residential project
- + Signed leases with Grocery Outlet, Santander Bank, Everest Urgent Care to bring essential banking and health services and access to healthy food options to the Sharswood neighborhood

21%

percentage of total purchases that went to local vendors

2021

38

temporary construction jobs created

2021

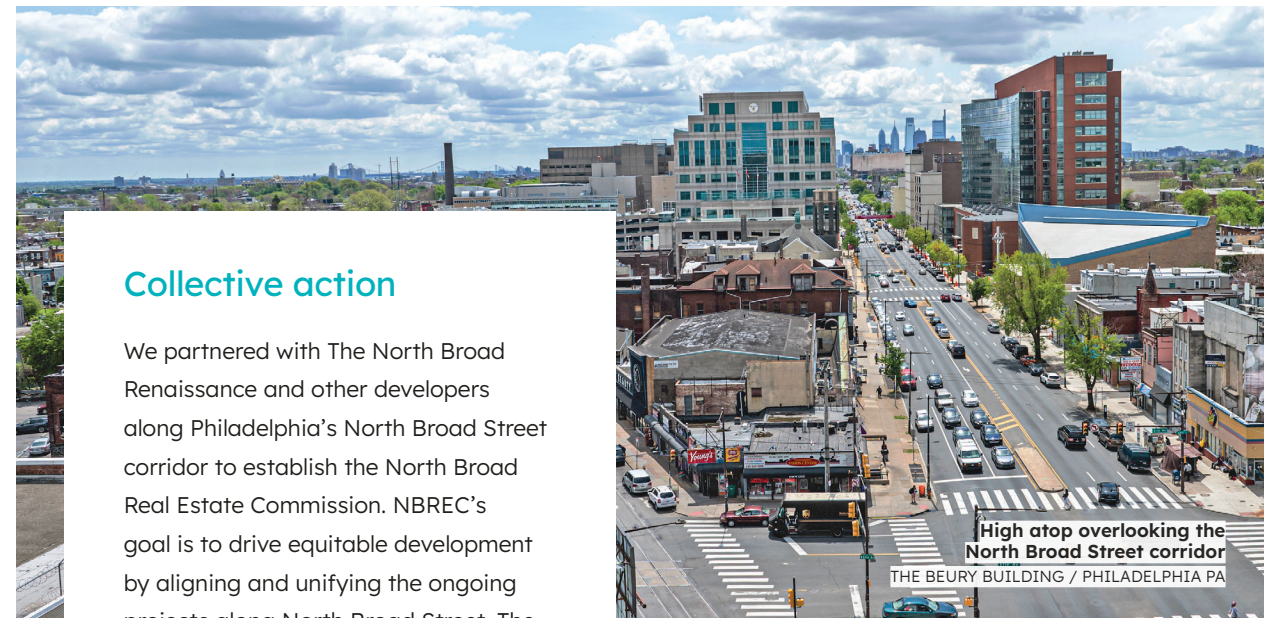
NICETOWN-TIOGA

Working together

We work together with our partners at the heart of North Philadelphia's Nicetown-Tioga and Hunting Park neighborhoods.

Monumental movement

SHIFT Builders, our in-house construction team, and our partners started the first phase of construction at the legendary Beury Building (3701 North Broad Street in North Philadelphia). During this phase, teams worked to clean out and repair the almost century-old structure to prepare it for full construction and development. When complete, the Beury will be transformed into a 138-guest room hotel with ground-level restaurants and café, a rooftop bar and restaurant, a fitness center, and meeting spaces. SHIFT continues to work with the community coalition of BGEC (Broad-Germantown-Erie Collaborative) to raise the bar of equitable development and community partnership.



Collective action

We partnered with The North Broad Renaissance and other developers along Philadelphia's North Broad Street corridor to establish the North Broad Real Estate Commission. NBREC's goal is to drive equitable development by aligning and unifying the ongoing projects along North Broad Street. The coalition provides opportunities for developers to showcase projects, seek support and input, and share resources. We joined NBREC because we believe a collective approach to neighborhood investment best serves local businesses and the community.

"It is SHIFT's obligation to work together, to grow the necessary resources to maximize our economic, social, and environmental impacts while providing the tools for all developers to maximize a joint impact for the communities of North Broad Street."

Our buildings, both inside and out, offer space for 100+ small businesses, entrepreneurs, non-profits, scientists, artists, producers. They provide space for community connections, newfound experimentation, collaborative creations, and supportive services. And, they have the ability to help businesses grow which in turn helps to create jobs for neighborhood residents.

We celebrate the small businesses who joined our community in 2021. We celebrate the entrepreneurs who took a big step towards turning their passion project or side hustle into a bigger movement or a full-on obsession with their business. We celebrate our collaborations with artists and community organizations who used our spaces to create impact.

We provide space to collaborate, express, grow, break through.

We welcomed over 20 small businesses and entrepreneurs to the Harrowgate community

12 Plus

Alexis Monroe

BioAnalysis LLC

Càphê Roasters

Care Assured

Cheyenne Gil

Cloud Cups

Emmages Studio

Endless Ways Beauty

Everybody Eats Philly

Faiya LLC

Intercultural Family Services

Movement Labs

Posh Party Group, LLC

RebelArts Movement

Safe-Hub Philadelphia

SelBeauty

Shop Icon LLC

Stephanie Barone

Striver's Row Distillery

The4thken

Waxery

Working Class Coffee

Studio and barber shop for The4thKen-
Entrepreneur, Content Creator, & Barber
J-CENTREL / PHILADELPHIA PA

Small business growth, inside and outside our studios

BioAnalysis

Dr. Lake Paul, a scientist and entrepreneur, opened BioAnalysis, a Black-owned, minority-led, Kensington-based, non clinical contract research organization at MaKen South. Scientists at South provide research and analysis on Cell and Gene Therapy and biotherapeutics that have the potential to be life-changing.

Lake Paul, Ph.D.
President and Founder, BioAnalysis LLC

“The work we do at BioAnalysis is unrivaled. We needed lab space that was as innovative as our work and allowed us to build the next generation of Cell and Gene Therapy testing capabilities. We found MaKen Studios in the Harrowgate neighborhood near Kensington. The open floor plan, entire floor of windows giving us unheard of natural light, and the blank canvas giving us the ability to grow made MaKen an easy choice. You don’t hear of many researchers setting up labs here in Kensington. They should think again.”



▲ Càphê Roasters

Back in the day, ok about 4 years ago, Càphê Roasters operated a roastery and wholesale production out of MaKen North. In 2021, Càphê opened their first cafe as an anchor at J-centrel. Càphê’s journey started with an idea, brewed with heart and a determination to never stop, and backed by a team of coffee connoisseurs and imbued by family and heritage. The lines were out the door, and the experience, coffee, and food were on.



◀ FAIYA Hot Sauce

FAIYA is a minority-owned and led hot sauce lab and producer made out of MaKen North. Their beginnings were born out of their love for food and love of family, and experimenting while passing time during the pandemic.

Intercultural Family Services

Intercultural Family Services open a neighborhood office at MaKen North. Intercultural works toward stabilizing, strengthening, and uniting families, individuals and diverse communities through behavioral health, mental health, family enrichment, and prevention services.

Kismet Bagels

In 2020, Kismet Bagels opened their first commercial kitchen at MaKen North. A year later, a meteoric rise in bagels, schmears, bialys, and sammies sales, Kismet Bagels made moves towards opening their first brick and mortar shop in Philly.



▲ Strivers' Row Distillery

Strivers' Row is Philly’s first Latino-owned distillery making small-batch whiskey and rum opened in MaKen South. It was dubbed the smallest commercial distillery in America and awarded Best of Philly® 2021 - “Best New Distillery” by Philadelphia Magazine. The taste of Strivers' Row is influenced by its founder and prime maker’s heritage and life experiences. Family flavors have been distilled in each flavor and pour.

SPACE TO GIVE BACK

Create forward



Space to envision a new world through art

Lenapehoking / New York City-based artist Jess X. Snow brought us “The Future Is Worth The Fight, Just Hold On & You Will See” mural next to our J-centrel property with support from Mural Arts Restorative Justice Department’s Women’s Reentry Pilot Program participants and assisting artists Sonja John, Kah Yangni, Michael Konrad, and Malachi Floyd.

The mural features portraits and letters from a group of Philadelphia-based high school students and their families who were a part of a class examining Black and Indigenous and Diasporic People of Color-led alternatives to community care and safety that don’t rely on local, state, or federal aid.

Space to work together

We donated our office space for a five-part Police Trauma Training Pilot Program for officers from the 24th District led by We CAN (Change & Action Now), an interagency collaborative among three community development corporations and community partners. The training, which focused on introducing officers from the 24th District to trauma-informed principles from a variety of perspectives, was a collaboration between Inspector Altovise Love-Craighead, head of the Philadelphia Police Department’s Community Relations Bureau, resident Community Connectors, community youth, and the Creative Praxis training organization. We CAN implemented the pilot program with support from Captain Pedro Rosario of the PPD’s 24th District. The training was part of We CAN’s work to increase community cohesion, strengthen police and community relations, and reduce physical disorder in the Kensington and Fairhill neighborhoods of North Philadelphia.

Space to thank and commemorate

We donated space to members of the New York City Ballet and the New York City Ballet Orchestra to perform an interpretation of “Hallelujah” to “commemorate the lives we lost to COVID, honor healthcare workers and those who are moving mountains to bring us back together, and inspire hope and unity through the power of art.” Check out the [final video](#) produced by [A Little Better Co.](#)

Space to create impact

Safe-Hub Philadelphia and the Block Gives Back, two non-profits focused on empowering communities, families, and kids, hosted their End of Year Jawn event at MaKen North. The event welcomed families from the Harrowgate and Kensington neighborhoods to share resources, host sports and activities, and provide toys and winter clothes.



Space to express

We donated space to multi-hyphenate artist, [Gianni Blass Lee](#). Gianni served a two-month artist-in-residency at MaKen South.

**We show up for
our community
to lend a hand,
share our
expertise, and
amplify their
voices.**

Supporting strokes of love for the neighborhood

SHIFT supported local artists Linda Fernandez of Amber Art and Design and Carly Noella Najera, a local resident to secure funding from Mural Art's Neighborhood Yes Fund to create signage and a mural at Scanlon Playground in Harrowgate. The Neighborhood Yes Fund supports community projects led by residents who live in the neighborhoods of the proposed projects.

Carly Noella Najera, a Harrowgate resident, Kensington Soccer Club coach, and art teacher, met our team while designing Little Libraries for Mural Arts in the summer for 2021. Carly and her students from Mastery Charter School Lenfest Campus created a floral mural at the entrance of Scanlon. The mural brought students and community members together and created a joyful welcoming message to the playground.

Since 2017, Amber Art and Design have created in MaKen North Studios, which overlooks Scanlon Playground. Their mission is to leverage art from a point of renewal and service: inviting communities and individuals to advocate for positive change. They have been long-time champions for environmental justice and have supported several efforts to support beautification efforts at Scanlon. Linda Fernandez collaborated with local families to create a new, colorful sign at the J Street and Tioga Street entrance to welcome the families and children who play everyday.

Supporting students

We donated computers to 12+, a nonprofit that opened their HQ at MaKen South in 2021. The mission of 12+ is to increase educational equity by building school cultures that inspire academic achievement and empower students to pursue education beyond 12th grade. The computers were distributed to seven of their PLUS Centers across Philadelphia (including three within the Kensington neighborhood) and Camden NJ to upgrade technology equipment. 12+ PLUS Centers are hubs of postsecondary, academic, and social support services embedded within the walls of each of 12+ partner schools.



Forward 2022

Our progress on mission is because of the collective support of our neighbors, partners, entrepreneurs, and investors. This collectivity drives our investments, our welcomes to businesses and residents, and our dialogue with community members. Together we move forward in 2022.





Forward: shiftcapital.us/impact

SHIFT Capital

MaKen Studios South

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Building just and
equitable neighborhoods



Special thanks to our partners
for photos and stories.