

When we set out to think about how to measure and report on our impact, we sought the advice of the most significant experts from around the country. Most advised us to keep it simple. Choose the most relevant data points but don't go any deeper. This may make sense for many social impact businesses, but not for us, and not for real estate.

We believe the role of real estate is a profound one, as it has ripple effects unmatched in any other type of impact investment. The buildings where we live and work or the neighborhood fabric we travel through on a daily basis are the main characters in our life. Well-lit streets, trees, active businesses, and value-aligned services can fundamentally change lives at the most basic levels. It is no surprise that the condition of these buildings and the people that bring them to life play a major role in a child's health and education. In fact, the most important characteristic determining a person's future success is the zip code where they grew up.

However, for all the promise of economic development in lower-income communities that could raise all ships, there are real pitfalls — namely displacement and a lack of access to opportunity for the very people that need it. We realized that simplifying our metrics was not going to hold us accountable and tell the true story of our impact.

When we couldn't find anything that was as robust as we needed, we set out to create our own system, built on the foundation of the world's most widely accepted framework – the UN Sustainable Development Goals. We utilize the best data sources on neighborhood economics and mix this with our own system of data gathering. We bring these numbers to life through stories from our neighbors and partners.

It is in this way, we aim to keep ourselves honest while demonstrating the profound impact of investing in communities through real estate.



Table of contents

04 Our story

Meet the team who is disrupting entrenched inequality to create inclusive, equitable communities who thrive.

12 Our neighborhoods

We are driven by the people and their potential in our communities.

14 How we create change

Our Theory of Change and solutions-focused and community-driven approach.

16 The change we seek to make

We create change for our communities in six ways.



20 Community stories from our tenants, partners, and team

Why we do what we do told through the voices of our community.

Shift works with underserved neighborhoods to create inclusive, equitable communities who thrive.

We deploy holistic development strategies that align capital with long-term community success. We invest in places and people to create opportunity and shared prosperity for all.

Our team is built from a cross-section of talented experts who share a drive and dedication to the communities we serve.

Visionary catalyst Building the future

In and for people, families, communities, and society

Authentic Genuine ingenuity thoughtfully designed

nclusive Together for a better community

Empowering High caliber Power tools, talented people, quality products, remarkable service

Community elevators helping people and businesses rise up

Communities need a real estate developer that is willing to do things differently.

To connect the dots across sectors, partners, and neighborhoods.

To better serve people.

Shift Capital launched with the goal of being a more intentional, thoughtful, and impactful real estate developer in under-developed, urban communities. It started with a vision for a new capital approach, a few passionate and patient investors, and two industrial buildings in a neighborhood with one of the highest poverty and unemployment levels in the City of Philadelphia.

Five years later, we have raised more than \$40 million in equity (and approximately \$20 million in debt), acquired just shy of 2 million square feet of real estate for our first fund, the Shift Neighborhood Fund, and helped 70+ creative businesses grow.

Today we have a far better understanding of our role as a social impact real estate developer and how our efforts are amplified through a collective approach to impact. We believe that thoughtfully acquiring and developing a spectrum of real estate asset classes is still one of the single biggest levers in creating sustainable social change. We further believe we can best serve underserved neighborhoods with holistic coordinated solutions built on:

- Partnerships with a broader spectrum of community organizations, service providers,
 City agencies, and industry and commercial partners
- Co-developed programming that supports housing, economic development, health and safety, arts and culture, and community development, and
- Patient and flexible capital from a broad spectrum of value-aligned impact investors, lenders, and grantmakers

IMPAOMPTACT TIMELINEE LINE

2012

SHIFT CAPITAL IS BORN.



2013



Shift acquires two large-scale industrial buildings in the North Kensington neighborhood of Philadelphia, totalling over 200,000 sf of lease-able space that has been mostly dormant for over the last two decades.

These buildings will carry the moniker Made in Kensington (MaKen) and become MaKen Studios North and South.

Shift acquires the Beury
Building in Hunting Park after
four decades of vacancy. The
goal for all three buildings:
restore jobs back into a once
thriving neighborhood.





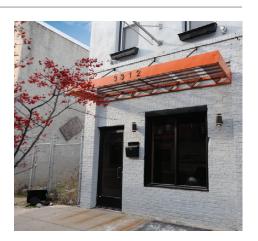
First contractor from the neighborhood, Jose, hired. Within 2 months, Jose becomes a certified and insured general contractor, and within three years, a master electrician as well. Shift commits to working with and supporting local contractors.

Shift Property Management LLC forms to provide thoughtful, attentive, quality service to tenants.

2015

Shift purchases first mixeduse property, 3312 Kensington Avenue. Regenerating a healthy, community-focused commercial corridor becomes part of Shift's mission.

Goldman Sachs Urban Investment Group finances MaKen Studios North and South construction.





Shift purchases first single family home on the 3300 block of Argyle Street just weeks after the *Philadelphia Inquirer* released an article identifying it as one of the worst blocks in Philadelphia. Restoring quality, affordable residential housing becomes part of Shift's mission. Shift now owns eight properties on the block—four have been renovated and rented.

(5(5)

I think there are too many blocks like Argyle that need us to think more proactively as a government. And we have to do an entire block. We can't piecemeal it. It doesn't work.

Councilwoman Maria Quiñones-Sánchez

2016

Shift Neighborhood Fund forms with assets acquired to-date including over 30 properties and 450,000 sf of industrial, commercial, mixeduse, residential, and vacant land properties. Equity raise targeted at \$50 million.

Snap Kitchen moves into MaKen Studios South. Looking to take advantage of the workforce in the neighborhood, Snap conducts open door, walk-in interviews. They ultimately hire 60+ employees, of which 70% walk or take public transportation to work.



IMPA CMPTACT TIMELMNEE LINE

2017



Three years after it was acquired, and after \$7.5MM+ of investment, construction is completed on MaKen Studios South breathing new life into the once 80% vacant building and adjacent neighborhood.

Shift partners with
the Governor's Office
of Pennsylvania, the
Mayor's Office of the City
of Philadelphia, State
Representative Angel Cruz
and City Councilwoman
Maria Quiñones-Sánchez,
to send relief packages to
help Puerto Rico residents
recover from Hurricane



Maria. Shift provides 100,000 sf of warehouse space at 956 E Erie Avenue to serve as a staging ground to coordinate shipping of relief supplies to Puerto Rico residents.



After \$9.5MM+ of investment, construction is completed on MaKen Studios North and Feast at MaKen Events (FAME), a partnership with nationally-recognized Feast Your Eyes Catering.



Shift welcomes Goodwill Industries of Southern New Jersey and Philadelphia to 22,000 sf of warehouse space at 1440 Erie Avenue. The site houses an employment program for returning citizens.

A big part of success is you have to want to change yourself and you have to embrace the struggle. I fancied myself a smart person before prison...I always had money but I never worked for it. I never embraced the struggle before prison and now that's what I do every day.

Tyrone Manuel, Program Manager, Goodwill Industries

Impact Services releases the Heart of Kensington Neighborhood Plan, targeting five focus zones in Shift's Kensington footprint. Two of the Focus Zones, Tioga-Harrowgate and Kensington & Allegheny, are anchored by existing



Shift projects and programs. Shift serves on the Steering Committee demonstrating that thoughtful real estate development can pave the way and provide the foundation for broader neighborhood and community planning.



Shift selects 9 finalists for the Kensington Avenue Storefront Challenge. The program will help bring new businesses to Kensington Avenue. Awardees will receive up to \$10,000 and 12 months free rent from Shift, \$5,000 towards security cameras and facade improvements from the Philadelphia Department of Commerce, and free business planning support through NKCDC and Impact Services.



What I liked a lot about this particular opportunity was their mission about bringing things in that helped build the people that are here, not push them away.

Sherimane Johnson, Founder Naturally Sweet Desserts & Insomnia Vegan



IMPA (MPTACT TIMELINEE LINE

2018

Shift partners with Episcopal Community Services to deliver housing for Rapid ReHousing participants.



Mayor Jim Kenney and State Representative Dwight Evans visit MaKen South, the new headquarters of Little Baby's Ice Cream, who joined the community in March. Little Baby's like many MaKen tenants has participated in Goldman Sachs' 10,000 Small Businesses Entrepreneurship Program.

Shift receives BCorp Certification, joining a global community with one unifying goal — to use the power of business to solve social and environmental problems.

MaKen Studios North achieves 100% occupancy. The first end-to-end success story for Shift. A fully vacant industrial building now has over 55 tenants, representing 130 new or relocated jobs, and a thriving community composed of artists, non-profits, small businesses, and dozens of members of the creative economy.

Photographer Jeffrey Stockbridge, creator of Kensington Blues, becomes Shift's first Artistin-Residency and hosts a pop-up portrait studio at our space, 3200 Kensington Avenue. Stockbridge offers residents free portrait sessions and invites them to share their stories of hope and humanity. Stockbridge also records audio narratives and facilitates obituary writing workshops to remember the lives of community members who've passed but are not forgotten.

With over 1,200 opioid overdose deaths in 2017, I think it's important to remember that those who lost their lives were so much more than just addicts. They were human beings who were loved.

Jeffrey Stockbridge





Thanks to the swift and efficient support of Shift, in a matter of three months, Deep Roots Charter School purchases a building in Kensington, renovates it, and opens for its inaugural class in August. This is the first time in nearly 10 years that a new charter operator has opened a school in Philadelphia. Of the 300 K-4 students, more than 80% are from Kensington. In addition, the school has a staff of over 40 people with more than 25 representing teachers.

In partnership with Impact Services,
Shift graduates the first cohort of the
residential real estate accelerator,
Jumpstart Kensington, providing local,
aspiring developers with classroom
training, mentorship, and acquisition
and construction financing. The program
is built off the success of Jumpstart
Germantown which has trained over 400
people, financed over 90 projects, and lent
over \$10MM since 2015.



It was really great. Everyone involved on the organizing team obviously cared about the program a lot and wanted to help the participants be successful. I think you put together a great group of participants too.

Jumpstart Kensington participant



Shift partners with New Kensington Community Development Corporation, Hinge Collective, PennDesign, PennPraxis, and Tusculum Street neighbors to rebuild Tusculum Square Park.

CC

A couple of blocks away, we're having some serious issues relative to heroin and opioid abuse. And here you have [14] employees making ice cream, and an old building renovated and having commerce. So there's always the opportunity and hope to bring the neighborhood back up.

MAYOR JIM KENNEY, PHILADELPHIA
ON HIS VISIT TO LITTLE BABY'S ICE CREAM AT
MAKEN STUDIOS SOUTH

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Our neighborhoods

Our work is geographically grounded in the Philadelphia neighborhoods of North Kensington (Harrowgate, Juniata Park, and Kensington) and Hunting Park/East Tioga. Our collective impact approach, connecting government, the arts community, and nonprofit sectors with patient capital and investments will bring the change we seek to make and create the opportunities these communities deserve.



NORTH KENSINGTON (HARROWGATE, JUNIATA PARK, & KENSINGTON)



HUNTING PARK / EAST TIOGA

33,858 (9,638 households)	POPULATION	11,341 (4,188 households)
37% (under 18)		24% (under 18)
59% (18-64)	AGES	65% (18-64)
5% (over 65)		11% (over 65)
700+ (as of Sep 2018)	HOMELESS	N/A
(IN 19134 ZIP)		(IN 19140 ZIP)
890 (2007-2017)	OVERDOSE DEATHS	288 (2007-2017)
<i>140</i> (2016) – <i>209</i> (2017)		32 (2016) – 52 (2017)
1 49.3% (2017 vs 2016)		62.5% (2017 vs 2016)
\$16,604 to \$24,975	MEDIAN Household income	\$17,052 to \$32,066
(vs \$55K in Philadelphia)		(vs \$55K in Philadelphia)
54% households <\$25,000	INCOME CATEGORY	51% households <\$25,000
(vs 34% in Philadelphia)		(vs 34% in Philadelphia)
24%	UNEMPLOYMENT	18%
(weighted average, 16 years or older)		(weighted average, 16 years or older)
42%	HOMEOWNERSHIP	37%
	VACANCY (HOUSING UNITS)	<i>5,831</i> units
17% vacant		28% vacant
7% residential	VACANCY (POSTAL)	8% residential
10% commercial		11% commercial

We have grounded our solutions-focused and community-driven approach in our Theory of Change and have aligned our social metrics to the rigors (social performance, transparency, and accountability) of our Certified B Corporation designation and the international standards of the United Nation's Sustainable Development Goals.

PROBLEM STATEMENT

Residents of under-developed and developing neighborhoods are displaced when speculative and opportunistic real estate developers create or re-develop assets with no plan to address legacy challenges such as inter-generational poverty, trauma, and unemployment.

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.

LOGIC MODEL

INPUTS

Patient capital

Skilled, mission-driven staff

Value-aligned partners

ACTIVITIES

- O Industrial, commercial/mixed-use, and residential real estate development
- In-house development, construction and property management
- O Partnerships to deliver community-specific programming

OUTPUTS

- O Dollars invested in real estate
- O Square feet renovated
- O Number of businesses and jobs added
- Infrastructure and public space projects completed
- Residents engaged directly via tenancy and programming
- O Value-add partnerships and programs

OUTCOMES

- O Increased quality, affordable housing
- O Increased quality jobs and wage
- O Increased amenities and services
- O Increased community cohesio
- O Increased neighborhood economic growth
- O Reduced blight and vacance
- O Reduced crime and traffic incidents
- O Improved public health outcomes

IMPACT

Increased long-term self-sufficiency, safety, prosperity, and quality of life for residents of underserved communities

We seek to accelerate job creation through growth in small businesses and the creative economy, improve neighborhood health and safety, and offer quality housing through thoughtful development that helps catalyze shared prosperity.

The change we seek to make

We believe we create change for our communities in six ways



We work from within to promote strong values. Our values inform the team we hire, the partners, suppliers, and vendors we work with, the tenants we lease to, how we interact with our neighbors, and how our neighbors interact with each other.



Housing

We provide quality, affordable, carefullymanaged housing



Economic development

We develop under-utilized commercial properties to restore economic opportunities



Community

We partner with city, community development, and non-profit organizations to offer relevant services and amenities

WE ARE WORKING TOWARDS

Increasing number of quality houses Increasing number of affordable houses Increasing home

WE ARE WORKING TOWARDS

Increasing jobs created/brought into the neighborhood

Increasing dollars spent in the community Increasing wealth and financial stability in the community

Decreasing poverty rate

Decreasing unemployment rate

• WE ARE WORKING TOWARDS

Improved access to public transportation and walkability Increasing public and green spaces Increasing public/private partnerships and programs

WE ARE HERE

ownership

121 residential units

90 single/multi-family units acquired

31 residential units in mixed-use buildings

single-family homes and apartments renovated

of portfolio is currently at 60% Phila AMI or less

WE ARE HERE

560+

temporary jobs in construction/maintenance

489 jobs created/

jobs created/ brought into the neighborhood

~\$**58**MM

invested in real estate

1.75мм

square feet acquired

143 properties

18 industrial / commercial
12 mixed-

90 single/muli family unit

23 vacant lots

90+

new businesses added to vacant spaces

vacant commercial storefronts

renovated & leased

(5 more in-progress)

WE ARE HERE

100%

properties 0.5 mi or less from public transportation

4

projects including public park, corridor cleaning, façade improvement, and tree planting programs

3.000+

bags of trash removed from Kensington and Hunting Park/East Tioga commercial corridors (in partnership with Impact Services and North Broad Renaissance)

22

vacant lots purchased

ALIGNED WITH SUSTAINABLE OEVELOPMENTAL GOAL ALIGNED WITH SUSTAINABLE DEVELOPMENTAL GOAL





• ALIGNED WITH SUSTAINABLE DEVELOPMENTAL GOAL







Health & Safety

We invest in infrastructure and programming to improve health outcomes and reduce crime and accidents

WE ARE WORKING TOWARDS

Decreasing crime and traffic/ pedestrian incidents

Reducing blight and vacancy Reducing environmental contamination

WE ARE HERE

invested in fire safety systems

environmental assessment/ remediation

respite beds for individuals suffering from addiction and homelessness added through tenancy with Prevention Point

in grants obtained towards transportation and pedestrian safety

ALIGNED WITH SUSTAINABLE DEVELOPMENTAL GOAL





Arts & Culture

We look to support local artists through the development and preservation of artists spaces and the commissioning of public arts projects

WE ARE WORKING TOWARDS

Building strong and collaborative creative communities

Preserving artist and creative spaces

Increasing public art projects

WE ARE HERE

creative economy tenants

public murals completed

artist-in-residency program completed

Makers in Phila Open Studio Tours and 300+ visitors including American Craft Council and Craft NOW

ALIGNED WITH SUSTAINABLE DEVELOPMENTAL GOAL





Inclusion & Diversity

We look to provide opportunities to under-represented groups via our team, vendors and suppliers, and our tenants

WE ARE WORKING TOWARDS

Creating teams that are a mix of demographics, skills, and experiences

Building communities that represent the neighborhood demographic

Working with vendors/suppliers that represent the neighborhood demographic

WE ARE HERE

of team is from an under-represented group

of advisory board is from an under-represented group

of industrial and commercial tenants are owned by underrepresented groups

of dollars spent with Philadelphia-based organizations

ALIGNED WITH SUSTAINABLE DEVELOPMENTAL GOAL





From the beginning and forever, the people of the communities we serve and the businesses we support will always be at the heart of our solutions.

We introduce you to members of our collective impact community, from residents to entrepreneurs to nonprofits. All working together to re-energize their neighborhood and create a safe and prosperous life for all.





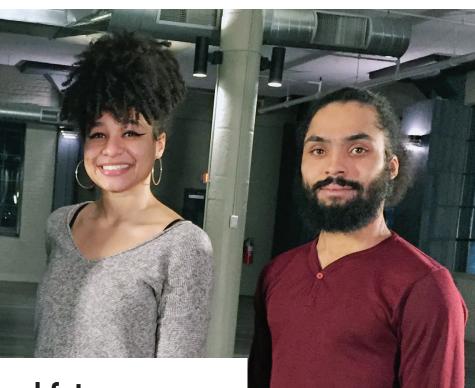












MEET JASMINE AND PATRICK

Building a shared future

When Jasmine and Patrick were looking for a place to call home, they had three requirements—location, close proximity to transportation, and affordability. Their initial search focused on the Hunting Park neighborhood. After being denied an apartment for not having a good enough credit score, they moved their search to Kensington where they found one of our residential homes.

As first time renters just starting out, Jasmine and Patrick were looking for a landlord who would "take a leap of faith" and give them an opportunity to start a new life together in a new home. Our team believed the couple was a good fit for our property, and so Jasmine and Patrick moved in. They were able to check off their three requirements and, more importantly, discover a strong sense of community they were happily surprised to find in Kensington.

For Jasmine and Patrick, Kensington is home. Like us, they see hope in their neighborhood and love and connectivity in their community.

[Kensington] is not in a bad place. There's hope in people. It's positive and there's still love and connectivity in the neighborhood."





SNAP KITCHEN TEAM AT MAKEN STUDIOS SOUTH

Food for thought

Snap Kitchen, based in Austin, Texas, is an innovative retailer of fresh and healthy food designed to fit one's lifestyle. In 2016, Snap opened several retail locations in Philadelphia and one distribution center at our reactivated space in MaKen Studios South in Harrowgate. Here, the Snap team produces and distributes daily all meals and products for their retail locations. The team comprises 45 employees local to Philly with some living in walking distance to the distribution center.

WHY KENSINGTON?

The neighborhood and the direction it is going.



I've seen in three years the changing dynamics.
[Kensington] is on its way in getting cleaned up. It seems like a lots been done to push it in a better direction. I see potential of growth in the neighborhood.

SNAP TEAM MEMBER







Cleaning blocks around Kensington Avenue







Tusculum Square park build on Kensington Avenue

TEAM SHIFT IN THE COMMUNITY

From public park builds to commercial corridor cleanings to facade improvement and tree planting programs, team Shift worked with neighbors and partners to create thoughtful solutions for safe and prosperous lives for residents in our footprint. We created the Clean Blocks program that provides funding to clean blocks along Kensington Avenue, at Broad Street and Erie Avenue, and in the Harrowgate neighborhood of Kensington. We partnered with Hinge Collective, UPenn Design, and New Kensington Community Development Corporation for a park build at Tusculum Square on Kensington Avenue.

These initiatives have set the foundation for developing a vibrant and prosperous community for everyone.



PREVENTION POINT

Committed to the social wellness of the neighborhood

Prevention Point is a private nonprofit organization that promotes health, empowerment and safety for communities affected by drug use and poverty.

When Prevention Point identified a dire need to provide emergency housing for Kensington's unsheltered population they sought additional space for a respite center. We worked with the Prevention Point team to refresh one of our spaces next to their current center. This 40-bed center provides residents a safe environment and programs to help individuals suffering from addiction and homelessness. Over 150 people have spent time in the respite center and 60% of these residents have been placed in long-term housing.



This project shows how real estate developers, non profit organizations, and community groups can join forces to approach a problem with a creative solution. It worked because we shared the same goal: to help the neighborhood get better.

JOSE BENITEZ
EXECUTIVE DIRECTOR, PREVENTION POINT







WHIMSICLE POPS

Infusing fruit, art and futures

Inside studio 301 at MaKen Studios South, Whimsicle Pops produces handcrafted gourmet popsicles made from fresh organic fruits, vegetables, and natural ingredients. Their popsicles fuse flavor, art, fashion, and music, and can be seen in the hands of local communities, professional athletes, and renowned celebrities

Whimsicle is more than unique frozen fruit on a stick. Health is a major focus for the team. Health history and the upward trends in childhood obesity and diabetes are a driving force for their healthy alternatives to sugary products. They use their popsicles to promote healthy eating and community wellbeing.

Beyond the popsicle, the Whimsicle team consistently mentors youth in their neighborhood about building a business, following their dreams, and opening doors to possibilities.



Our message to kids is that they can do anything they put their minds to. The community where you grow up doesn't determine where you end up.

SALIM WELDON Maker, Artist, Owner **JOSE TIRADO**

A Jose-of-many-trades

A former Army Staff Sergeant. A former police officer. A master electrician. A general contractor. A developer. A minority business owner. A man of the community. And, a family man.

Jose has lived on the same block in the Kensington area for over 20 years. He's witnessed his neighborhood's challenges and changes and remains confident Kensington is poised for a reinvention. A reinvention much like his own. After growing up in New York, living in Puerto Rico to reconnect with his heritage, and traveling stateside and internationally with the Army, Jose came to Kensington to care for his dad. Here he planted roots with his family, mastered his craft through his work with Shift, and, over time, grew his business and quadrupled his team. A team comprised of all neighborhood residents that celebrates diversity of talent, ethnicity, race, and gender.

With his team in place and a vision for his future and that of Kensington, Jose is focused on helping the people in his community rebuild their neighborhood.

As I buy in the area, I look for local individuals in the area to work with and give them an opportunity they likely would never get. I've employed many second chance people who have struggled with homelessness and addiction. I've given them properties to stay and maintain. They may be down on their luck, but that doesn't mean they don't have talent.

JOSE TIRADO





We move forward with momentum and continued focus on the needs of the communities we serve. The need for a better, more sustainable life. The need for a clean, safe, affordable house over their heads. The need for well-paying, stable jobs. The need for local, accessible healthy food options and health care services. The need for community engagement and inviting gathering spaces.

We are committed to realizing these needs for the people who drive us. Our hope is that our work in Philadelphia creates and informs a holistic approach to intentional real estate development which can serve and create lasting change in other local, national, and global neighborhoods.

Our thoughtful action, compassion, and collaboration are the ingredients to a safer, more prosperous, and stronger community. A community of people who trust one another, help one another, and create an unbreakable cohesion that builds people up rather than pushes them out.

Thank you to the partners and people who help make our work possible. We invite you to join our community and help us build a shared future for all.

TEAM SHIFT









