



Partners for the Common Good 2023 Social Impact

With your investments, Partners provides capital to low- and moderate-income communities that need it most, allowing us to continue investing in social change and advancing economic justice for traditionally disadvantaged individuals and communities. Our borrowers are nonprofit and mission-aligned for-profit organizations dedicated to serving low-income beneficiaries.

In 2023, Partners originated 25 loans amounting to \$28.6 million, which aided more than 35,000 individuals. A significant majority of these beneficiaries, 92%, earned less than 80% of the Area Median Income (AMI). Additionally, 63% belonged to BIPOC communities, encompassing Black, Indigenous, and people of color, including Hispanic populations. Furthermore, 13% of the loans were tailored to support individuals with disabilities. Among the borrowers, 35% were BIPOC-led organizations, and 30% were led by women.

Our 25 loans leveraged more than \$240 million from our partners, including other mission-driven financial institutions and traditional lenders. This collaborative effort amplifies the impact of our investments, furthering our mission to empower disadvantaged communities.

HOMEOWNERSHIP AND AFFORDABLE MULTI-FAMILY RENTAL PROPERTIES

Building family wealth and providing affordable, high-quality rental options for rent-burden households

HOMEOWNERSHIP

Partners is dedicated to promoting homeownership among low-income households by facilitating the construction or renovation of affordable single-family homes and condos, especially for first-time buyers. In 2023, we originated three loans totaling \$4.2 million for this purpose, benefiting 50 low-income, 14 very low-income, and 22 extremely low-income individuals.

One program in our portfolio is the HOME Rochester initiative. In partnership with JP Morgan Chase since 2010, this initiative was launched in response to the foreclosure crisis in Rochester, NY. It involves the Rochester Housing Development Fund Corporation (RHDFC) acquiring foreclosed homes and assigning them to nonprofit housing developers for rehabilitation. RHDFC then sells

the homes to qualified buyers, facilitating homeownership for low-income families. Since its inception, RHDFC has revitalized and sold more than 775 homes. The majority of these homes were purchased by individuals earning below 80% of AMI, including a significant number of first-time Black and Hispanic homebuyers.

MULTI-FAMILY RENTAL

In 2023, Partners financed the creation and refurbishment of 1,940 rental units, with 93% designated for low-income individuals and families. Of these, 968 units cater specifically to extremely low-income or very-low-income tenants. A substantial portion of these rental projects, 75%, are situated in severely distressed census tracts identified by the NMTC, addressing the acute need for affordable housing

in areas where a large percentage of renters struggle with high housing costs.

In one project, Partners allocated \$1.42 million towards a \$2.84 million construction loan in 2023 to rehabilitate a 51-unit senior housing development in rural Georgia. This property, part of the USDA Rural Development Section 515 program, offers 100% rental assistance to tenants earning 50% or below the AMI, primarily benefiting extremely low-income residents. With a significant portion of the residents facing disabilities and a considerable proportion of elderly renters experiencing housing cost burdens, this initiative underscores the urgent need to safeguard affordable housing options for senior citizens in the region.



SOCIAL SERVICES

Offering a safety net to the disenfranchised and vulnerable

Partners collaborates with social service borrowers who provide vital support to tens of thousands of low-income and disadvantaged individuals. In 2023, Partners initiated two new loans to facilitate the construction of modern facilities for organizations dedicated to this demographic. These facilities aim to enhance economic security through various initiatives such as workforce development, job training, family support, access to nutritious food, and cultural enrichment in distressed areas.

One notable example is South Bay Community Services (SBCS), which annually assists 50,000 low-income and housing-insecure individuals through education, mental health services, and shelter provisions. SBCS offers a wide range of child and family wellness services, including emergency response, shelter, behavioral and mental health services, parenting classes, and youth activities. Partners and the Enterprise Community Loan Fund jointly contributed \$9 million towards a bridge loan as part of a larger NMTC transaction. This funding allowed SBCS to construct a new 61,000 sq. ft. headquarters in San Diego County, designed as an inclusive community hub. The facility will enable SBCS to serve 10,000 individuals at risk of homelessness annually, more than 2,000 people in mental and behavioral health care programs, and more than 5,000 youth through educational programming and counseling. SBCS adopts a holistic, preventative, and bilingual approach to delivering all its services.

All Partners' clients served by social service borrowers for loans originated in 2023 had very low or extremely low incomes. These loans will enable borrowers to expand their facilities and programs, reaching an additional 2,105 clients annually, all of whom fall within the very low or extremely low-income brackets.

EDUCATION

Supporting alternative education solutions

Quality education is fundamental for enhancing the economic security of children and future generations. To address the challenges faced by low-income communities with underperforming public schools, Partners invests in high-performing charter schools and childcare centers that cater to students at risk of academic failure. These institutions predominantly serve low-income students, with a majority being BIPOC who often are starting school below grade level, and are at risk of academic failure.

In 2023, Partners expanded its education portfolio by adding three charter school loans, one of which is located in a rural community. These schools enroll students from diverse backgrounds, with 81% identifying as BIPOC, 74% qualifying for free and reduced lunch programs, 13% being special needs students, and 8% learning English as their second language.

GREEN LENDING FOCUS

Lending to green facilities and investing in a sustainable future

Partners not only finances projects aimed at developing alternative energy infrastructure but also incorporates environmentally friendly practices into more than 50% of our new loans across all categories.

These practices are designed to lower carbon emissions in both existing and new buildings. For example, 48% of the facilities we have financed are expected to be more energy-efficient once completed. Moreover, two new buildings are on track to receive LEED certification, and five projects are set to meet Energy Star compliance standards or use Energy Star-rated materials. Three of these projects will include energy-efficient HVAC systems. Other efforts include installing solar energy systems, using low-VOC (volatile organic compounds) furnishings, LED lighting, and electric stoves instead of gas ones, all aimed at achieving net-zero residential and commercial buildings.

In 2023, Partners worked with the Reinvestment Fund to develop a project focused on creating energy from organic waste in Chicago. The project, known as the Green Era Anaerobic Biodigester, was developed on a rehabilitated 9-acre “brownfield” site. The facility processes organic waste without using oxygen, a method known as anaerobic digestion. The goal of the project is to keep food waste out of landfills and use it to generate clean energy. The process also produces a nutrient-rich compost that helps grow fresh produce. To support this environmental initiative, Partners invested \$750 thousand through various financial mechanisms, including direct loans and state tax incentives.

In alignment with our sustainability goals, in 2023 Partners also contributed \$250 thousand to a \$950 thousand loan with the National Housing Trust for Community Preservation Development Corporation. This funding facilitated the installation of solar panels across 12 multi-family projects in their portfolio, resulting in 2,249 housing units transitioning to a carbon-free energy source.

INTERNATIONAL *Global focus*

Partners’ international investments have been pivotal in promoting financial growth and stability in some of the world’s poorest areas. In previous years, these investments have included providing working capital for economic development projects in Latin America, as well as securing funding for small businesses and offering loans for agricultural and infrastructure projects in low-income communities of southern Africa.

Partners also funds microfinance institutions that operate in various countries including Ecuador, El Salvador, Honduras, Guatemala, Nicaragua, Peru, South Africa, Swaziland, Mozambique, Brazil, Russia, India, and China. All these organizations remained in our investment portfolio throughout 2023.

Our international reach in 2023 expanded with a new loan to Vita Smart Climate Solutions, which is focused on reducing the dependency on fuelwood — a major source of CO2 emissions and deforestation — for cooking, heating, and boiling water. The loan supports the provision of safe and eco-friendly cook stoves to households in Ethiopia and Eritrea, furthering Partners’ commitment to international lending and expanding its efforts towards environmental sustainability.