

# AIC CEI-BOULOS OPPORTUNITY FUND

## 2023 SOCIAL IMPACT REPORT



## About This Fund

### OBJECTIVES

- Deliver attractive risk-adjusted returns from investments in commercial real estate projects
- Maintain compliance with Opportunity Zone regulations to maximize tax benefits
- Make CRA eligible investments
- Provide positive social and environmental benefits to communities

### GOALS



Drive financial and social returns



Reduce tax liabilities on invested capital gains



Create opportunities in communities across the nation via commercial real estate OZ equity investments

### PROJECT TYPES

- The Fund targets investments that satisfy requirements for qualified investments under the Community Reinvestment Act (CRA) that permit institutions to receive positive CRA consideration for an investment in the Fund.
- Consistent with the objectives of CRA, investments focus on community development projects in low- and moderate-income communities that help create:



Affordable and workforce housing



Environmentally sustainable real estate developments



Projects that create good jobs\*



Community revitalization that does not contribute to displacement

### SOCIAL IMPACT ADVISORY BOARD

- Appointed Social Impact Advisory Board (SIAB) guides the Fund in its mission to positively benefit communities via investments in high-impact projects.
- The SIAB's role is to evaluate any potential Fund investment based on social, environmental, and community impacts, and decide whether to endorse the potential investment.
- Prior to making an investment, the Fund Manager consults the SIAB and seeks its recommendation as to whether a proposed investment aligns with the stated impact goals of Fund, including alignment with the Community Reinvestment Act and the [Opportunity Zone Impact Reporting Framework](#).
- The SIAB includes seven leading national experts with over 200 years of experience with investing in low-income communities, impact investing, community development finance, and impact measurement and management.

# AIC CEI–Boulos Opportunity Fund

## SOCIAL IMPACT ADVISORY BOARD



**JANIE BARRERA**  
Founder  
LiftFund



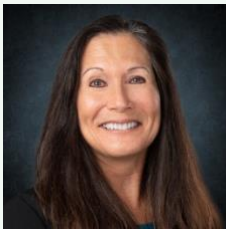
**AISHA BENSON**  
President and CEO  
Nonprofit Finance Fund



**BETSY BIEMANN**  
Chief Executive Officer  
Coastal Enterprises, Inc. (CEI)



**ANNIE DONOVAN**  
President and CEO  
Raza Development Fund



**SUSAN HAMMOND**  
Relationship Manager  
Native CDFIS at Fahe



**SAURABH NARAIN**  
President and CEO  
National Community  
Investment Fund



**BUZZ ROBERTS**  
Former President and CEO  
National Association of  
Affordable Housing Lenders

## Impact Measurement and Management Guiding Principles

- The SIAB provides input related to social and environmental impacts of the Fund’s proposed investments using metrics that align with goals of the Opportunity Zones Reporting Framework (<https://ozframework.org/about-index>) developed by a partnership of the U.S. Impact Investing Alliance, the Beeck Center for Social Impact and Innovation at Georgetown University, and the Federal Reserve Bank of New York.
- The OZ Reporting Framework defines these guiding principles for OZ stakeholders as:
  - **Community engagement:** Opportunity Fund investors should request fund managers integrate the needs of local communities into the formation and implementation of the funds, reaching low-income and underinvested communities with attention to diversity.
  - **Equity:** Opportunity Fund investments should seek to generate equitable community benefits, leverage other incentives, and aim for responsible exits.
  - **Transparency:** Opportunity Fund investors should be transparent and hold themselves accountable, with processes and practices that remain fair and clear.
  - **Outcomes:** Opportunity Fund metrics should track real change, with an understanding that both quantitative and qualitative measures are valuable indicators of progress.

## AIC CEI-Boulos Opportunity Fund

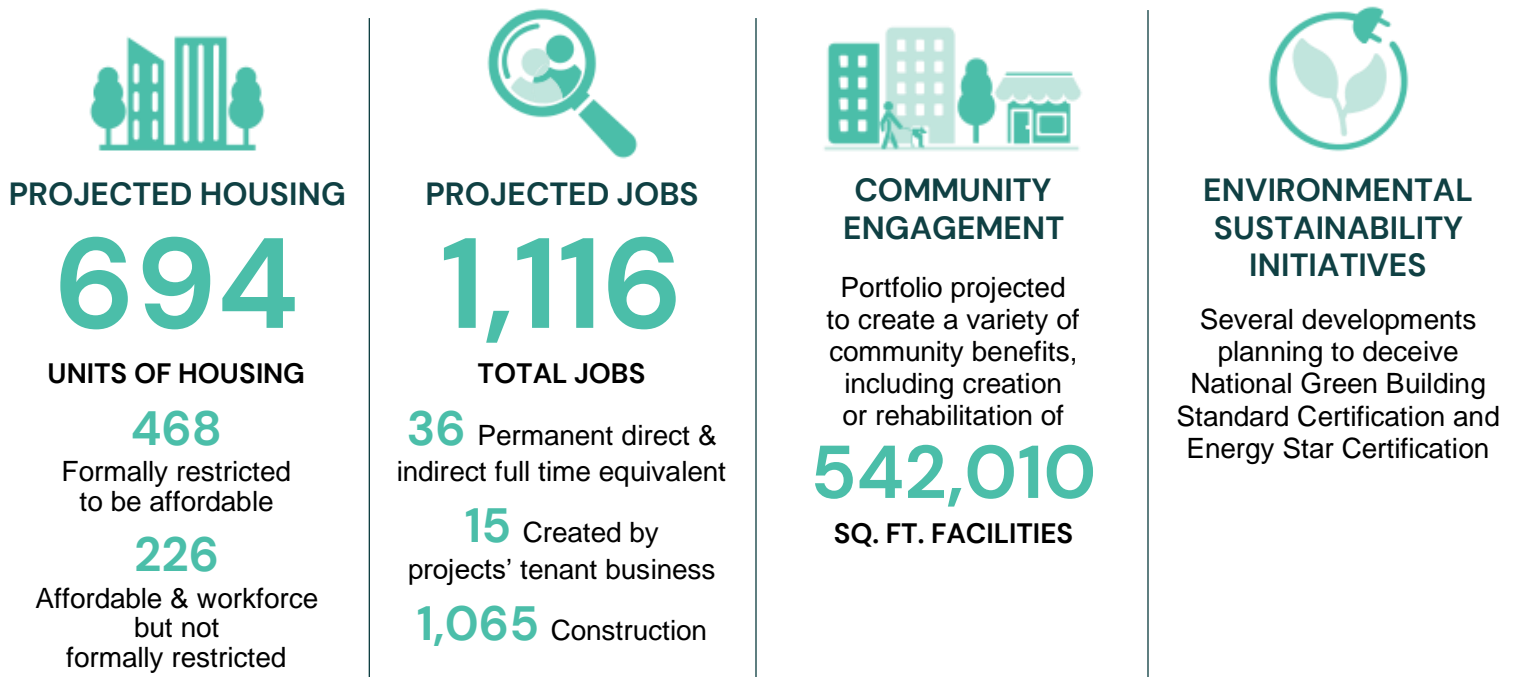
- **Measurement:** Opportunity Fund investors should voluntarily monitor, measure and track progress against specific impact objectives, identifying key outcome measures and allowing for continuous improvement.
  - Each project sponsor is required to submit a social impact intake form. Data collected includes projected social impacts, such as the number of affordable housing units and coinciding affordability levels, community services provided, jobs and job quality, environmental benefits, and other community benefit outcomes.
  - Data collected also includes CRA criteria including demonstrated community support and involvement in the project, higher distress demographic indicators (such as low income, low-access food deserts and medically underserved areas), and other federal, state, and local designations which target the communities for investment and redevelopment.

### Aggregate Fund Data

**Investment fund deployment:** \$27.9 million of \$50.1 million raised  
**Total project capitalization:** \$125.83 million

Measured as of 12/31/2023

The three projects the Fund invested in (total investment \$27.9 million) are under construction as of 12/31/2023. Once construction is complete, the Fund's investments are projected to create:



## AIC CEI–Boulos Opportunity Fund



### The 1827 Lofts Affordable and Workforce Housing Project

1827 North Meridian St.  
Indianapolis, Indiana

**Investment:** \$9.5 million

**Date of investment:** May 2023

**Fund ownership interest:** 87%\*

**Total project cost:** \$43.9 million

**Estimated construction completion:** Q2 2025

**The 1827 Lofts Affordable and Workforce Housing Project** in Indianapolis, Indiana will create 166 new affordable and workforce apartment units, with all units affordable to individuals earning between 30-120% Area Median Income (AMI). The project is in Indianapolis's underinvested Near Northside neighborhood, along the nation's largest all electric bus lines, IndyGo's Red Line, and is in support of the city's Red Line Transit Oriented Development Strategic Plan to promote economic mobility for low income residents. Rents will be restricted for the long-term through a deed restriction and property tax exemption agreement. The sponsor of the project is TWG (Together, We Grow).

**Project update:** The project is currently under construction. The projected impacts of the project upon completion, as of 12/31/2023, are:

- **Projected housing:** The project will create 166 units of affordable and workforce housing, with these affordability restrictions:
  - 9 units rent and income restricted at 30% AMI for 100 years
  - 50 units rent restricted at 80% AMI for 10 years
  - 50 units rent restricted at 100% AMI for 10 years
  - 57 units rent restricted at 120% AMI for 10 years
- **Projected good jobs:** The project will create:
  - 4 permanent direct jobs associated with the management of the project. All positions will earn above living wage for the project's county, and include healthcare, retirement match, Paid Time Off (PTO), sick leave, and professional development training benefits.
  - 275 construction jobs for local workers

## AIC CEI-Boulos Opportunity Fund

### The 1827 Lofts Affordable and Workforce Housing Project



- **Projected community engagement and benefits**

- The project has committed \$8.8 million to diverse subcontractors, representing benefit to a broad spectrum of historically disadvantaged businesses.
- \$43,000 of the project cost is allocated to local artists for project artwork, and 100% of the project cost will benefit local vendors.
- This project has already had a major impact on the neighborhood and surrounding area by the demolition of 4 abandoned office and industrial buildings. The sponsor reports the project is bringing new life and optimism to the neighborhood.
- A Red Line stop will be located directly in front of the project and will enable residents to commute to Downtown Indianapolis in an environmentally sustainable way. The Red Line is the largest all-electric bus rapid transit line in the country, and its route is within a quarter mile of more than 50,000 residents and nearly 150,000 jobs. The project advances the city's goal to build affordable and workforce housing along the Red Line, providing residents access through the heart of the city, through several neighborhoods, past major employers, cultural institutions, and healthcare and educational facilities with frequent service.
- The project is well aligned with the department's existing comprehensive plan for the City-County which expresses a long-term vision for how Indianapolis and Marion County can grow and develop as a healthy, inclusive, resilient, and competitive city.

\*The AIC CEI-Boulos Opportunity Fund's sister fund, the Woodforest CEI-Boulos Opportunity Fund, also made a \$3.675 million investment in the project on March 3, 2023. Together, the two funds have an 87% ownership interest in the project

## AIC CEI-Boulos Opportunity Fund



### Atrium Court Affordable and Workforce Housing Project

7324-7338 Martin Luther King Way  
**Seattle, Washington**

**Investment:** \$15 million

**Date of investment:** June 2023

**Fund ownership interest:** 60.48%

**Total project cost:** \$81.9 million

**Estimated construction completion:** Q3 2025

**The Atrium Court Affordable and Workforce Housing Project** in Seattle, Washington is an environmentally sustainable, transit-oriented workforce and affordable housing development in Seattle’s multicultural, historically redlined Othello neighborhood. The development will create 271 new apartments affordable to people earning 50% to 80% of AMI. The project also includes 2,344 square feet of ground floor commercial space. The sponsor of the project is OZ Navigator, a joint venture between Nitze-Stagen and Company and Housing Diversity Corporation. Project update: The project is currently under construction. The projected impacts of the project upon completion, as of 12/31/2023, are:

- **Projected housing:** The project will create 271 units of affordable and workforce housing. The sponsor secured favorable debt terms from the [Amazon Housing Equity Fund](#), a mission driven arm of Amazon that grants low-rate loans to address the housing affordability challenges in the markets it serves and where it has significant employment. In exchange for the favorable debt terms, Amazon required that 74% of the units have the following affordability covenants for the investment:
  - 5% of units income-restricted at 50% AMI or below for 99 years
  - 10% of units income-restricted at 60% AMI or below for 99 years
  - 59% of units income-restricted at 80% AMI or below for 99 years
  - Additional, overlapping affordability requirements were created by a 25-year property tax exemption along with other affordability restrictions required by the fund’s investment
- **Projected good jobs:** The project will create:
  - 17 permanent direct jobs associated with the management of the project. All positions will earn above living wage for the project’s county and include healthcare, retirement match, PTO, sick leave, and professional development training benefits.
  - 15 estimated jobs will be created through tenant business within the project’s 3 commercial retail spaces.
  - 60 construction jobs will be created for local workers.

## AIC CEI-Boulos Opportunity Fund

### Atrium Court Affordable and Workforce Housing Project



- **Projected community engagement and benefits**

- In addition to directly providing affordable housing units, the project will make a \$1.336 million contribution to the City of Seattle's affordable housing trust fund which the city uses to subsidize affordable housing projects.
- The developer has made significant efforts to solicit community input on the project, including sending out a survey to neighborhood residents in the four main languages spoken in the neighborhood (English, Mandarin, Spanish, and Vietnamese) and hosting online community meetings during the pandemic.
- The project has been presented to multiple community stakeholders and governmental bodies and has received a high level of support.



## AIC CEI-Boulos Opportunity Fund

### Atrium Court Affordable and Workforce Housing Project



- **Projected environmental sustainability:** The project is designed to be environmentally sustainable with a focus on reducing energy consumption, conserving water, using sustainable materials, and using green construction best practices. The project incorporates the following energy-efficient features:
  - Stormwater management. To conserve water, the project will capture 100% of stormwater from all roof surfaces through bio-retention boxes that can filter the stormwater and gradually release it into the sewer system, reducing the burden of stormwater loads on public water management systems.
  - Heat pumps. Heat pumps will be utilized so there will be no fossil fuel dependent systems for building heat.
  - Super-insulation. The building envelope will be highly efficient and make use of “super-insulation” materials.
  - ERV ventilation. The building will manage energy highly efficiently through specialized metering systems for all utilities, and energy recovery (ERV) ventilation systems.
  - Waste management. The building will provide separate stream waste management for garbage, recycling, and compost.
  - 112,600.7 BTU annually will be created by a 33-kw photovoltaic solar array. An additional 40% of the roof has been designed for solar readiness, which would allow the array to expand up to a total of 100kw capacity.

## AIC CEI–Boulos Opportunity Fund



### Lake Cliff Affordable and Workforce Housing Project

405 N Ewing St., 1303 E Jefferson St., and 211 E Davis  
Dallas, Texas

**Investment:** \$3.4 million

**Date of investment:** December 2023

**Fund ownership interest:** 24.45%\*

**Total project cost:** \$60.8 million

**Estimated construction completion:** Q3 2025

**The Lake Cliff Affordable and Workforce Housing Project** in Dallas, Texas will provide 257 units of long-term affordable housing through three separate developments within the Lake Cliff neighborhood located in South Dallas. All the units will be affordable at or below 60% to 100% AMI, including formally income restricted units and naturally occurring affordable housing units. The income restricted units are through a tax exemption agreement with the City of Dallas for a period of 75 years. The three separate developments are The Bowie, The Parker, and Swope and Mangold. The Bowie and The Parker are new construction developments, while the Swope and Mangold development represents the renovation of an existing apartment building. All three developments represent one collective equity investment under one Qualified Opportunity Zone Business umbrella. Each development was financed by separate debt and a portion of the overall equity investment was proportioned between each development for these purposes. The sponsor of the project is Savoy Equity Partners.

Project update: The project is currently under construction. The projected impacts upon completion, as of 12/31/2023, are as follows:

- **Projected housing**

The project will create 257 units of affordable and workforce housing, with the following affordability restrictions:

- 20 units rent and income restricted at 60% AMI for 75 years
- 81 units rent restricted at 80% AMI for 75 years
- 155 units not formally income or rent restricted, but will be initially priced as naturally occurring affordable housing (NOAH)/workforce at or below 60%-100% of Dallas's AMI

## AIC CEI–Boulos Opportunity Fund

### Lake Cliff Affordable and Workforce Housing Project



- **Projected good jobs**

- The properties are part of the sponsor's neighborhood management team. The sponsor will directly employ 15 professionals in the neighborhood: 7 "in-office" and 8 "outside-of-office".
- The project will create 730 construction jobs for local workers.
- The sponsor projects many ancillary jobs will be created (e.g., landscaping, security, utility, etc.).
- The permanent direct jobs associated with the management of the project will earn above living wage for the project's county and will include healthcare, retirement match, PTO, sick leave, and professional development training benefits.

- **Projected community engagement and benefits**

- The project committed \$29.2 million to local vendors. Additionally, the sponsor planted nearly 200 new trees to the areas surrounding all three developments, in collaboration with the Texas Tree Foundation.
- The City of Dallas strongly supports the Lake Cliff Affordable and Workforce Housing project as reflected by awarding The Bowie and the Park a 100% property and sales tax exemption in exchange for the properties' affordability requirements. The agreement represents Savoy and the City of Dallas's mutual commitment to developing and preserving mixed-income, affordable and workforce housing projects.
- Savoy is committed to partnering with communities to make improvements to neighborhoods, including neighborhood outreach in both Spanish and English, tree-planting and neighborhood beautification, and various partnerships with local nonprofits.

- **Projected environmental sustainability**

- The project meets the U.S. Department of Environmental Protection's Energy Star Certification standard and utilize Energy Star-rated electric devices and other measures to minimize fossil fuel usage. Additionally, the project will target [National Green Building Standard \(NGBS\)](#) certification to ensure it meets environmentally sustainable and energy-efficient standards.