



# 2022

ANNUAL  
REPORT

**MCCI**  
Mill Cities Community Investments

+

foundation  
for **b**usiness  
equity

**Mill Cities Community Investments &  
Foundation for Business Equity Annual Report**

**UNITING STRENGTHS & EXPANDING IMPACT TOGETHER**



# ANNUAL REPORT

20  
22

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# A LETTER FROM OUR EXECUTIVE DIRECTOR



*The MCCI + FBE Staff celebrating our first social mixer as a merged organization in Boston, MA. Bottom Row (left to right): Alexandra Nova, Sr. Director of Strategy and Operations; Diana Ubiñas, Director of Projects and Marketing; Ken Berard, Portfolio Manager; Tameka Moss, BEI Co-Founder and Director; Glynn Lloyd, Executive Director; Lissette Paukert, Residential Services Manager; Jennifer Sanchez, Residential Loan Officer. Top Row (left to right): Anthony Rust, Business Equity Finance Ecosystem Director; Kataria Adorno, BEI Program Manager; Isaiah Romulus, Development and Impact Associate and Cinthia Gomez, Residential Loan Officer.*

Stronger together. In this 2022 annual report, you'll get an overview of our new combined organization – Mill Cities Community Investments (MCCI). The merger of MCCI and the Foundation for Business Equity (FBE) was a significant step in strengthening our services and expanding our impact.

Founded in 2008, MCCI, a U.S. Treasury-certified Community Development Financial Institution (CDFI) and a certified Community Development Corporation (CDC), bridges the capital access gap in low-to-moderate income communities and under-resourced populations in the Merrimack Valley and across Massachusetts through a range of affordable loan programs, small business training, and technical assistance for both business and homeowners.

FBE's signature program, the Business Equity Initiative (BEI), has now been integrated under MCCI, ensuring the continued delivery of quality capacity building and high-touch strategic advisory services to Black- and Latinx-owned small businesses. We have successfully brought together all our financial products and services under MCCI's umbrella.

The merger expands opportunities to provide access to growth capital across the state. It enables us to offer a greater volume of loans and new equity capital products to small business entrepreneurs and homeowners in our communities. We are equally excited to go deeper into providing home energy resilience capital products for our residents.

In 2022, we doubled our balance sheet, upgraded our infrastructure, and continued to innovate new financial products and services for our clients. I continue to be humbled by the incredible talent I get to work with, all leaning in, and striving to do things better. Please enjoy the annual report, which provides updates on our efforts, challenges, and successes from last year.

Glynn Lloyd  
Executive Director

# THE EVOLUTION OF MILL CITIES COMMUNITY INVESTMENTS

## STRENGTHENING SERVICES AND IMPACT FOR OUR SMALL BUSINESS AND RESIDENTIAL CUSTOMERS

2008



Mill Cities Community Investments (MCCI) is founded by Latinx and immigrant leaders to bridge the capital access gap.

2017



Foundation for Business Equity (FBE) is created to address the racial wealth gap. The Business Equity Initiative (BEI) is launched.

2019



MCCI and FBE form a partnership to provide capital to BEI businesses.

2021



Via a management service agreement, one executive director is appointed to oversee both MCCI and FBE.

2022



MCCI and FBE Boards approve the merger to become one organization.



### RESULTS TOGETHER IN 2022

- Expanded geographic footprint to all of Massachusetts
- Unleashed a new source of supply capital for small businesses in partnership with the Boston Foundation
- Advocated through the Zero Carbon Renovation Fund Coalition to secure funding to jumpstart renovation projects to prepare buildings and homes for energy efficiency upgrades

# MISSION, VISION, AND OFFERINGS

## MISSION

Grow the assets and wealth of historically disinvested individuals and their communities by providing a combination of robust advice, resourced networks, and capital in the Merrimack Valley and across Massachusetts.

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## VISION

Collapse of economic and racial inequality and the growth of sustainable, thriving, and diverse communities driven by equal access and opportunity.

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## OFFERINGS

MCCI specializes in designing innovative ways to deliver loans, investments, and financial services. We work to serve business owners and homeowners through our specialized solutions. We continuously develop, evaluate, and refine our offerings to ensure that we are meeting the needs of our communities.

### SMALL BUSINESS



- Affordable, flexible loan and equity capital products
- Customized 1:1 pre- and post-loan technical assistance
- Classroom trainings and business development services
- Intensive, strategic advisory services through the Business Equity Initiative (BEI)

### RESIDENTIAL



- Home improvements, lead abatement, energy-efficient upgrades, and renewable energy/solar loan products
- Collaboration and referrals to community resources

### ADVOCACY



- Fierce advocacy at the state and regional level to improve the small business ecosystem
- Convene stakeholders, leaders, and government entities to remove the most critical barriers to capital, access, and capacity to propel businesses forward and create healthy, thriving neighborhoods



# OUR IMPACT

## SMALL BUSINESS LOANS

In 2022, MCCI achieved remarkable progress in our commitment to entrepreneurs. We doubled our annual commercial loan volume, going from 19 to 41 loans over the past five years. Our annual total dollar distribution also saw substantial growth, increasing from \$794K to \$3.5M, a remarkable 339% boost. These results reflect our unwavering dedication to empowering entrepreneurs and driving socioeconomic advancement.

### SMALL BUSINESS LOAN SPOTLIGHT

**\$9.6M**

of financing distributed  
since inception

**86%**

BIPOC-Owned  
Businesses

**\$83K**

Average  
loan size

## RESIDENTIAL LOANS

In 2022, MCCI successfully worked with homeowners to achieve 102% of our annual total dollar distribution goals. With support from partners like MassHousing Finance Agency and Mass Save®, we expanded our assistance to nearly 400 homeowners since our inception. Our focus remains on offering sustainable home improvement loans for a cleaner, healthier, and safer community.

### RESIDENTIAL LOANS SPOTLIGHT

**\$9.9M**

of financing distributed  
since inception

**54%**

BIPOC-Head  
of Household

**\$23K**

Average  
loan size

## ADVISORY SERVICES: BUSINESS EQUITY INITIATIVE (BEI)

The Business Equity Initiative (BEI) is our high-touch advisory program, tailored to support Black- and Latinx-owned businesses in achieving sustainable growth. Business owners receive 225 hours of intensive strategic guidance over 9 months to create and execute a target growth plan. They're paired with a Strategic Advisor, gain access to Service Specialists, CEO Roundtable Peer Support, and Advisory Board Support for up to 2 years post-graduation. BEI was recognized by the Massachusetts Nonprofit Network and awarded the Excellence in Innovation Award.

### BEI SPOTLIGHT

**35**

businesses supported during 2022

**3,809**

advisory hours provided in 2022

**90+**

businesses supported since inception

**28,000+**

advisory hours since inception

# ADVOCACY FOR BUSINESSES AND HOMEOWNERS

We understand multi-racial coalitions are effective platforms to advocate for increased and long over due resources into our gateway and urban communities.

## SMALL BUSINESS ADVOCACY

MCCI is a founding and executive committee member of the Coalition for an Equitable Economy (CEE). MCCI's small business advocacy continues through the Coalition. The CEE has achieved:

# \$290M

secured in state and federal funding for underserved small business owners since inception

# 7,000+

businesses supported through member organizations and technical assistance programs since inception

- Commissioned a statewide survey in 2022 in partnership with MassINC Polling Group (MPG) and Mass Growth Capital Corporation (MGCC), which revealed Massachusetts small businesses continue to face negative impacts from the COVID-19 pandemic. Respondents included 501 Black-owned businesses, 353 AAPI-owned businesses, 443 Latinx-owned businesses, and 2,082<sup>1</sup> Women-owned businesses.

## HOMEOWNER ADVOCACY

MCCI convened and led the Merrimack Valley Relief Fund Coalition to discuss how to bring and expand green efforts to Lawrence, Andover, and North Andover. The coalition included the following participants and local municipality governments:



In our quest for energy justice, we partnered with Northeastern University's School of Public Policy and Urban Affairs to complete the "Initiative for Energy Justice in Building Decarbonization Report." This report, funded by Bloomberg's Capacity Building Services for an Equitable Transition to Decarbonization for Low-Moderate Income Communities, represents a crucial step toward a fairer energy landscape.

<sup>1</sup> Presented at the BARI Conference 2023: Greater Boston's Annual Insight-to-Impact Summit, hosted by Northeastern University



# SMALL BUSINESS SOLUTIONS

## CAPITAL FINANCING, TRAINING, AND ASSISTANCE

Between 2021 and 2022, our capital deployment dollar volume increased by over 100%. We continued to innovate with the creation of the Business Equity Investment Fund (BEIF) to support business owners with patient, longer-term financing capital, and identified additional capital sources via Donor Advisor Funds allowing for greater deployment flexibility. We provided training to business owners through bilingual bookkeeping and financing workshops and supported the Merrimack Valley (MV) Strong Program, a partnership between the U.S. Economic Development Administration, Merrimack Valley Planning Commission, Small Business Strong, and MCCI to provide free technical assistance to business owners.

## 2022 KEY MILESTONES

102%

increase in annual total loan dollars deployed

86%

increase in annual total number of loans made

\$74,000

in grants deployed to Bookkeeping Training Workshop attendees

14

hosted workshops, English and Spanish, 100+ attendees who self-identified as 80% women, 68% Latinx, and 67% immigrant (attendees could select more than one option)

400+

small businesses supported through the Merrimack Valley (MV) Strong Program



*"2022 ended on a productive note with our MCCI small business loan. The funding allowed me to hire staff, fully stock inventory, and even create special Salem Halloween theme items. We exceeded sales target projections by 35% and had customer lines every weekend!"*

*Amy Aoude, Owner of the Chocolate Pantry and Salem Venture Fund Community Loan Client*

<sup>2</sup>The Business Equity Investment Fund launched officially February 2023



## IMPACT STORY

PASSION FLOWERS | MCCI Small Business Loan Client  
Latina Entrepreneur Blooms in Haverhill, MA

*Enrique Mendez (left) and Josefa Carolina Gonzalez (right)*

In 2016, Josefa Carolina Gonzalez opened Passion Flowers in Haverhill, MA, but the inspiration for her business started decades earlier in Santo Domingo, Dominican Republic. She studied floristry and interior design, and started working at a young age from her home, making floral arrangements for hotels, friends, and family. In 1991, she opened her own business in Santo Domingo, where she operated for five years before immigrating to the United States in 1996.

## CHALLENGES

The owner of the business property where Josefa Carolina had been renting passed away, and their family was looking to sell. She had a good relationship with the owner, and their family expressed interest in selling the building to her, but Mrs. Gonzalez did not have available funds to purchase it. In addition, she lacked adequate refrigeration space to store flower inventory, resulting in turning away ~40% of orders.

## SOLUTIONS

Through her State Representative Andy Vargas, Josefa Carolina was referred to MCCI to help find a financing solution to help her purchase the building. MCCI worked with Josefa Carolina to create a business plan, helping her qualify for two small business loans from MCCI and the Haverhill Loan Fund. The loans totaled \$250,000 to provide the funds to purchase the property, buy additional refrigerators, and make other business improvements.

## IMPACT

After MCCI paid for an appraisal, Josefa Carolina was able to negotiate down another 20% from the initial building asking price and was able to successfully purchase the building. With the new refrigerators, she will be able to take on more orders, increase her revenues and build equity in her property while her business continues to grow.

## BUSINESS EQUITY INITIATIVE

The Business Equity Initiative (BEI) celebrated its 5th year anniversary in 2022. Since inception, we have been deliberate and focused on providing quality high-touch advisory services, access to capital, and advocacy for contracting opportunities to Black- and Latinx-led companies. Through our personalized approach, we've helped entrepreneurs overcome barriers to help them grow their businesses and networks.

We are proud to have played a pivotal role in the growth and success of these small business owners, knowing that their resilience and our advocacy are key drivers in building more inclusive and prosperous communities.

## 2022 ENROLLED BEI PARTICIPATING ENTERPRISES

9Tailors  
Achilitos Taqueria  
ARKA HR  
Banneker Supply Chain Solutions  
Froggy's Play School  
Greenworks Energy  
Include Innovation

Kushala Sip Coffee House  
Las Palmas Restaurant  
MathTalk  
NextGen All American Camp  
Obas Enterprises  
PeachBox  
Pho Le LLC

Rami & Sons Plumbing  
RJ Installation  
Synergy Contracting  
TK3 Plumbing and Heating  
Waku

## BEI BUSINESS HIGHLIGHTS:

Participating enterprises commit to provide metrics up to three years post enrollment. In 2022, participants and graduates in BEI Cohorts 4 through 13 reported the following:

**\$78.6M**

in net  
new revenue

**\$11.9M**

in capital deployment including  
MCCI, the Business Equity  
Investment Fund at the Boston  
Foundation, and other lenders

**\$11.0M**

in significant  
contracts awarded

**624**

new full-time  
equivalent jobs

## BEI IMPACT SURVEY RESULTS

Recent graduates are surveyed annually to understand the impact of each of our program touch points. Here's what graduates are reporting on their BEI experience:

- **9 out of 10** average rating for overall experience with the BEI program
- **9 out of 10** average rating for overall value received from BEI Strategic Advisor & Experience Manager
- **8 out of 10** average rating in aiding business owner to access capital and financing
- **100%** of business owners gained more personal confidence about the trajectory of their company's growth
- **100%** of business owners improved their company's strategic outlook
- **93%** of business owners increased their company's operation efficiencies





## IMPACT STORY

WAKU | BEI Cohort 12

Prebiotic Herbal Tea Brand Based on Centuries-old Ecuadorian Recipes

*John Brzezinski, BEI Strategic Advisor (left),  
Juan Giraldo, CEO of Waku (center),  
Steven Ladd, BEI Experience Manager (right)*

In 2018, childhood friends Juan Giraldo and Nico Estrella founded Waku, a prebiotic herbal tea company based on recipes from their home country, Ecuador. Their inspiration to start the company was an opportunity to have a positive impact on their homeland and to unlock further demand for innovative products in the growing gut-health industry. According to Market.us, the global digestive health market is estimated at \$104.4 billion by 2032. Juan and Nico were ready for their next stage of growth when they enrolled in the Business Equity Initiative (BEI) program in 2022.

## CHALLENGES

A couple of months after enrollment, a “perfect storm” of events occurred that required the BEI and Waku team to pivot from their original strategic goals. The team was forced to focus on an unexpected withdrawal of investors, delays with a major retail distributor, and supply chain issues with a contract packer in Ecuador.

## SOLUTIONS

The BEI team shifted their attention to helping Juan and Nico focus their limited resources to focus on actions to advance sales and go-to-market goals while ensuring they had enough funding to continue operating. The BEI team supported Waku in reworking their cash flow model and financial projections, provided guidance on opportunities to recapitalize and conserve cash, and managed communications with lending partners, Business Equity Fund (BEF) at the Boston Foundation. They also collaborated to secure short-term funding and revised the list of potential investors. Additionally, they conducted interviews with peer companies that confirmed that the short-term hiring strategy and plans best fit Waku’s short-term growth goals.

## IMPACT

Waku successfully worked through their challenges and retired over \$200K in debt while also restructuring \$140K to lessen cash impact. They obtained \$400K of investments and loans including an \$80,000 emergency loan through the Business Equity COVID-19 Emergency Fund at the Boston Foundation with more company-friendly terms to support short-term working capital requirements. Additionally, they secured a distribution contract with Whole Foods for 22 northeast stores, which later expanded to cover the entire region of 55 stores with near-term visibility to expand to over 60 stores. Overall, these actions led to increased revenues by 100% over the previous year.

***“The Business Equity Initiative (BEI) made a world of a difference to my company because it was customized to support Waku’s needs. Prior, I had enrolled in classroom-type programs, but nothing came close to the level of guidance that I received from my BEI strategist.”***

*Juan Giraldo, CEO of Waku*



# RESIDENTIAL SOLUTIONS

Greenhouse gasses are the cause of many environmental and health concerns. About 60% of the building sector greenhouse gas emissions in Massachusetts come from furnaces, boilers, and water heaters used in homes—particularly old housing stock. Homeowners in low-to-moderate income (LMI) communities are disproportionately exposed to health hazards and face several barriers to transition to clean energy:

- Less disposable income to afford upfront costs, repairs, and investments in energy-saving systems
- Lack of affordable and flexible underwriting loans, existing programs cater to prime borrowers
- Systemic issues that exacerbate disparities among LMI homeowners’ ability to access program offerings
- Unable to claim energy-related tax credits and rebates due to tax brackets

Addressing these barriers and gaps for LMI homeowners to transition to clean energy is a must. To ensure success, the MCCI residential team is streamlining processes by pairing affordable, flexible lending products with high-quality case management and stronger cultural and linguistic competencies to support homeowners. We understand that education and guidance are crucial components of project completion, yet many face barriers to accessing them. For this reason, we offer additional support that transcends the social barriers that may exist like trust, language, and money.

## 2022 KEY MILESTONES

# #1

lead abatement lender in MA for multiple consecutive years

# 22%

increase in annual total volume of residential loans from 2021 to 2022

# 399

homeowners financed to increase their home value through health, safety, or energy efficiency improvements

Began the development of the Solar Plus Loan Program, a flexible and affordable loan to allow homeowners to realize the benefits of solar energy<sup>3</sup>

## IMPACT STORY

Thu Han from Salem, MA



Thu Han was nervous about the upcoming winter because the oil boiler in her home was not working efficiently, and her electrical system needed to be updated. She was referred to MCCI through a landlord workshop at Lawrence Community Works. After going through the application process, Thu Han successfully received a home improvement loan in partnership with MassHousing to do the necessary updates to her home.

“MCCI (staff) was great to work with during the application process. They explained the financing options available and made the process simple, easy, and stress free.”

Thu Han

Thu Han, MCCI Residential Loan Client

<sup>3</sup> MCCI Solar Plus Loan Program launched officially June 2023

# OUR FINANCIALS

REVENUE AND SUPPORT	2022		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Grants and contributions	560,739	3,347,557	3,908,296
Interest from loans receivable	288,688	-	288,688
Loan service fees	158,000	-	158,000
Other Revenue	100,804	-	100,804
Contribution received in donation of FBE*	2,235,471	1,467,547	3,703,018
Net assets releast from restrictions	3,354,049	(3,354,049)	-
<b>Total revenue from operations</b>	<b>6,697,751</b>	<b>1,461,055</b>	<b>8,158,806</b>
EXPENSES			
Program	2,433,025	-	2,433,025
General and administrative	1,001,842	-	1,001,842
Total expenses	3,434,867	-	3,434,867
<b>Change in net assets</b>	<b>3,262,884</b>	<b>1,461,055</b>	<b>4,723,939</b>
<b>Net assets at beginning of year</b>	<b>2,503,659</b>	<b>795,468</b>	<b>3,299,127</b>
<b>Net assets at end of year</b>	<b>\$ 5,766,543</b>	<b>\$ 2,256,523</b>	<b>\$ 8,023,066</b>

\* On October 1, 2022, Mill Cities Community Investments (MCCI) merged with the Foundation for Business Equity (FBE). FBE was established in 2017 in the Commonwealth of Massachusetts as an exempt organization under 501 ( c ) ( 3) and Section 509 (a) of the Internal Revenue Code. This is a one time contribution to combine finances under one organization.

# 2022 FUNDERS, THANK YOU!

Bain Capital  
Bank of America  
Barr Foundation  
CDFI Fund  
Commonwealth of Massachusetts Executive Office of Economic Development  
Cummings Foundation  
Eastern Bank Foundation  
Enterprise Bank  
Essex County Community Foundation  
Jackson Lumber  
JPMorgan Chase & Co  
Justice 40 Capacity Building Fund  
Massachusetts Clean Energy Center  
Massachusetts Growth Capital Corp (MGCC)  
Merrimack Valley Planning Commission  
Opportunity Finance Network  
Reading Cooperative Bank  
Rockland Trust Bank  
Santander Bank  
Silicon Valley Bank  
The Boston Foundation  
The Life Initiative  
The Rockefeller Foundation  
Individual Donors

## OUR BOARD

Yun-Ju Choi – Executive Director, Coalition for a Better Acre  
Matthew Hanson – Vice President, Bain Capital  
Kristen Harol – President, The Life Initiative  
Lisa Kozol – Real Estate Development Specialist, 2 Life Communities  
Abbott Lawrence – Global Analyst, Boston Common Asset Management  
Malia Lazu – CEO & Founder, The Urban Labs  
Quincy Miller – President, Eastern Bank  
Nancy Stager – President and CEO, Eastern Bank Foundation  
Lisa Torrissi – Owner, Jackson Lumber  
Abel Vargas – President, Valley Home Insulation  
Orlando Watkins – Vice President, The Boston Foundation  
Michele Witts – Chief Financial Officer, Coalition for a Better Acre  
Arleen Zorilla – Manager, Lawrence Community Works



# OUR PEOPLE

## TEAM LEADS



**Glynn Lloyd**  
Executive Director



**Aaron Lackman**  
Commercial Services  
Manager



**Tameka Moss**  
Co-Founder & Director,  
BEI



**Alexandra Nova**  
Senior Director of Strategy  
and Operations



**Lissette Paukert**  
Residential Services Manager,  
NMLS#1781023



**Anthony Rust**  
Business Equity Finance  
Ecosystem Director



**Diana Ubiñas**  
Marketing and Projects  
Director

## STAFF



**Katiria Adorno**  
Program Manager, BEI



**Ken Berard**  
Portfolio Manager



**Frank Carvalho**  
Senior Consultant / Former  
Founding CEO



**Cinthia Gomez**  
Residential Loan Officer



**Freiny Peña**  
Administrative Assistant



**Saul Peña**  
Business Development  
Lending Officer



**Akeem Pierre**  
Operations Associate



**Isabel Rincon**  
Business Development  
Lending Officer



**Isaiah Romulus**  
Development and  
Impact Associate



**Jennifer Sanchez**  
Residential Loan Officer



**Kristin Wallace**  
Commercial Lender





+

foundation  
for business  
equity

 [mccinvest.org](http://mccinvest.org)

 [fbequity.org](http://fbequity.org)