



COMMON
GROUND

Ending homelessness in New York

2012 Annual Report

3
Our Mission

Common Ground
at a Glance

4

Letter from
our Leaders 5

8
Housing Development

10
Operations & Services

Other Programs

14

Vital Statistics 16

17 Awards

Financials 18

20 Board of Directors
& Staff Members

Our Mission

Common Ground is New York City's largest supportive housing provider. Our mission is to strengthen individuals, families, and communities by developing and sustaining exceptional supportive and affordable housing as well as programs for homeless and other vulnerable New Yorkers.

We create strong, vibrant communities within our buildings and in the neighborhoods where our buildings are located. We are always pushing ourselves to increase capacity so that we can help even more individuals achieve the housing stability they have long sought.

Many of our residents have spent years living without shelter. Exposure to the elements, insufficient and unhealthy food, and lack of medical care take a toll, but the harm of homelessness is not all physical. On any given day, these same individuals are simply overlooked – rendered invisible by countless pairs of averted eyes.

Common Ground – its mission, its staff, and its many supporters – sees these individuals. We know them by name. Their stories. Their challenges. Their hopes. If we haven't met them yet, we will soon. And we work each day to permanently end the problem of homelessness for every single one of them.

Common Ground at a Glance

16 properties under management

2,960 units

4,074 clients/residents served

835 new housing placements

364 staff

\$52.6 million budget
(including limited partnerships)

Letter from our Leaders

Each year, Common Ground strives to do more to permanently solve the problem of homelessness. In 2012, this meant housing more people than ever, expanding our Street to Home outreach program and opening three new residences. It meant asking hard questions that will push us to do better tomorrow than we did today.

More than half of those we housed this year were chronically street homeless, reflecting our focus on serving individuals who have been on the street the longest, who have struggled for years with severe and persistent mental illness, poor physical health, or recurrent substance abuse. The vast majority of our permanent supportive residents with a history of chronic homelessness – 95.6% – remained stably housed in 2012, having finally found their way home.

As we assess the past, Common Ground also plans for the future. In 2012, we completed a five-year strategic plan that reaffirms our commitment to supportive housing resources and calls us to a new endeavor: the development of affordable housing sites. Acutely aware of the significant and lasting costs of homelessness – from social isolation to poor health and a shortened life span – we strive not only to assist those who have spent the longest periods living unsheltered but also to prevent those at risk from ever becoming homeless.

The drive to do more, to assess, and to plan always leads us back to the same place: the people. Our staff, our board members, our volunteers, and our donors: you have built our past and will build our future. And the people we serve – they are the ones we build this future for.



James S. Rubin
Board President/Chair



Brenda E. Rosen
Executive Director

Clovis Ahmed
Resident, The Lee

**I'm a brand new person -
mentally, physically, and
spiritually.**



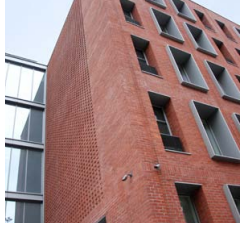
Housing Development

In 2012, we opened three new buildings representing 301 additional housing units: a 161-unit permanent supportive residence on Hegeman Avenue in Brooklyn; a 60-unit low-income residence in Willimantic, Connecticut; and an 80-unit permanent supportive residence in Rochester, New York. **These sites increased Common Ground's housing resources by 10.4%.**

We also made considerable progress on plans to construct a new 155-unit permanent supportive residence on Boston Road in the Bronx, which will be one of the first sites in New York State - or anywhere - to utilize Medicaid dollars (re-purposed through Medicaid waivers made available under the Patient Protection and Affordable Care Act of 2010) to create supportive housing, cutting unnecessary health care costs and, in turn, saving public dollars. The project is designed specifically to assist chronically homeless and low-income older adults who, without supportive housing, may cycle between emergency rooms, hospital admissions, and street discharges. The Boston Road site will be ready for occupancy in 2015.

In developing housing resources, Common Ground not only seeks to meet a critical need for safe, clean homes, but also to enhance the communities in which these residences are located. We collaborate with some of this country's best well-known architects to create attractive, contextual structures that improve their surrounding environment. We also strive to incorporate the most modern, environmentally sustainable design and equipment possible for this type of housing. All new buildings are designed to achieve at least LEED Silver or Enterprise Green Communities certification.

New Housing in 2012



THE HEGEMAN 161 Units / LEED Certified Silver

The Hegeman is a state-of-the-art “green” building designed by COOKFOX Architects. The site provides studio apartments for formerly homeless individuals with special needs, persons with HIV/AIDS, and low-income working adults, many from the surrounding Brownsville community. The five-story building addresses a significant local need for high quality, affordable permanent housing and provides important amenities for its residents, including onsite social service supports, a physical fitness room, a computer lab, and 24-hour security.

Economic self-sufficiency workshops help residents manage their money and take control of their financial futures. An expansive, enclosed garden enables residents to enjoy the benefits of nature. Plans for a community garden adjacent to the building will provide similar benefits to tenants and neighborhood residents alike.



CEDARWOODS 60 Units / Silver LEED for Homes

Cedarwoods is unique in Common Ground’s portfolio for its location – rural Willimantic, Connecticut; its population served – low-income individuals with 10% of units offering a preference for veterans; its setting – 16 acres, 10 of which are protected wetlands; and its layout – one-bedroom apartments for individuals and families. It is not, however, unique for a Common Ground residence in its objective to ensure that the most vulnerable individuals have access to high quality affordable housing, in a community without sufficient affordable housing resources.

Designed by Robert A.M. Stern Architects with Hartford-based Crosskey Architects, Cedarwoods is the first LEED-certified affordable housing development in eastern Connecticut. As such, it brought not only housing but green construction and new jobs to an area in need of economic development. Residents make use of onsite social services and an array of amenities including a fitness room, a multipurpose room, bike storage, and a computer lab.



EASTMAN COMMONS 80 Units

Formerly the site of a vacant manufacturing plant, Eastman Commons is now a permanent supportive residence that provides 80 affordable one-bedroom apartments in Rochester. All residents of Eastman Commons earn at or below 60% of the area’s median income. 49% of units house low-income single adults, while 51% of units are for individuals referred from local homeless shelters.

In keeping with Common Ground’s model, all residents have access to onsite case management assistance to help them maintain their housing and flourish in their new homes. Other onsite amenities include lounge areas, laundry facilities, secure bike storage, program space, and 24-hour security.



**Supportive housing works.
I've seen a lot of people
come into this building and
get better.**

Ed Harkewicz
Resident, The Times Square

Operations & Services

The journey from homelessness to housed is a challenging one. Common Ground’s outreach and housing interventions allow us to offer a solution tailored to address each individual’s unique barriers to housing stability. Our **three core program areas - street outreach, transitional housing, and permanent housing** - described in the following pages, together constitute a full continuum of care.

Our supportive housing developments successfully integrate formerly homeless and other hard-to-house groups in mixed-income buildings, while consistently meeting superior property management standards: high resident satisfaction rates, strong financial performance, low eviction rates, and rent collection rates above industry averages.

How do we do it? We respect all tenants and have in place community rules that benefit everyone. We maintain 24-hour security to ensure a safe and orderly living environment. And we collaborate with onsite social service partners who are recognized leaders in the field.

All Common Ground residents have access to wraparound case management and tenant services. Our partners work one-on-one with each client to meet his or her needs for social supports, health care assistance, and entitlement advocacy. Individuals requiring drug and alcohol rehabilitation, health and mental health care, and assistance with activities of daily living either receive these services at their residence or through referrals. These supports are interwoven with a wide variety of social, educational, and recreational programming coordinated by Common Ground’s Tenant Services staff – enhancing quality of life for individuals of very limited economic means.

Our service partners

- | | |
|--|--|
| The Actors Fund | Sojourner House at Pathstone |
| BronxWorks | U.S. Department of Veterans Affairs |
| Center for Urban Community Services (CUCS) | United Services |
| The Door | Visiting Nurse Service of New York (VNS) |
| Good Shepherd Services | |

Street Outreach



Most people know Common Ground as a housing provider for homeless and low-income individuals, but the success of our housing interventions on behalf of New York City's most entrenched homeless persons would be impossible without Street to Home, our intensive street outreach initiative. **Common Ground's outreach teams are on the street 24 hours a day, seven days a week, 365 days per year.** Their consistent presence and concern fosters trust in those chronically street homeless individuals least likely to accept assistance, and it is largely through their work that we are able to successfully engage so many of those who have spent many years living without shelter.

Common Ground is the sole New York City-contracted provider of street outreach to homeless persons in all of Brooklyn and Queens. We are also responsible for these crucial services in nearly 50% of Manhattan. **Our catchment area for this borough expanded significantly in 2012, almost doubling at the request of the Manhattan Outreach Consortium.** During the year, Common Ground's outreach workers connected with 1,845 unique individuals living outdoors throughout Brooklyn, Manhattan, and Queens, 715 of whom were enrolled on the Street to Home caseload. The balance of individuals received repeated contacts to foster future enrollment, service provision, and transition to housing.

The goal of all of Common Ground's interventions is the significantly enhanced quality of life and improved housing stability of our clients. Street to Home is no different. Of those on the Street to Home caseload in 2012, 287 moved into transitional housing and another 76 moved directly into permanent housing placements.

Transitional Housing



Marc Yarnes is a United States Army veteran who grew up in Savage, Minnesota and is currently living in Common Ground's Transitional Housing Program on the Montrose VA campus. He is a self-taught artist specializing in portrait realism and works primarily with charcoal and pastel. He has created over 100 portraits of people of many different nationalities and ages. After years of alcohol abuse and living on the street, Marc came into treatment through the Veterans Administration and found himself through recovery and art. Marc is currently opening his own business as a portrait artist and looking forward to moving on to permanent housing.

Common Ground's transitional housing resources represent a crucial aspect of our overall approach to helping chronically homeless individuals break a cycle of recurring housing instability. These units allow us to immediately connect those at greatest risk of death on the street with a clean, safe place to live.

Intensive case management services provided to transitional housing residents create a bridge to permanent supportive housing for those individuals facing significant barriers to a decent quality of life, such as severe and persistent mental illness, substance abuse, and resistance to transitioning from life on the street. These issues can make an immediate permanent placement unsustainable.

Services provided in our transitional settings are designed to prepare individuals to ultimately attain a long-term home. Our transitional resources offered considerable onsite case management services for 598 individuals in 2012, 207 of whom moved to permanent housing by year's end.

Permanent Housing



Dancer Erin Moore was determined to build a career in New York City. But couch-surfing, bouncing from sublet to sublet – at one point even enduring the commute from Philadelphia to auditions in Manhattan – was enough to put even the most committed artist to the test.

The Schermerhorn allowed Erin to establish a stable, affordable home base among a community of fellow artists and strivers in the heart of Downtown Brooklyn. She quickly landed a teaching gig with Brooklyn Ballet's Elevate program, working with second graders from two public schools in Brooklyn. Next an open-call audition took Erin to Washington, D.C., where she performed alongside the legendary Bernadette Peters in a revival of Sondheim's Follies. When the hit show transferred to Broadway, Erin was delighted to be back in her cozy apartment at the Schermerhorn, where she enjoys an easy A-train commute to her dressing room at the Marquis Theater.

At the heart of Common Ground's mission is the development and operation of permanent supportive housing, a model well-demonstrated to be the most effective and cost-efficient means of helping chronically homeless individuals overcome recurring housing instability and secure a significantly improved quality of life.

While Common Ground is dedicated to serving the hardest-to-house homeless population and those who have lived unsheltered for the longest periods of time, we also work to ensure that as many individuals as possible are able to avoid ever experiencing the trauma of homelessness. In pursuit of this goal, Common Ground offers affordable housing options for low-income working adults. Our properties include a considerable number of units set aside for this at-risk constituency.

Common Ground continues to respond to the ongoing need for permanent supportive and low-income housing resources. In 2012, we provided permanent apartments to 2,687 individuals within our congregate residences and scatter site units, 9% more people than in 2011. **Together, these sites realized an annual stability rate of 93%, as the vast majority of our tenants remained in place and thriving in long-awaited homes.**

Other Programs Innovation and Adaptation

Common Ground pursued the following special initiatives in 2012:

A five-year strategic plan, created with pro-bono assistance of McKinsey & Company and made possible by the Robin Hood Foundation, is Common Ground's first multi-year roadmap for agency growth and stability in more than a decade. Following its development, Common Ground established 12 working groups to implement the strategic plan's directives in 2013 and beyond. Among the plan's highlighted priority operational needs and services is a goal to utilize Common Ground's significant development expertise to create more affordable housing exclusively for low-income New Yorkers. The plan identifies the development of such buildings as something that will further our mission, facilitating future mixed-use residential settings by fostering positive relationships in communities where there is an acute need for these resources. Our goal - to increasingly offer housing as a means of preventing homelessness for those at greatest risk of ever experiencing such a loss.

A new fee-for-service initiative assists for-profit developers with renting their apartments to low-income individuals and families. This service represents a natural leveraging of our established expertise with meeting the complex regulatory requirements of managing Federal Low Income Housing Tax Credit financed housing. It also connects low-income individuals with affordable housing and is crucially a means for helping promote a greater level of operating stability for our fundamental purpose of assisting disadvantaged and vulnerable New Yorkers across programs.

Most importantly, dollars earned from the fee-for-service can assure the stability of our human services in the face of declining public support. Common Ground's first major client for this service is Gotham Organization, which has engaged us to rent 250 units at their new 1,240-unit apartment house on West 44th and 45th streets in Manhattan. Funds derived from this contract have already bolstered several Common Ground programs for chronically homeless individuals.

Finally, the new **Elder Care Health Outreach pilot initiative**, also known as ECHO, is a service enhancement to be offered at three of Common Ground's permanent supportive residences in partnership with the Center for Urban Community Services. Over a two-year period, ECHO will adapt these sites for a medically frail aging tenancy, providing specialized onsite geriatric medical care as well as tenant support services to facilitate aging in place. Tenant services will promote good nutrition, falls prevention, and increased socialization – all keys to maintaining independent living.

The goal of ECHO is to prevent repeat hospitalizations or transfers to nursing facilities that would, without this initiative, be necessary to deal with an escalating need for medical interventions. ECHO is thus intended to allow residents to remain in their own homes and to facilitate the best quality of life possible for as long as possible. We are fortunate to have major funding for this initiative from the MetLife Foundation and The Fan Fox & Leslie R. Samuels Foundation. In time, Common Ground hopes to broadly share our lessons learned from ECHO with peer nonprofits nationwide.

Vital Statistics

HOUSING PLACEMENTS AND RETENTION BY PROGRAM AREA (CY 2012)

2012 TOTALS

UNITS	2,949
Permanent Units	2,557
Congregate	2,436
Scatter Site	121
Transitional	392
Safe Haven	140
Shelter	38
Stabilization Beds	118
VA transitional units	96
CLIENTS SERVED ^A	3,876
Street to Home (S2H) clients	715
New S2H clients	263
Number of individuals contacted 3 or more times by S2H	1,130
Transitionally Housed clients	598
New Transitional Housing Clients ^B	316
All Permanently Housed clients	2,687
Chronically Homeless	1,250
Special Needs not Chronically Homeless	251
Low Income	1,186
New Permanent Housing Clients ^B	463
Chronically Homeless	234
Special Needs not Chronically Homeless	27
Low Income	202

2012 TOTALS

PLACEMENTS ^C	570
Street to Transitional	287
to Common Ground transitional	67
to other transitional	174
Street to Permanent	76
to Common Ground permanent	23
to other permanent	44
Transitional to Permanent	207

GLOSSARY

A - Total categories include clients who have been in our housing or on our caseload within the quarter. Efforts have been taken to unduplicate these totals.

B - "New" categories include clients who entered our housing or caseload within the quarter.

C - Number includes only placements made through the S2H program.

2012 Awards

American Planning Association New York Metro Chapter

Paul Davidoff Award

For leadership in housing and equal opportunity

The American Institute of Architects New York State Design Awards

Award of Merit "Residential - Multi-Family" category

For our Hegeman Avenue residence

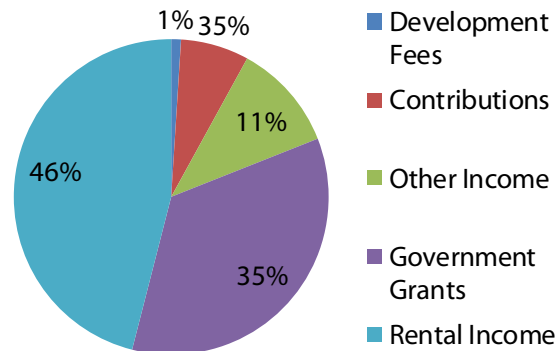
2012 Best Companies to Work for in New York State

New York State Society for Human Resource Management

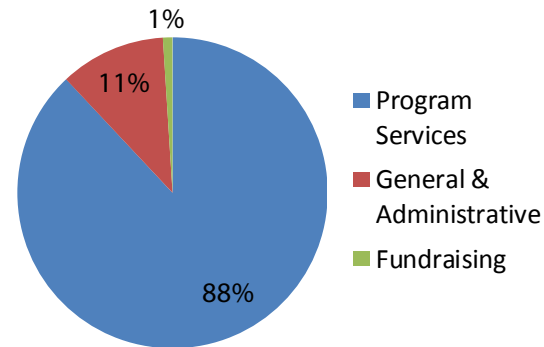
One of 24 awardees in the large business category

Financials

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2012



INCOME



EXPENSES

TEMPORARILY RESTRICTED REVENUES AND SUPPORT 2012

Revenue	
Contributions	1,378,000
Net assets released from restrictions	(748,869)

TEMPORARILY RESTRICTED NET ASSETS

Increase (decrease) in temporarily restricted net assets	629,131
Changes in net assets	8,057,413
Excess of expenses over revenue attributable to noncontrolling interest	10,190,119
Excess (deficiency) of revenues over expenses attributed to the Organization	2,132,706

UNRESTRICTED REVENUES AND SUPPORT 2012

Contributions	\$ 2,248,850
Government grants and contracts	18,568,118
Management and partnership fees	188,335
Development fees	523,111
Rental income	24,717,717
Investment income	19,261
Other income	2,929,937
Net assets released from restrictions	748,869
Total revenues and support	\$ 49,944,198

EXPENSES

Social services	20,844,575
Housing management and development	1,864,142
Affordable housing operations	19,315,136
General and administrative	5,625,077
Fundraising	728,466
Depreciation and amortization	11,083,001
Interest and service fee	2,121,598
Total Expenses	\$ 61,581,995

Change in net assets before other non-recurring items	(11,637,797)
New York State Brownfield redevelopment incentive income, net of federal tax expense of \$1,250,300	2,444,782
Gain on forgiveness of loan	506,471
Increase (decrease) in unrestricted net assets	\$ (8,686,544)

FINANCIAL SUMMARY, CONTINUED

ASSETS, LIABILITIES AND NET ASSETS

CURRENT ASSETS		2012
Cash		\$4,030,495
Accounts receivable, net		11,424,929
Development fee receivable		1,091,226
Other assets		1,346,738
Total current assets		\$ 17,893,388
PROPERTY AND EQUIPMENT		
Construction-in-progress		1,418,791
Property and equipment, net		357,158,886
Total property and equipment		\$ 358,577,677
NONCURRENT ASSETS		
Lender restricted cash and contractual reserves:		
Lender restricted cash		3,936,215
Contractual reserves		20,744,371
Total lender restricted cash and contractual reserves		\$ 24,680,586
Tenant security deposits		1,131,551
Development fee receivable and accrued interest		8,543,519
Other assets, net		3,765,025
Total other noncurrent assets		\$ 38,120,681
Total assets		\$ 414,591,746

CURRENT LIABILITIES		2012
Accounts payable and accruals		\$11,957,598
Construction payable		4,960,560
Prepaid rent		126,456
Deferred revenue		-
Project grant advances		604,233
Development fee payable		1,091,226
Mortgages and notes payable		4,454,170
Total current liabilities		\$23,194,233
NONCURRENT LIABILITIES		
Security deposits		1,267,553
Accrued interest payable - mortgage and notes		5,457,116
Deferred revenue		1,160,965
Project grant advances		12,461,283
Development fee payable		9,291,662
Affiliate notes payable		-
Other liabilities		550,032
Mortgages and notes payable		210,119,155
Total noncurrent liabilities		\$ 240,307,766
Total liabilities		\$ 263,501,999
NET ASSETS		
Unrestricted		
Controlling interest		62,008,171
Noncontrolling interest		79,848,030
Temporarily restricted		9,230,546
Total net assets		\$ 151,089,747
Total liabilities and net assets		\$ 414,591,746

Board of Directors

Board Officers

James S. Rubin, President/Chair

Ellen Taus, Treasurer

CFO, Rockefeller Foundation

Bruce Angiolillo, Esq., Secretary

Partner, Simpson Thacher & Bartlett

Board Members

Peter Ezersky

Managing Principal, Quadrangle Group LLC

Michael J. Franco

Executive Vice President, Co-Head of Acquisitions
& Capital Markets, Vornado Realty Trust

Tony Hannigan

Executive Director, Center for Urban Community Services

Brenda Rosen

Executive Director, Common Ground

Naomi Wolfensohn

Trustee, Wolfensohn Family Foundation

Jide J. Zeitlin

President, The Keffi Group

Staff Members

Brenda Rosen

Executive Director

David Beer

Director, Real Estate Development

Carrie Bloss

Director, Quality Assurance & Compliance

John McKegney

Chief Financial Officer

Judith Rosenfeld

Director, Special Projects

Jeff Scheuer

Director, External Affairs

Claire Sheedy

Director, Housing Operations & Programs

Toby Sherman

Director, Human Resources