

Ending homelessness in New York

COMMON GROUND'S 2013 ANNUAL REPORT



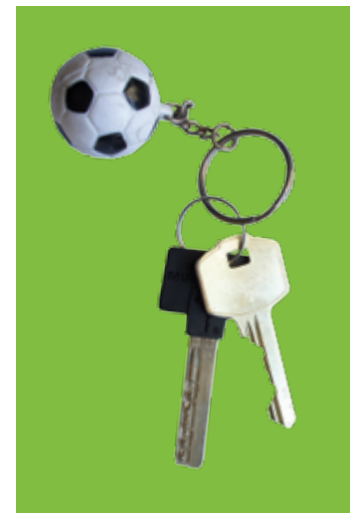
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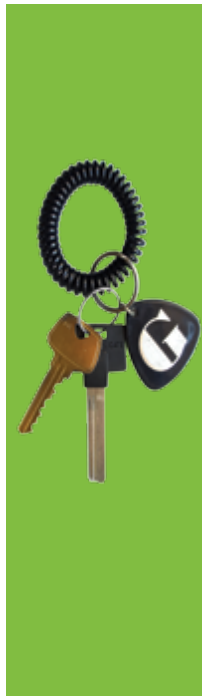
Our Mission

Common Ground's 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.



Common Ground at a Glance

16 properties
under management



4,074
clients/residents
served in 2013



364 staff

835
new housing
placements



\$52.6 M budget (including limited partnerships)

Letter from our Leaders

Twenty-three years ago, Common Ground renovated a building and made a promise: to not only house 652 of New York City's most vulnerable residents – the vast majority of whom had spent years living completely unsheltered on our city's streets – but to provide onsite wraparound services that enable them to permanently avoid a return to homelessness.

We have continued to make, and make good, on many more promises since then. We have constructed and now operate 16 residences specifically designed to combat homelessness, particularly in our home community of New York City. With a portfolio of nearly 3,000 completed units, Common Ground is the largest provider of permanent supportive housing in New York State. Our latest projects will bring an additional 700 units of much-needed affordable housing. Yet, more must be done to help the thousands of New Yorkers still without a place to call home.

We make a lasting promise to our residents: a safe, affordable home for as long as they need it – and all of the resources they need to stay there. We've been bolstered by amazing social service partners and crucial support from City leadership – most recently Mayor Bloomberg. We look forward to a strong partnership with Mayor de Blasio, who has long stood with those too often overlooked or underserved – and to an end to the problem of homelessness in the city that we love.



James S. Rubin
Board Chair

Brenda E. Rosen
President and CEO

Operations and Services



Over the years, society has learned a great deal about how to help the chronically homeless. Many suffer from severe and persistent mental illness, debilitating physical health issues, and/or recurrent substance abuse. Helping these individuals often requires a multi-faceted, sustained effort.

For many chronically homeless individuals, their first step on the road to recovery begins when a street outreach worker engages them into services while they are still living outdoors. Common Ground's pioneering **Street to Home program** is today the gold standard in providing this initial assistance. The persistent, caring, and sensitive attention from Common Ground's highly trained professionals has been proven to move individuals towards housing and stability.

Transitional housing resources offer a crucial intermediary form of supports within a residential setting for some of these most entrenched homeless as they prepare for permanent housing. Our transitional housing not only includes comprehensive case management, but the time and attention that many individuals need to address their root causes of recurring homelessness.

Permanent supportive housing with onsite social services is, however, the core of Common Ground's service continuum. This is the resource that often enables the longest-term homeless to finally and forever leave behind the specter of a return to homelessness. Common Ground has been a leading innovator in creating and operating this form of housing since our founding in 1990. Our model of permanent supportive housing also increasingly serves a homelessness prevention purpose by offering affordable apartments to low- and very low-income working adults in mixed-income settings, side by side with residents who had suffered from chronic homelessness.

Our Core Programs

STREET OUTREACH

Common Ground's Street to Home program represents the largest street outreach initiative in New York City - covering all of Brooklyn and Queens, and nearly half of Manhattan. In 2013, our street outreach team worked to encourage 1,557 individuals living outdoors to accept services, enrolled 752 of these persons onto their caseload, and enabled 415 persons to obtain a supportive housing placement.



TRANSITIONAL HOUSING

Common Ground's 390 transitional units and three transitional housing sites offer the full spectrum of residential options to meet the needs of chronically homeless individuals in varying circumstances to stabilize their lives. Our transitional sites include Safe Haven units, stabilization beds, and more traditional shelter units. Among our transitional housing resources are a considerable number of units set aside to exclusively serve veterans of the U.S. Armed Forces. In 2013, Common Ground's transitional sites were home to 615 individuals, 207 of whom were able to graduate to permanent housing.

"I am so grateful to Common Ground. I would have died out there."

LISETTE
Tenant, The Brook

PERMANENT HOUSING

Common Ground manages 13 permanent supportive housing sites with 2,673 units. This is by far the largest number of such specialized units provided by any single organization in New York. All primarily serve the chronically homeless, although we also have a large number of apartments for working adults. In 2013, our sites were home to 2,752 individuals, and achieved high stability rates across our varied and challenged tenant populations.



Other Programs

FEE FOR SERVICE

Common Ground's fee-for-service business venture assists for-profit developers with renting apartments to low-income individuals and families. This service represents a natural leveraging of our expertise with the complex regulatory requirements of Federal Low-Income Housing Tax Credit financed housing.

In 2013, we expanded this business, securing contracts to provide marketing and compliance services to six distinguished developers for over 600 affordable units. Following a successful first collaboration, Gotham Organization has engaged us to work on a second project, this one in the new BAM Cultural District in Brooklyn.

REDWOOD SENIOR LIVING

Common Ground has partnered with East Brooklyn Congregations and Community Preservation Corporation on a new senior residence that broke ground in June 2013 called Redwood Senior Living. The residence will provide affordable one-bedroom homes to 80 older adults. Common Ground will co-own the property and provide on-site social services.

The building will be enhanced by social spaces and amenities including a community room, exercise room, library, a landscaped garden with seating, and more. Beyond case management, a variety of recreational and volunteer opportunities will emphasize socialization and healthy living.

ELDER CARE HEALTH OUTREACH

The new Elder Care Health Outreach (ECHO) initiative is a trial service enhancement at three of Common Ground's residences in partnership with the Center for Urban Community Services.

Our aim with ECHO is to prevent repeat hospitalizations or transfers to nursing facilities and to allow residents to remain in their own homes with the best quality of life possible for as long as possible.

In the first six months of the pilot, 66 tenants had engaged with on-site medical services and 157 tenants had participated in health skills workshops.



"Having medical services in the building is so easy. I take better care of myself now."

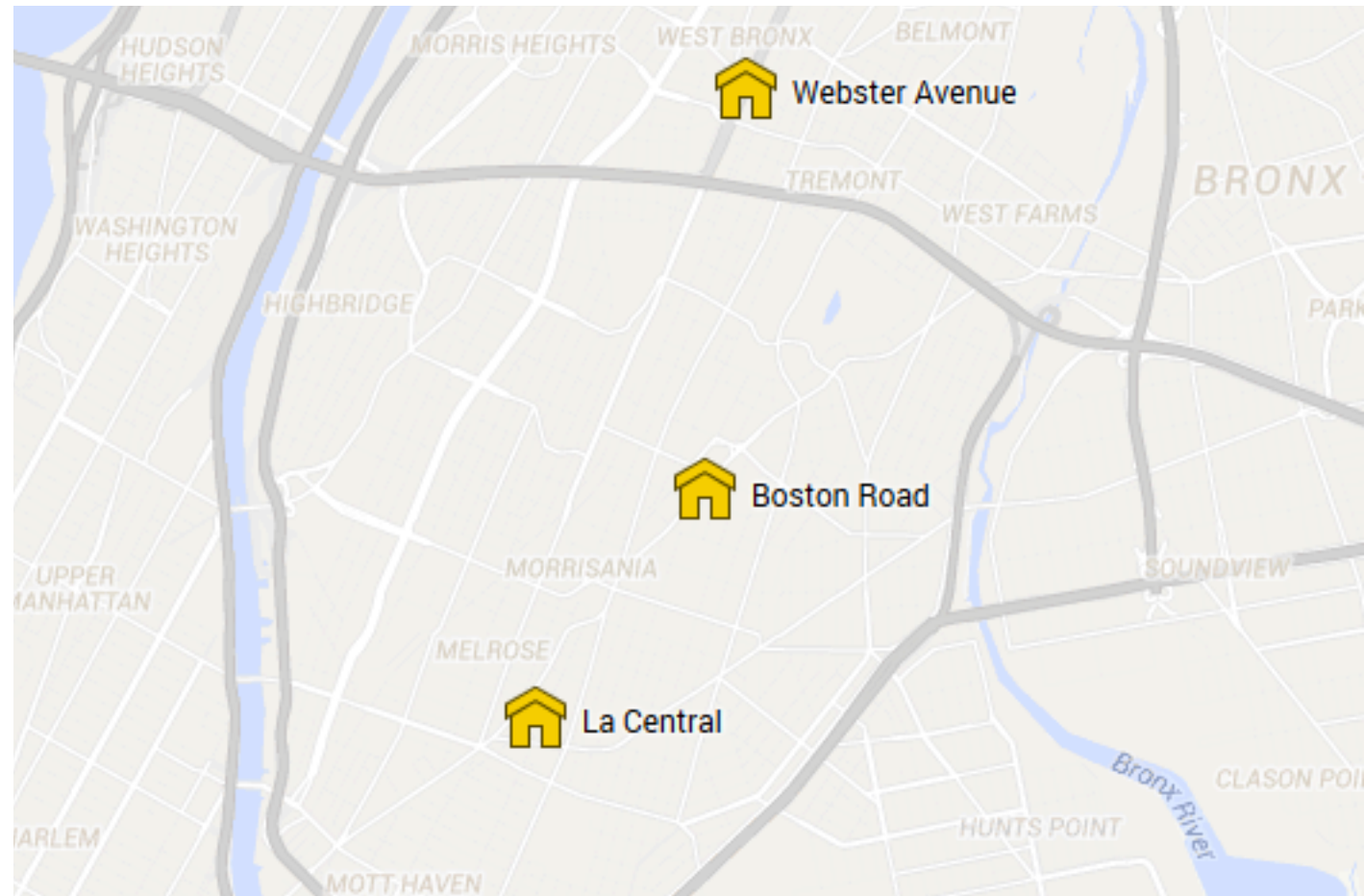
ANITA
Tenant, The Domenech

Housing Development

Common Ground is driven to make an ever greater contribution to a livable New York by helping homeless individuals to overcome their housing instability and to aid those at greatest risk of homelessness to avoid this circumstance. A crucial way we can do this is through the construction and operation of new supportive and affordable housing.

We are committed to developing housing in ways that promote the overall vitality of our host neighborhoods through exceptional design.

In 2013, Common Ground dedicated considerable attention to making these community development contributions in the Bronx, where we advanced work on three exciting new permanent supportive and affordable housing projects.



BOSTON ROAD

154 units | in construction
Bronx, NY

When completed in 2015, Boston Road will be Common Ground's second supportive residence for homeless and at-risk adults in the Bronx. It will also be our first (and one of the very first in New York State) to prioritize units for occupancy by persons who are highest cost users of medical services as a strategy to both help those in most need and to reduce avoidable expenses for our State's healthcare system.

Boston Road will embody the excellence in design that is Common Ground's hallmark. Its indoor and outdoor community spaces, attractive efficiency units, and state-of-the-art technologies will create the best possible home environment for its eventual tenants.

WEBSTER AVENUE

418 units | in pre-development
Bronx, NY

In December 2013, Common Ground purchased a development site on Webster Avenue in the Bronx on which to construct our second largest affordable housing project since our founding in 1990. Webster Avenue will offer 418 apartments in two adjacent buildings—one with 170 units that will have a standard supportive housing environment for homeless and low-income adults.

The second building will represent Common Ground's first foray into housing for families subsisting on low and very low incomes. Webster Avenue also represents our first opportunity to realize a key strategic plan objective of contributing in a greater way to homelessness prevention through the building of affordable housing sites.



LA CENTRAL

160 units | in pre-development
Bronx, NY

Also in December 2013, Common Ground was among a consortium of developers and community groups that won the right to construct nearly 1,000 units of affordable housing in the Melrose section of the South Bronx.

The new development, called La Central, will include five structures, one of which will house a new YMCA. Common Ground's building will offer 160 supportive apartments for our constituency of homeless and at-risk adults from the nearby community. We are pleased to be among a few developers entrusted to help with this prominent neighborhood revitalization effort that will visibly contribute to the rebirth of the South Bronx.



The People We Serve

Through our street outreach, transitional, and permanent supportive housing programs, Common Ground facilitates stability and a meaningfully improved quality of life for thousands of New York's most vulnerable residents. Our interventions are designed to serve persons with a wide variety of special needs.

Mental illness is all too often a contributing factor in chronic homelessness. In 2013, Common Ground served 1,243 **individuals diagnosed with severe and persistent mental illness**, nearly 32% of those we serve.

All our permanent supportive residences include a significant number of units set aside for **low-income persons at risk of homelessness**. In 2013, Common Ground not only provided a safe, affordable place to live but a real chance at greater economic stability for **1,198** low-income men and women.

Stable housing is particularly crucial for **low-income persons living with HIV/AIDS**. In 2013, 301 HIV/AIDS Services Administration (HASA) housing units were reserved for those living with HIV/AIDS in eight Common Ground sites. Across our programs, Common Ground served **351** persons living with HIV/AIDS this year.

To be a lasting solution to homelessness, our housing must support residents as they age. Common Ground offers a number of programs to ensure that this is the case, including The Domenech, a seniors-only permanent supportive housing site, and our Elder Care Health Outreach (ECHO) pilot (details page 10). In 2013, more than 1 in 5 persons served by Common Ground were 62 years of age or older. In total, we served **845 seniors** this year.



Common Ground helped **465 veterans of the U.S. Armed Forces** in 2013. Veterans composed over **38%** of those served by our transitional housing program this year.

Two Common Ground residences provide housing for **youth aging out of foster care and formerly homeless youth**. At The Lee, we provide **55** apartments and services for youth, in partnership with The Door. At The Christopher residence in Chelsea, Good Shepherd Services provides another **40** such apartments.

Vital Statistics

HOUSING PLACEMENTS AND RETENTION BY PROGRAM AREA (CY 2013)

UNITS 2,941

| | |
|-----------------------|-------|
| Permanent Units | 2,551 |
| Congregate | 2,436 |
| Scatter Site | 115 |
| Transitional Units | 390 |
| Safe Haven | 140 |
| Shelter | 38 |
| Stabilization beds | 116 |
| VA transitional units | 96 |

CLIENTS SERVED¹ 3,885

| | |
|---|-------|
| Street to Home (S2H) clients | 752 |
| New S2H clients | 215 |
| Individuals contacted 3+ times | 1,557 |
| Transitionally Housed clients | 615 |
| New Transitional Housing clients ² | 299 |
| All Permanently Housed clients | 2,752 |
| Chronically Homeless | 1,312 |
| Special Needs not Chronically Homeless | 242 |
| Low Income | 1,198 |

PLACEMENTS³ 622

| | |
|-----------------------------------|-----|
| Street to Transitional Housing | 328 |
| to Common Ground transitional | 89 |
| to other transitional housing | 126 |
| Street to Permanent Housing | 87 |
| to Common Ground permanent | 38 |
| to other permanent | 49 |
| Transitional to Permanent Housing | 207 |

NOTES

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

2 - "New" categories include clients who entered our housing or caseload within the year.

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

What our Community Partners Say

“Common Ground is well-known for its quality supportive housing and we feel that it does add quality to the community, to the neighborhood.”

VIOLA GREEN-WALKER
District Manager, Community Board 16

“What Common Ground understands is, supportive housing works and it is a much more effective solution to the problem than jails, the emergency rooms, homeless shelters... it just makes sense.”

FLORENCE DAVIS
President, The Starr Foundation

“Common Ground is relentless in searching for creative solutions and new ways to address new aspects of the problem of homelessness.”

TIM TOMPKINS
President, Times Square Alliance

Financials

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2013

TEMPORARILY RESTRICTED REVENUES AND SUPPORT 2013

| | |
|---------------------------------------|-----------|
| Revenue | |
| Contributions | \$804,000 |
| Net assets released from restrictions | (538,447) |

TEMPORARILY RESTRICTED NET ASSETS

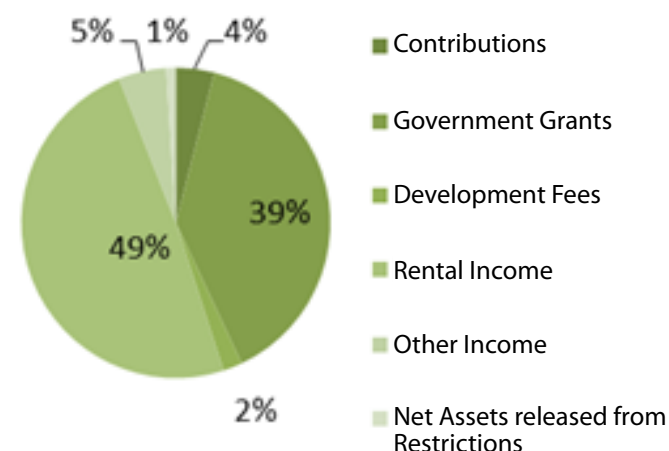
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|---|--------------|
| Increase (decrease) in temporarily restricted net assets | \$265,553 |
| Changes in net assets | (11,061,022) |
| Excess of expenses over revenue attributable to noncontrolling interest | 10,092,926 |

UNRESTRICTED REVENUES AND SUPPORT 2013

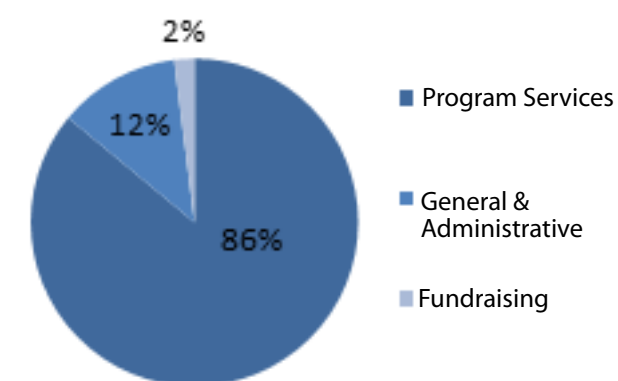
| | |
|---------------------------------------|-------------|
| Contributions | \$2,313,197 |
| Government grants and contracts | 19,913,809 |
| Management and partnership fees | 217,742 |
| Development fees | 968,366 |
| Rental income | 25,194,338 |
| Investment income | 22,362 |
| Other income | 2,460,580 |
| Net assets released from restrictions | 538,447 |

Total revenues and support \$ 51,628,841

INCOME



EXPENSES



EXPENSES 2013

| | |
|------------------------------------|--------------|
| Social services | \$22,306,338 |
| Housing management and development | 1,812,930 |
| Affordable housing operations | 18,502,849 |
| General and administrative | 5,909,648 |
| Fundraising | 775,816 |
| Depreciation and amortization | 11,711,053 |
| Interest and service fees | 2,266,782 |

Total Expenses \$ 63,285,416

| | |
|---|----------------|
| Change in net assets before other non-recurring items | \$(11,656,575) |
| Transfer of ownership of Prince George Associates, L.P. to CGC II | - |
| Gain on forgiveness of loan | 330,000 |

Increase (decrease) in unrestricted net assets \$ (11,326,575)

Financials (continued)

ASSETS, LIABILITIES AND NET ASSETS

| ASSETS | 2013 |
|--|-----------------------|
| Cash | \$7,841,290 |
| Accounts receivable, net | 16,635,886 |
| Other assets, net | 4,232,390 |
| Tenant security deposits | 1,136,345 |
| Development fee receivable and accrued interest | 8,644,061 |
| Lender restricted cash and contractual reserves | |
| Lender restricted cash | 4,273,948 |
| Contractual reserves | 19,523,934 |
| Total lender restricted cash and contractual reserves | \$ 23,797,882 |
| Property and equipment | |
| Construction-in-progress | \$8,862,712 |
| Property and equipment, net | 350,349,977 |
| Total property and equipment | \$ 359,212,689 |
| Total assets | \$ 421,500,543 |

| LIABILITIES | 2013 |
|--|-----------------------|
| Accounts payable and accruals | \$11,023,481 |
| Prepaid rent | 114,726 |
| Construction payable | 3,865,674 |
| Due to affiliates | - |
| Security deposits | 1,223,364 |
| Accrued interest payable - mortgages and notes | 6,637,287 |
| Accrued interest payable - affiliate notes | - |
| Deferred revenue | 2,130,827 |
| Project grant advances | 12,461,284 |
| Development fees payable | 9,392,104 |
| Affiliate notes payable | - |
| Mortgages and notes payable | 230,151,716 |
| Total liabilities | \$ 277,000,463 |

| NET ASSETS | 2013 |
|---|-----------------------|
| Unrestricted | |
| Controlling interest | \$64,054,248 |
| Noncontrolling interest | 70,946,733 |
| Temporarily restricted | 9,499,099 |
| Total net assets | \$ 144,500,080 |
| Total liabilities and net assets | \$ 421,500,543 |

Leadership

BOARD OF DIRECTORS

James S. Rubin, Chair Executive Director, Governor's Office of Storm Recovery

Brenda Rosen, Board President

Ellen Taus, Treasurer CFO, Rockefeller Foundation

Bruce Angiolillo, Esq., Secretary Partner, Simpson Thacher & Bartlett

Peter Ezersky Managing Principal, Quadrangle Group LLC

Michael J. Franco Executive Vice President, Co-Head of Acquisitions & Capital Markets, Vornado Realty Trust

Christopher Frissora, Managing Director, Angelo, Gordon & Co.

Tony Hannigan Executive Director, Center for Urban Community Services

Robert V. Sideli, Chief Information Officer & Associate Professor, Columbia University Medical Center

Naomi Wolfensohn Trustee, Wolfensohn Family Foundation

Jide J. Zeitlin President, The Keffi Group

SENIOR MANAGEMENT

Brenda Rosen President and CEO

David Beer Vice President, Real Estate Development

Carrie Bloss Vice President, Quality Assurance & Compliance

John McKegney Chief Financial Officer

Judith Rosenfeld Vice President, Special Projects

Jeff Scheuer Vice President, External Affairs

Claire Sheedy Vice President, Housing Operations & Programs

Toby Sherman Vice President, Administration



"You can tell that the people who work here are proud to work here."

JAMES S. RUBIN

Chair, Common Ground Board of Directors

