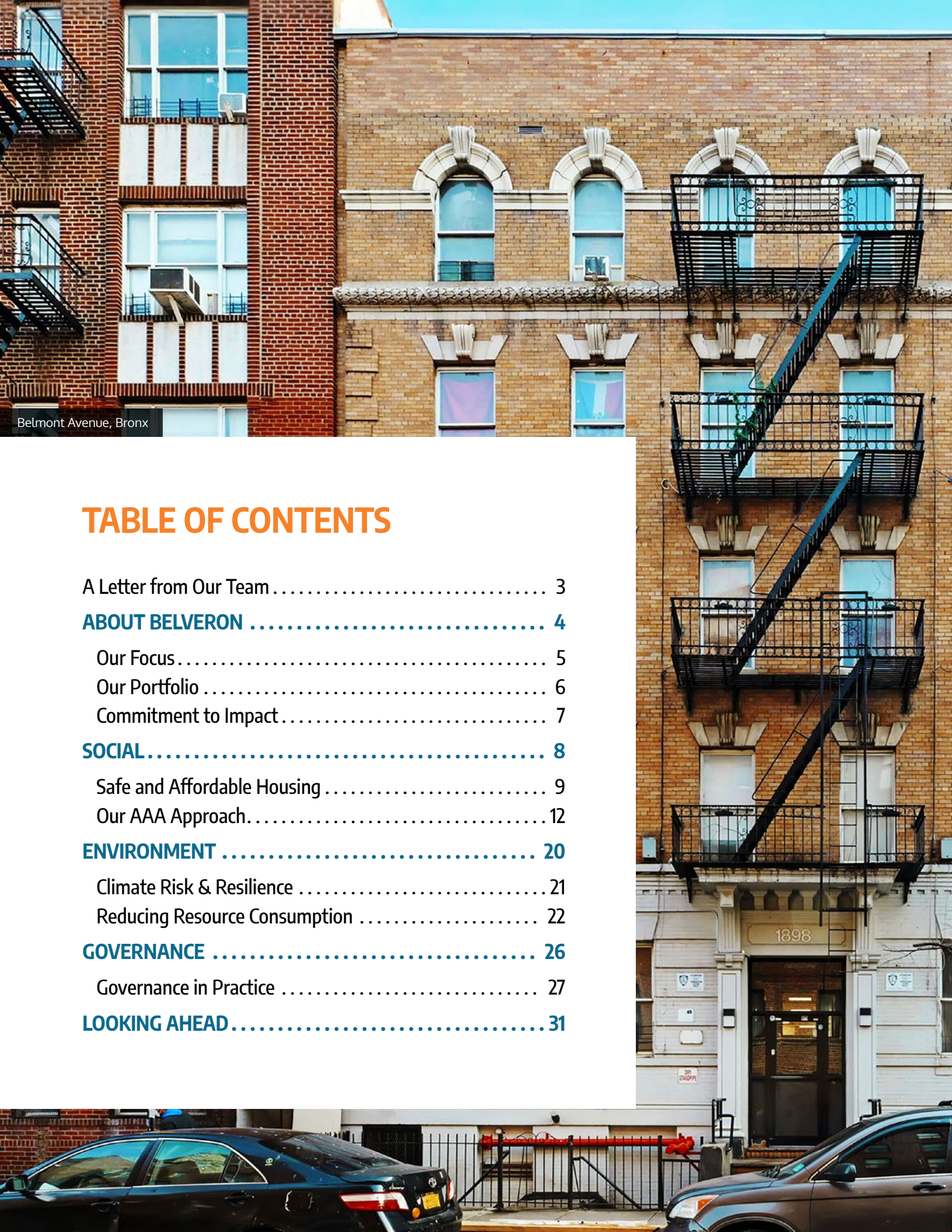


**BELVERON  
PARTNERS**

# IMPACT REPORT

**PARTNER WITH PURPOSE**

**2023**



Belmont Avenue, Bronx

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# A LETTER FROM OUR TEAM

We are excited to present Belveron Partner’s inaugural Impact Report, which underlines our commitment to responsible environmental, social and governance (ESG) practices. While our path towards formalizing our ESG strategy started in 2021, since inception we have operated with a mission to be a responsible owner who cares about our residents and their well-being and invests capital to build long lasting communities.

We believe success is not only found in financial performance, but in having a positive impact in our communities, as well. Our strategy, as outlined in this report, serves to align our values and principles with our bottom line.

### Social Impact

Investing in the preservation of a dwindling affordable housing stock in the US has an inherently positive social impact, but we strive to do more. This means going beyond preserving the physical properties and actually allocating resources towards services and programs that make our residents feel cared for and create an opportunity for better outcomes. Our social strategy includes providing Access to services, Activating green spaces and Achieving a sense of community. We call this our triple A approach.

### Environmental Impact

Environmental and climate events have the potential to impact our residents, operations and financials. Thus, we strive to mitigate climate risks when purchasing assets and to reduce the energy consumption of our buildings during our ownership. We evaluate and mitigate climate-related threats when purchasing assets and look to reduce the energy consumption of our buildings during our ownership. We believe it is important to continuously pursue technological innovation and opportunities that promote energy efficiency. Our hope is that with this approach, we build communities of enduring value.



### Governance Impact

Conducting business with integrity, intentionality, and transparency is essential to the work we do at our communities across the country. These values are the foundation of our corporate culture. We build on that by promoting an atmosphere of curiosity and inclusion, where all our voices are heard.

We invite you to review our Impact Report, which provides insights into our ESG strategy and initiatives. As we continue to work toward a more sustainable and responsible future, we welcome your feedback and thank you for your continued partnership and support.

Sincerely,

**Bianca Vanin**  
Head of Asset Management  
Belveron Partners



Summit Plaza, Jersey City

# ABOUT BELVERON

# OUR FOCUS

Founded in 2006, Belveron Partners is a privately held investment firm that has grown into one of the largest owners of affordable housing in the country. Our team of affordable housing specialists collaborate with federal, state and local housing authorities, non-profits, and purpose driven partners to execute on creative structures that allow us to preserve, revitalize and create affordable housing.

### Fund Management

Our fund management business invests in affordable and workforce housing communities on behalf of private and institutional investors. We both acquire properties directly and in joint venture with local partners who share our mission and commitment to making an impact. Our team has a proven track record of executing a variety of complex investments refined through decades of experience in this nuanced segment of the real estate market. To date, we've successfully raised seven funds totaling more than \$1.2 billion in equity. In 2023, we launched our most recent fund, Belveron Partners Flagship Fund VII, as a continuation of our strategy of deploying private equity to combat the affordability crisis.

### Development

Through our investment in Conifer Realty, a full-service real estate company with development, construction, management and ownership capabilities, we currently support 25 affordable projects in active stages of construction. We actively look for opportunities to capitalize legacy firms in the affordable housing space, catalyze new construction projects and meet the demand for safe, high-quality affordable homes.

### Industry Associations



## BELVERON BY THE NUMBERS<sup>1</sup>

12 STATES PLUS THE DISTRICT OF COLUMBIA	29,475 TOTAL UNITS INCLUDING CONIFER REALTY
63 COMMUNITIES	\$1.2 BILLION EQUITY RAISED
15,584 UNITS	21 EMPLOYEES
11,290 AFFORDABLE UNITS	133% EMPLOYEE GROWTH SINCE 2020

1. As of December 31, 2023. Unless noted, numbers do not include Conifer Realty, a majority stake ownership we have in an affordable housing developer that owns 13,891 units in four states (NY, NJ, PA, MD).

# OUR PORTFOLIO

Consistently ranked by *Affordable Housing Finance (AHF)* as one of the top ten owners of affordable housing nationwide by number of units, Belveron is proud to have a controlling interest in 29,475 units spanning 14 states plus the District of Columbia, when combining direct owned assets and its interest in Conifer Realty.

Based in San Francisco, Belveron also has regional offices in New York City and Austin, Texas. As a pure play affordable housing investor, we seek opportunities across the following sub sectors:

## Project-Based Section 8 Housing

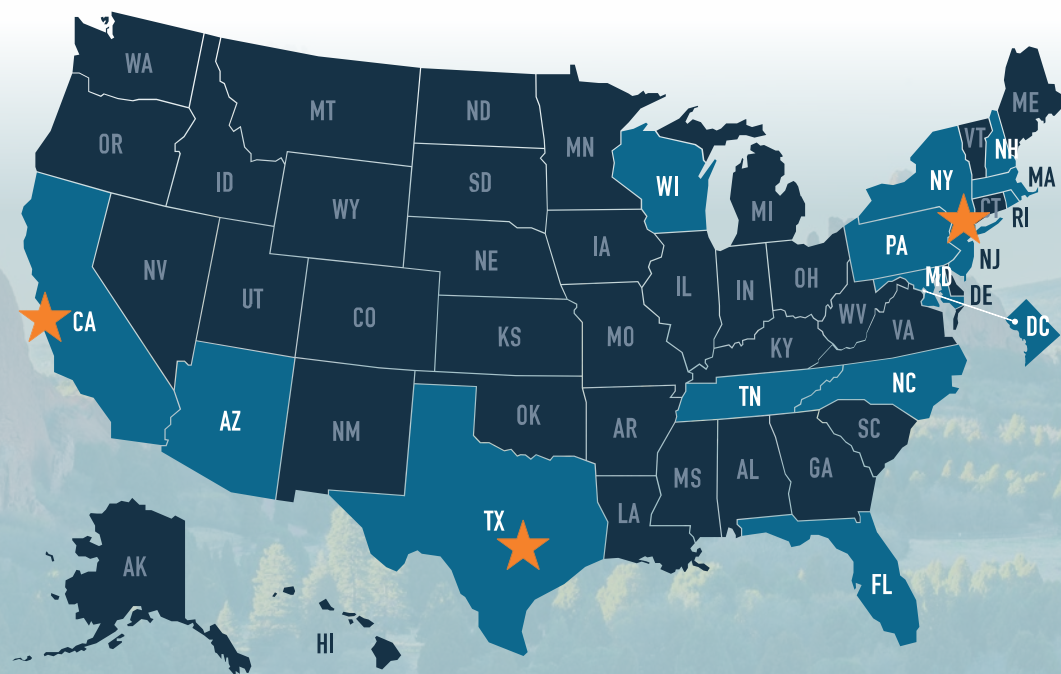
We invest in assets that have Housing Assistance Payment (HAP) contracts with the federal government for rental subsidies to low- and very low-income families. Residents pay 30% of their income toward rent, while the U.S. Department of Housing and Urban Development (HUD) provides a subsidy for the remainder. The program typically restricts rents to between 60-80% of the area median income (AMI).

## Special Opportunity Housing

Assets governed by local affordable programs vary by city or state. Typically, these investments are made as public-private partnerships with local housing authorities with the shared goal of creating or preserving affordable units in strategic markets. Frequently, these opportunities include partial or full tax abatements and/or rental subsidies.

## LIHTC Housing

The federal government's primary vehicle to produce new affordable housing is the Low-Income Housing Tax Credit (LIHTC). We invest in assets that were developed or renovated with LIHTC equity in place of traditional equity and must remain in compliance, typically for a period of 30 years. Rents are usually at a discount to market rents and are increased annually by an inflation adjustment factor. This program typically restricts rents to between 30-60% of AMI.



# COMMITMENT TO IMPACT

The shortage of affordable rental housing in the United States has reached historic levels, and without the support of private investment, the housing crisis will continue to worsen.

As a double-bottom line company that prioritizes doing well by doing good, we strive to achieve attractive, risk-adjusted returns for investors while also delivering better outcomes for our residents and building communities of enduring.

Belveron has been doing preservation work in the affordable space throughout its history and has in recent years formalized an ESG strategy to enhance and measure the beneficial impacts of our investments. We have established the following set of "Impact Pillars" to serve as the foundation of our work.

## Preserve, Revitalize and Create Affordable Housing

Invest in the preservation, revitalization and creation of affordable housing to ensure residents have access to safe and high-quality affordable homes. In addition, we seek to provide our residents with an opportunity to thrive by adding services, activating green spaces and building a sense of community.

**SOCIAL**

## Demonstrate Environmental Responsibility

Minimize the impact of our buildings on our surrounding environments and explore ways to integrate the latest technological advancements at our properties.

**ENVIRONMENTAL**

## Promote a Culture of Inclusivity and Integrity

Maintain or increase diversity across our organization while continuing to promote a culture of trust and collaboration where all voices are valued and respected.

**GOVERNANCE**



With this inaugural report, we seek to provide our many stakeholders with an understanding of our values and approach as it relates to the environmental, social and governance impact of our business. In these pages, we demonstrate the efforts our team has already undertaken to lay the groundwork for a robust and responsible ESG strategy, as well as provide a glimpse into our plans to better measure, manage and report on future progress.



Prospect Park South Portfolio, Brooklyn

# SOCIAL

Social impact is at the core of what we do and a commitment to improving our properties is embedded in Belveron's investment strategy. Throughout our years in business, our goal has been to provide the communities we acquire with increased regulatory protection to preserve and prolong affordability, while providing residents with access to services, green spaces and a strong sense of community. From deal sourcing to execution, we are guided by a conscious and intentional approach to fostering long-term affordability and well-being for our residents.

# SAFE AND AFFORDABLE HOUSING

Our mission is centered on preserving affordable housing, fostering communities of enduring value and delivering returns to investors. As such, our team underwrites each asset with a focus on long-term affordability, ensuring that business plans at the investment-level do not rely on removing units from affordable regulatory programs.

Instead, our approach involves implementing creative business strategies in collaboration with local and national housing programs to maintain housing accessibility and affordability for underserved communities.

## Preserving and Creating Affordable Housing

Belveron purchases properties that are at risk of losing their affordability and extends affordability covenants to safeguard the status of our communities for the long-term. Additionally, through asset recapitalization, Belveron invests in renovating nearly obsolete assets and improving the physical conditions of our buildings for residents. By purchasing aging assets with ample upside, we add value—not only for our investors, but for our residents and the wider community—through thoughtful capital improvements and operational efficiencies. In our current portfolio of nearly 30,000 units, we have preserved the affordability of 15,600 rental homes and created 11,700 new affordable housing opportunities.<sup>2</sup>

The firm also invests in market-rate assets and has converted 50% of these units into affordable housing through public-private partnerships. This strategy allows Belveron to bring affordable units to market in high-demand, low-supply metro areas,

such as Austin and Houston, significantly faster than is possible through the financing and construction of ground-up development projects.

Belveron leverages programs like Project-Based Section 8 and LIHTC for redevelopment projects and accepts tenant-based Section 8 Housing Choice Vouchers (HCVs)—a federal program that helps low-income families, seniors and people with disabilities pay for housing that is clean, safe and in the private market—at all of our properties.



<sup>2</sup> References to ~30,000 units include Belveron and Conifer Realty properties, for which Belveron has a majority ownership stake. Our impact report and goals focus solely on Belveron's direct-owned portfolio, which includes 15,584 units in 12 states plus the District of Columbia, spread over 63 assets, as of December 31, 2023.



## Resident Health & Safety

The health and safety of our residents is of utmost importance at Belveron. We believe safe and high-quality housing is a basic human right that every resident should have access to, irrespective of income level. We know that housing and human health are intrinsically linked, as good mental and physical health depends on having a home that is safe and free from physical and environmental hazards. At Belveron, we take measures to ensure resident health and safety, including by:

- Prohibiting smoking at or near all properties
- Using no or low-VOC paint at all properties, both in common areas and individual apartments
- Remediating life and safety hazards, such as mold, asbestos and lead-based paint and pipes, when identified
- Training asset managers in fire and life safety protocols and periodically auditing for compliance
- Commissioning fire safety reports in high fire-risk areas, such as New York City, to identify and address risk exposure
- Educating residents on safety protocols at various guaranteed touchpoints, including at lease initiation and renewal

In addition to the above, we understand that changes in weather patterns are becoming more frequent and have a high probability of displacing and impacting residents, especially if they are unprepared. As such, property management firms engaged by Belveron are required to have an emergency management plan in place for every asset, including policies and procedures to prepare onsite teams and residents for the eventuality of a disaster. These procedures include action plans designed to improve the safety and effectiveness of disaster response by outlining steps to take before, during and after an emergency.

Furthermore, we expect all property management employees to take part in ongoing training for disaster preparedness on a regular basis, and all residents to be provided with notices about safety protocols ahead of time, whenever possible. By prioritizing safety and clear communication, we aim to keep our communities prepared and secure.

## CASE STUDY

# CREATING AFFORDABLE HOUSING AT WATERS PARK APARTMENTS

LOCATION	Austin, TX
UNITS	442 Residential
TYPE	Mixed Income
BUILT	1995



## Challenge

Like many high-opportunity cities Austin is facing an acute shortage of affordable housing relative to demand, which has been fueled by rapid population growth, economic and employment growth, and exacerbated by local regulatory barriers. In the first half of 2023, more than half of four-person households in Austin earning 80% or less of AMI faced an estimated 50% undersupply of housing considered affordable to them. That translates to a shortage of more than 211,000 homes.<sup>3</sup>

## Strategy

In October 2023, Belveron purchased Waters Park Apartments in partnership with the Austin Housing Authority. A 442-unit garden style apartment complex located in Northwest Austin, the property was built in 1995 and is located within 15 minutes of downtown Austin and five minutes of the Domain, a premier office, retail and residential lifestyle destination.

## Results

At acquisition closing, the property received a 100% tax exemption in exchange for restricting 40% of units to renters that make 80% of AMI or less and 10% of units to renters that make 60% of AMI or less, thereby creating a total of 221 new affordable housing units. Belveron plans to invest \$2 million into the property upgrade amenities, turn an underutilized building into a productive space for residents, add solar screens to windows to reduce energy consumption and replace aging roofs, among other plans.

**221**  
Affordable  
Units Created

**177**  
Units Restricted  
at 80% AMI

**44**  
Units Restricted  
at 60% AMI

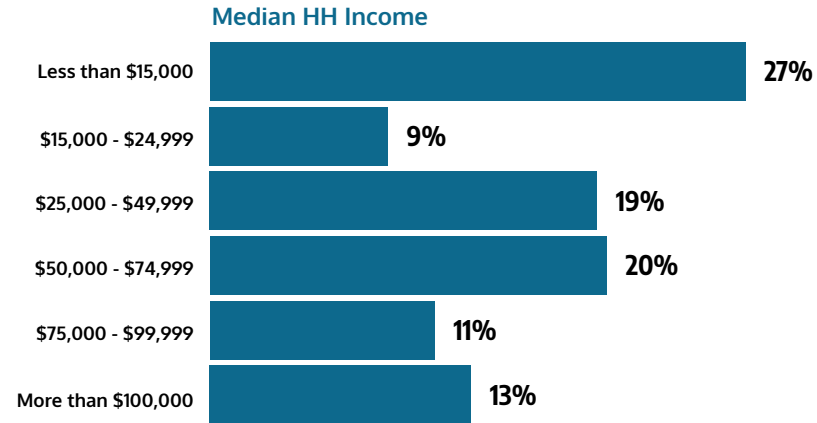
**4**  
Spaces  
Activated

3. "The Truth about Austin's Missing Housing – District Level Analysis"

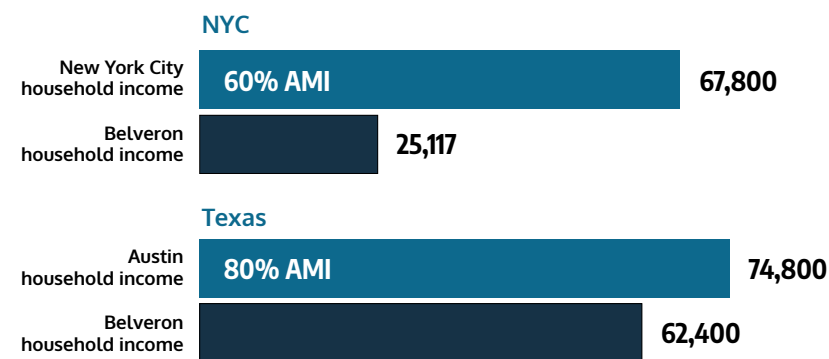
## Resident Demographics

Belveron's portfolio is home to residents from a rich cross section of backgrounds and lived experiences. According to demographic data<sup>4</sup> collected from our properties nearly 70% of residents are female and 65% of residents identify as a minority race or ethnicity, including those who identify as Black/African American, Hispanic/Latino, Asian, American Indian/Alaska Native and Pacific Islander. The average median income for the properties is just over \$42,000. Although the length of an individual resident's occupancy varies based on the applicable housing program and household type, a typical resident at one of Belveron's properties stays in their home for about six years, on average.

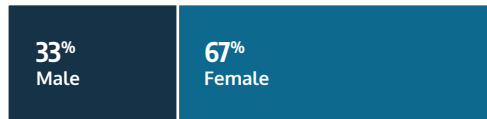
### Household Income



### AMI of Two Person Household



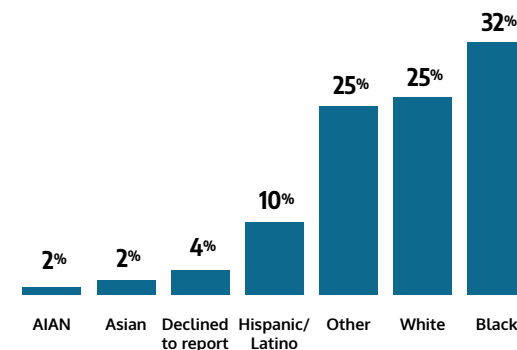
### Gender



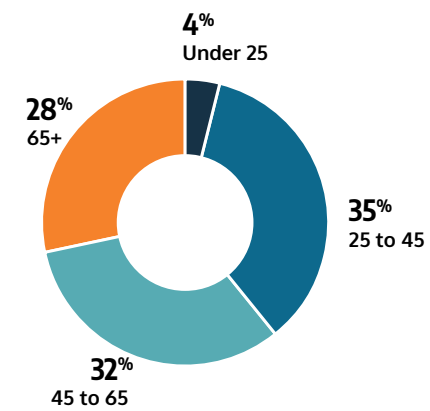
### Years Living at Property

AVERAGE: 6.28

### Race



### Age



4. All demographic data is as of December 31, 2023 for Belveron's direct-owned portfolio. Data was collected for a total of 15,200 units, representing 62 assets in 12 states and the District of Columbia. Data was provided by our third-party property management firms. The charts representing the average income for a two-person household are depicted to show the relative average median income of households in our portfolio compared to the average median income of the surrounding areas for our two largest markets in terms of unit count, New York City (~5,300 units) and Austin (~5,900 units).

# OUR AAA APPROACH

We believe safe, high-quality housing is the first step toward economic stability, well-being and success for the thousands of families who call our properties home. Inherent in our mission is a desire to go beyond the day-to-day responsibilities of property ownership to provide residents with access to much-needed services, green spaces for active and passive recreation and an overall sense of belonging and engagement.

## ACCESS TO SERVICES

We bring service providers into our properties that can assist residents with their specific needs, be it food assistance, financial literacy courses, mental health referrals, crisis intervention, mobile health services/screening, job training and career-building resources, tutoring, or swimming and fitness classes. No two communities are alike and by collaborating with property management and local partners, we seek to better understand and tailor these services to address specific needs.

Services provided vary from community to community, and may include:

### FINANCIAL SERVICES

Financial Literacy Courses  
Tax and Financial Assistance

### HEALTH & WELLNESS SERVICES

Mental Health Services  
Maternal and Infant Health Services  
Crisis Management Resources  
Mediation services  
Chronic Illness and Healthcare Management

### EDUCATION & TRAINING SERVICES

Workforce Development and Job Training  
Education, Tutoring and Youth Development  
Older Adult Services  
(Computer classes, leadership training)

### LEGAL SUPPORT SERVICES

Eviction and Other Prevention Services  
Immigration Services  
Other Legal Services

## ACCESS TO SERVICES SNAPSHOT

### AGAVE AT SOUTH CONGRESS APARTMENTS

LOCATION	Austin, TX
UNITS	195 Residential
TYPE	Mixed Income
BUILT	2008



At Agave, a 195-unit property built in 2008 in Austin, TX, Belveron has partnered with non-profit affordable housing services provider Austin Coming Together (ACT) to offer skills training and educational programs for residents. Together, we hosted a mix of impact programs and social events for nearly 150 attendees in 2023.

## Impact Programs

- **STEM Night:** Organized an evening of interactive science, math and engineering activities for students and families in partnership with Houston Tillotson University
- **Small Business Workshop:** Hosted a webinar featuring local business and community leaders to teach residents the ins-and-outs of starting and sustaining a small business
- **First-Time Home Buying Workshop:** Hosted a webinar with Texas Capital Bank to walk residents through the process of buying a home
- **Savings and Spending Workshop:** Hosted webinar series with experts from University Federal Credit Union to promote financial literacy among residents
- **Farmers Market:** Created a way to bring fresh produce and vegetables to residents at no cost; this program is reoccurring on a quarterly basis
- **National Night Out:** Partnered with local law enforcement as part of this national, annual event focused on community-building and fostering neighborhood camaraderie
- **Holiday Gift Wrapping:** Set up a gift-wrapping station for resident use during the holiday season
- **Grab-and-Go Breakfast:** Provided catered breakfast for residents to start their workday off on the right foot
- **Donut Bar:** Organized a buffet-style donut spread for residents to grab and go, or stay and mingle
- **Wine Down Wednesday:** Hosted a Happy Hour at the onsite property management office to foster connection among residents and building staff





ACTIVATING GREEN SPACE SNAPSHOT  
**NEW YORK COMMUNITY GARDEN,  
 TWIN PARKS NORTH WEST**

**A**CTIVATING GREEN SPACES

The benefits of green outdoor spaces are many, particularly for residents of lower-income communities where such spaces have historically been few and far between. Spending time in nature is proven to have both physical and mental health benefits, including improved mood, reduced stress, and to lower the risk of heart disease, obesity and diabetes. As such, it is important to Belveron to ensure our residents have access to enhanced outdoor space wherever possible.

To do so, we identify underutilized spaces in communities and collaborate with residents to transform them into active amenity spaces.

This involves initiatives like converting empty lawns into community gardens, creating murals on blank walls, upgrading playgrounds to meet community needs, and adding communal outdoor areas. In 2023, we activated green spaces at three communities across our portfolio. Efforts included adding a community garden at Twin Parks North West Apartments in the Bronx, replacing a neglected playground at Elmrige Apartments in Austin and adding a dog park at The Royce at 1800, also in Austin. Based on our current investment pipeline, we anticipate activating green space at as many as six properties in 2024.

<b>LOCATION</b>	Bronx, NY
<b>UNITS</b>	120 Residential
<b>TYPE</b>	Project-Based Section 8
<b>ACQUIRED</b>	2019

At our Bronx Park property located in New York City's Fordham Heights neighborhood of the Bronx, Belveron worked to turn underutilized open space into a community garden for residents. The area, which was locked by the building's prior owners during the height of the COVID-19 pandemic, was revamped in partnership with the New York Botanical Garden. With the help of the Twin Parks Tenant Association, our investment partner and members of our New York City team, Belveron outfitted the space with Vero raised garden beds and planted spring and summer vegetables for residents to harvest. We have also recruited a local artist to create a mural on the exterior walls surrounding the new community garden to further enhance this space for residents of the property. The mural was expected to be completed in the summer of 2024.



## ACHIEVING COMMUNITY ENGAGEMENT

We want to build a sense of community at our properties and foster community engagement. This begins with honest and transparent communication between property managers and residents to ensure residents' needs are being met. An engaged community also allows us to successfully implement programs and services that enrich the overall residential experience.

### Resident Communication

Though the means and methods of communication vary by property, we strive to ensure residents have accessible and effective means of communication with management teams whenever needed. Teams use property management systems to communicate with residents, as well as letters, posted notices and in-person meetings during business hours at on-site offices to keep residents informed on community activities and initiatives. For example, some of our properties have begun posting QR codes in common areas for residents to scan at their convenience to provide feedback. By communicating with residents through a variety of methods, management teams can gather feedback, address concerns and keep residents informed about important updates or changes.

### Community Impact Events

In collaboration with various nonprofit partners, Belveron sponsors events throughout our portfolio to provide opportunities for our team to meet and connect with residents and gather feedback directly. Since 2022, we've distributed cold weather gear in the winter, school supplies in the fall and celebrated the arrival of summer with our highly-attended carnival at Waterview Apartments in Yonkers. Events are tailored to meet specific needs, such as food pantries to combat hunger and bingo nights to promote socialization at our senior properties, as well as our Winter Wishes series, which focuses on our youngest residents during holiday season. In 2023, such events were hosted across 20% of our portfolio—we plan to expand this series to reach one-third of our portfolio every year.



In alignment with our ongoing efforts to leverage new technologies and programs to make a positive impact for our residents, Belveron recently partnered with Esusu, a financial technology platform built to create equitable financial access for everyone. Esusu helps low-income residents boost credit scores by reporting positive rent payments to credit bureaus, while refraining from reporting non-payments. Residents can also apply for rent relief through Stable Home Fund, a 501(c)(3) public charity organization that provides funds to help keep renters in their homes and get them back on their feet as they navigate economic shocks and periods of financial distress. Belveron will be rolling out a pilot program with Esusu in 2024 at up to 6,600 units financed by Fannie Mae & Freddie Mac, approximately a third of Belveron's portfolio.





Monarch Apartments, Austin

# ENVIRONMENT

The affordable housing and climate crises are closely intertwined. The effects of both are felt most acutely by those who already face cost burdens in their lives — disproportionately, people with low incomes and people of color. Ensuring the availability of safe, high-quality affordable housing in a way that builds climate resilience is crucial. Throughout our portfolio, we are taking steps to identify climate-related risks, analyze energy usage, reduce resource consumption and implement solutions to improve the resilience of our properties.

# CLIMATE RISK & RESILIENCE

## Understanding Potential Climate-Related Risks

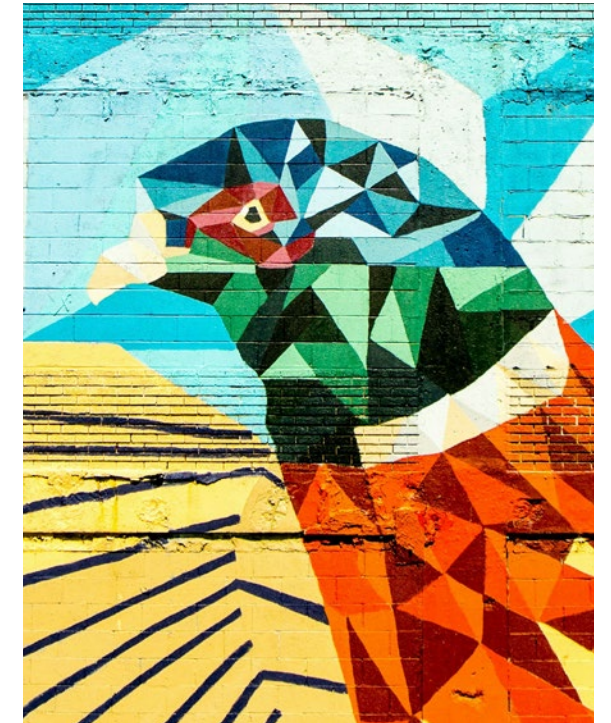
Belveron regularly evaluates our investments for potential climate-related risks. Physical risks such as flooding, wildfires and major storms can have a significant impact on residents, operations and insurance costs in the near term. In the long term, such risks can create a significant impairment of an asset’s value and, by extension, the quality and stability of our residents’ homes. To mitigate climate risks we integrate climate risk considerations and resiliency measures into business plans at acquisition via our capital plans.

## Auditing Energy Consumption

As of 2023, all of Belveron’s assets are subject to an energy audit regardless of whether they are newly built, recently renovated or have not had any significant capital investment in recent years. The goal of the audit is to identify steps to immediately reduce energy consumption and thereby minimize our carbon footprint. Such initiatives frequently include installing low-flow fixtures, upgrading to ENERGY STAR appliances and converting bulbs to LED lighting. These measures are not only beneficial for the environment but contribute to the long-term resilience of our assets.

## Integrating Emerging Trends and Tech

Given the rapid pace of advancement at the intersection of climate technology and the built environment, we are committed to exploring opportunities to integrate new technology into our portfolio as prices adjust to wider market demand. Our team continuously engages with peers and industry organizations to stay current on technological advancements and incentive programs that can help us improve the sustainability and resilience of our communities. On an ongoing basis, we explore avenues to reduce environmental impacts, such as evaluating the viability of community solar installations, water and/or air quality improvement solutions, cool roofs and carbon capture technologies.



# 100%

New Acquisitions Evaluated for Climate-Related Risks<sup>5</sup>

# 100%

New Assets Audited for Energy Efficiency<sup>5</sup>

5. Beginning in 2023, all new acquisitions are evaluated for certain climate-related risks and undergo an energy audit during the due diligence process, or within six months of acquisition close.

# REDUCING RESOURCE CONSUMPTION

Belveron aims to reduce resource consumption across our portfolio, with a specific focus on energy and water consumption. While reducing consumption is a critical element of any real estate firm’s approach to sustainability, it is of particular importance in the affordable housing space, where resources are more limited and the climate consequences more acute.

To reduce consumption, we must first understand our consumption and where there may be opportunities to improve. Therefore, our focus in 2024 has been and will remain to identify a vendor to help capture and measure utility consumption data for all Fund VII assets.

## Energy Efficiency

Belveron owns a diverse array of properties that vary significantly in their energy efficiency depending on geography, building topology and built age. This immense variety within our portfolio requires us to tailor solutions to each individual community. Measures aimed at optimizing energy efficiency have included, to varying degrees, installing ENERGY STAR appliances, dual-pane windows or solar screens, LED lighting, efficient HVAC systems, smart heating controls, combined heat and power (CHP) systems and electric stoves.

We are always looking for ways to improve the energy and water efficiency of our properties to demonstrate our commitment to environmental responsibility. While property improvements are usually implemented post-acquisition, unit improvements are often implemented at unit turn or at functional obsolescence.

Notwithstanding the challenges we are committed to the 100% implementation of certain improvements across our portfolio, including:

ENERGY STAR Kitchen Appliances

LED Lighting

Low VOC Paint

### Energy Efficiency Initiatives in Action<sup>6</sup>

49%

ASSETS REPORTED ENERGY EFFICIENCY MEASURES

49%

ASSETS REPORTED 100% ENERGY STAR APPLIANCES

30%

ASSETS REPORTED 100% LED LIGHTING INSTALLED



## Water Efficiency

Our approach to water efficiency is one of conservation. As water becomes a scarcer resource over time, particularly for properties in drier climates, our goal is to onboard each of our communities, on a rolling basis, in a water conservation program designed for each property. We aim to achieve that goal by targeting water efficiency measures at four or five communities each year.

In late 2022 and 2023, we rolled out water conservation measures at River City North in Chattanooga, and at Cascades in Sacramento.<sup>7</sup> These two communities account for 220 units in our portfolio. On average, the projects reduced water usage 30-50% annually per asset, in addition to reducing overall water expenses. Measures to ensure water efficiency at our properties have included installing low-flow toilets, showerheads and faucet aerators, along with the installation of leak detection systems.

## Waste Management

Belveron supports broad stewardship of the environment and understands that responsible waste management is a critical component of reducing our carbon footprint through resource reduction. Rigorous waste diversion or recycling programs are mandated by law in several states where our properties operate, such as California, while some properties in other states implement programs voluntarily. Though we do not yet actively track waste reduction or recycled waste at our properties, many properties maintain active and effective programs.

### Water Efficiency Initiatives in Action<sup>8</sup>

44%

ASSETS INCLUDE WATER EFFICIENCY MEASURES

17%

ASSETS IMPLEMENTED MEASURES AS OF 2021

5%

ASSETS HAVE 100% WATER CONSERVATION MEASURES

### Waste Management Initiatives in Action<sup>9</sup>

44%

ASSETS HAVE FULL RECYCLING PROGRAMS

6. Data represents initiatives self-reported by 55 Belveron assets in response to a portfolio-wide ESG survey administered in late 2023, when the portfolio consisted of a total of 63 assets.

7. River City is a 108-unit affordable property located in Chattanooga, TN. Cascades is a 112-unit affordable property located in Sacramento, CA.

8. Data represents initiatives self-reported by 55 Belveron properties in response to a portfolio-wide ESG survey administered in late 2023, when the portfolio consisted of a total of 63 assets.

9. Data represents initiatives self-reported by 55 Belveron properties in response to a portfolio-wide ESG survey administered in late 2023, when the portfolio consisted of a total of 63 assets.

CASE STUDY

# HVAC UPGRADES AT PRINCETON BRADFORD



LOCATION	Haverhill, MA
UNITS	410 Residential
TYPE	Workforce, Repositioning
ACQUIRED	2017

## Challenge

Princeton Bradford is a garden-style rental community in the Merrimack Valley along the Massachusetts-New Hampshire border. Built in the 1970s, the property was previously owned by a Limited Partnership and is an asset that serves a workforce housing population. Belveron acquired the property in 2017, underwriting and programmatically investing more than \$10 million to address deferred maintenance and capital needs of the property.

## Strategy

In early 2022, the property team and Belveron identified that the heating and air conditioning systems (HVAC) were near the end of their useful life. Constant repairs of the systems were expensive, inefficient and carbon intensive as they relied on natural gas. The team researched various options including purchasing new gas-powered HVAC systems. Ultimately, we identified an opportunity to replace the equipment with new electric HVAC systems, that would replace the use of gas with electricity and reduce energy usage compared to the old systems.

## Results

By October 2023, all 19 buildings and 410 units had been successfully retrofitted. By December 2023, the property was showing an average 65% year-over-year December-to-March reduction in Therms used, which is expected to translate to \$130,000 in annualized energy savings.

In late 2022, we piloted the installation of 30 new electric HVAC systems. The data indicated that we could successfully reduce gas expenses and usage, and thus rolled out the installation property wide to 410 units. The total project cost was \$2.5 million. However, we identified rebates and tax credits for the project that allowed us to reduce the expense to \$1.7 million. ROI on the project was 11%, which is expected to increase as we see the full effects of the impact of the change in systems over time.

CASE STUDY

# WATER CONSERVATION AT CASCADES



LOCATION	Sacramento, CA
UNITS	112 Residential
TYPE	Affordable
ACQUIRED	2021

## Challenge

Cascades Apartments is a 112-unit garden-style apartment community built in 1978 on the outskirts of Sacramento. The aging property had not had meaningful upgrades made to plumbing fixtures since it was first constructed, rendering resident and common area water use highly inefficient. The community was using nearly 180 gallons of water a day per occupied unit, or roughly 82 gallons per person per day, compared to the average of 68 gallons per person per day in Sacramento County.

## Strategy

The team hired a multifamily water conservation firm to provide an assessment of water usage at the site and quantify the potential consumption and savings impact of implementing a water conservation program. Based on the analysis, it was recommended to replace toilets in every unit of the property and replace all faucet aerators and showerheads with low-flow fixtures. We invested nearly \$60,000 in capital in the initiative, with an ROI of 23%.

## Results

By March 2023, all 144 toilets at the property had been replaced with 0.8 gallon-per-flush toilets, showerheads were replaced with 1.5 gallon-per-minute showerheads, and faucets in kitchens and bathrooms were outfitted with 1.5 gallon-per-minute and 1 gallon-per-minute aerators, respectively. As a result, the property saw a 39% reduction in water use throughout the property and is on track to save \$13,750 in water and sewer expenses for the next year, down 20% from the pre-water conservation program monthly average. The property is now using an estimated 59 gallons per person per day, compared to 82 gallons prior to the installation.

**410**  
New Electric HVAC Systems

**\$800,000**  
Rebates & Tax Credits

**65%**  
Reduction in YOY Therms Used

**\$130,000**  
Annualized Gas Expense Savings

**144**  
Toilets Replaced

**100%**  
Showerheads & Sink Aerators Replaced

**30%**  
Reduction in Gallons Per Day Per Resident

**\$13,750**  
Annual Water/ Sewer Cost Savings



Lucent Apartments, Austin

# GOVERNANCE

Our actions and decision as a company are built on transparency, integrity and intentionality. Transparency is fundamental to fostering open communication and accountability to our stakeholders; integrity ensures our ethical conduct and honesty in every transaction; and intentionality guides our strategic initiatives through thoughtful planning. These principles define how we conduct business, ensure professionalism and remain ethical in all our endeavors. We uphold these high standards through our Employee Code of Conduct and Ethics, which is regularly reviewed by our management committee.

# GOVERNANCE IN PRACTICE

Belveron actively involves its employees in the governance process through participation in various committees, including the ESG Team, the Investment Committee and the Valuation Committee.

These committees, which consist of team members from every level of the organization, work collaboratively to ensure we remain true to our core values while making informed decisions based on comprehensive information, advice and insights.

## ESG Team

Belveron's ESG Team, a diverse group of motivated and conscientious employees, was first convened informally in 2022 and continues to meet at least quarterly to advance the company's commitment to ESG. Members include:

- Shannon Duffy, Project Coordinator, Investments
- Jonathan Savage, Associate, Asset Management
- Vladimir Shlafman, Chief Financial Officer
- Bianca Vanin, Head of Asset Management

## Investment Committee

Belveron's Investment Committee (ICOM) convenes regularly to deliberate on crucial decisions involving new investments, openly discussing their merits, opportunities and risks. The committee ensures alignment before investment decisions are made or significant capital is committed. Additionally, the ICOM addresses decisions regarding portfolio sales, significant capital injections beyond the business plan and material organizational changes, including senior team updates, all aimed at enhancing strategic alignment and operational effectiveness. Members include:

- Paul Odland, Founder and Managing Partner
- Josh Plattner, Chief Investment Officer
- Vladimir Shlafman, Chief Financial Officer
- Bianca Vanin, Head of Asset Management



## Valuation Committee

Our Valuation Committee meets regularly to review and update the fair market values of the firm's investments across funds. The committee includes investment, asset management and finance team leaders, to ensure Belveron's investments represent a reasonable estimate of values based on current market conditions. Members include:

- Jeremy Levkoff, Director, Capital Transactions
- Josh Plattner, Chief Investment Officer
- Ryan Saroya, Controller
- Vladimir Shlafman, Chief Financial Officer
- Bianca Vanin, Head of Asset Management








# EMPLOYEE ENGAGEMENT

Belveron attributes its success to our talented and dedicated team who carries out and reinforces our business strategy and mission.

We recognize and value the contributions of each team member, demonstrating our commitment and dedication through competitive compensation, comprehensive benefits, career development opportunities, work-life balance, meaningful work, fair treatment and a supportive environment. By prioritizing employee engagement, we strive to create a work environment that not only attracts high-quality candidates but also retains talented employees. This focus is reflected in the rapid expansion of our team, which grew from nine employees in 2020 to 22 employees by the end of 2023.

Ongoing personal and professional development is crucial to ensuring our team remains at the forefront of our competitive industry. To ensure the success of our team members, Belveron provides opportunities for employees with an interest in furthering their education to attend conferences and trainings in their areas of concentration, as well as sponsors employee membership in industry organizations of interest.

Recent examples include:

-  Affordable Housing Finance (AHF) Live Conference
-  Association of Asian American Investment Managers (AAAIM)
-  Certified Healthcare Access Manager (CHAM) Certification
-  Information Management Network (IMN) ESG Roundtable
-  Real Estate Innovation Conference (RetCon)
-  Urban Land Institute (ULI)
-  Women's Affordable Housing Network (WAHN)

Furthermore, all Belveron employees take part in regular training to reinforce company policies and best practices, including on topics such as sexual harassment and cybersecurity.

Belveron believes in transparent and inclusive communication for our team members. We hold monthly team meetings for the entire organization where we discuss broad topics including:

- Pipeline investments and new acquisitions
- Portfolio operations, successes and challenges
- Company and fund updates
- New team member introductions

**133%**  
TEAM EXPANSION SINCE 2020

**100%**  
EMPLOYEES TRAINED IN COMPANY POLICIES AND BEST PRACTICES

# DIVERSITY, EQUITY AND INCLUSION

Belveron believes that being a diverse and inclusive workplace allows us to better achieve our mission of preserving and creating affordable housing. We aim to cultivate a work environment where we are strong listeners, we make space for all voices, and we act with intentionality. As such, we began implementing Diversity, Equity and Inclusion (DEI) initiatives in 2021, including:

Forming a DEI committee

Administering an annual employee engagement survey

Providing anti-bias and DEI training

Incorporating practices to improve diverse recruitment of new employees

Enhancing employee benefits to include:

- Flexible schedules to accommodate employee needs
- Maternity/paternity leave policies, and mothers room in office
- Budgets for professional development

Our employee engagement survey is distributed annually to all team members to request feedback on equity and inclusion practices and general satisfaction with the firm, while gathering data on team demographics. The survey also provides employees with a formal opportunity to provide feedback for firm improvement. The results of the survey are reviewed by the DEI Committee and feedback received is discussed and brought to the senior leadership team for consideration.



# OUR TEAM

## Gender

Senior leadership



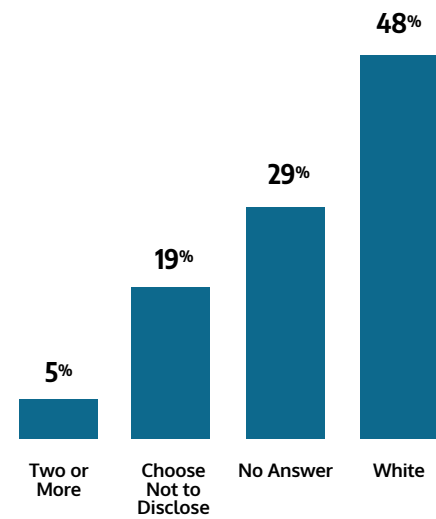
Investment committee



Overall



## Race/Ethnicity



**Belveron's commitment to the communities we serve, environmental responsibility and the integrity we put into our work every day together serve to move our mission forward to deliver positive outcomes for our residents and build communities of enduring value.**

Belveron's commitment to the communities we serve, environmental responsibility and the integrity we put into our work every day together serve to move our mission forward to deliver positive outcomes for our residents and build communities of enduring value. Our focus on environmental, social and governance objectives guides us in delivering on our goals to deliver value to Belveron investors, residents, employees and communities.

In the coming years, we look forward to laying the foundation of a comprehensive ESG strategy and policy that serves all our stakeholders. We are eager to explore emerging and evolving best practices and technologies as we grow our understanding of the potential climate-related risks and resource consumption of our portfolio.

In future reports, we intend to align our portfolio's social, environmental and governance objectives with the United Nation's Sustainable Development Goals (UN SDGs), which comprise the world's shared plan to protect the planet, decouple economic growth from climate change, end extreme poverty and reduce inequality. We likewise plan to align with the Impact Framework for the Multifamily Impact Council (MIC), an affordable housing industry-specific framework and reporting standard. These efforts will inform how we measure, monitor and report our impact moving forward.

As we continue to seek opportunities to preserve and create quality affordable housing, high-performing investments and meaningful relationships with all our stakeholders, we value our feedback and invite you to come along with us.





**BELVERON  
PARTNERS**



**CONTACT US .**

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