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Building the Future

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At Breaking Ground, we believe everyone deserves a home.

Bringing people together to solve the problem of homelessness restores our hope and our humanity. When no one is left behind, our world feels bigger and yes, more like a home, a place where we belong, and where it's possible to begin again. Thank you for joining our cause.

> *Photos at right, from top:* Queens street outreach team member, Hasani; Connect to Care team members Shawn and Freddie; Brooklyn street outreach team members, Robert and Kimberly; Connect to Care team members Charline and Richard

> > Front cover: 90 Sands exterior (Wes Tarca for Breaking Ground)



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Letter from Our Leaders

For more than three decades, Breaking Ground has maintained an unrelenting focus on developing and operating exceptional permanent supportive and affordable housing that has enabled thousands of New Yorkers to overcome and avoid homelessness.

Last year was no exception. In 2022 we opened more than 600 new apartments in Brooklyn and the Bronx – our most in any single year since 1991. 90 Sands, in DUMBO Brooklyn, brings 491 permanent supportive and affordable apartments to a neighborhood that typically only sees market rate development, having moved hundreds of vulnerable people from homelessness to housing in record time through a pilot program that accelerated placements.

In the South Bronx, we opened Betances Residence for older adults, our first supportive site to achieve Passive House certification, a rigorous energy use standard that pushes the envelope in sustainable development. The Passive House standard also brings fresh filtered air directly into each unit, a boon for the men and women who call Betances home. Betances is now a model for sustainable development and a beacon of hope for a neighborhood that has long suffered from environmental injustice.

Beyond these permanent housing accomplishments, Breaking Ground forged new initiatives in our Connect to Care outreach programs, working with the Partnership for New York City's Homeless Assistance Fund to dramatically expand homeless outreach in key areas of the City. We've also helped more people come indoors off the streets than in any previous 12-month period with the opening of two new transitional sites in Brooklyn and Manhattan. When combined with our sustained work across street outreach and housing resources, Breaking Ground served nearly 12,000 vulnerable New Yorkers.

As our region continues to face a homelessness crisis, Breaking Ground is doing more than ever on multiple fronts to help unsheltered individuals. With several transitional housing projects and over 1,200 new permanent apartments in development, more of the most vulnerable New Yorkers will find the dignity and stability of a permanent home in the coming years.

None of this is possible without vital backing by our many community supporters. Thank you for standing with us as we continue to envision and build a future where everyone has a home.

Sincerely,

Brenda E. Rosen President & CEO

Brut &

Michael J. Franco Chair, Board of Directors





About Us | Mission & Programs

Our Mission

Breaking 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.

Our Values



Compassion We meet each person where they are and treat them with dignity and respect.



Patience We take the time to build trust – with people and communities.



Persistence

We never give up, on anyone.

Our Programs

STREET OUTREACH





CONNECT TO CARE

A suite of programs that brings Breaking Ground's street outreach approach into privately managed spaces and discrete geographic areas.



DROP-IN CENTER

Pilot program in Ozone Park, Queens Currently serving approximately 16 people at any given time, the Drop-In Center is undergoing construction, with a goal of full operational capacity (up to 75 persons) by 2023.



TRANSITIONAL HOUSING

485 units in Manhattan & Brooklyn Safe Havens provide secure temporary housing, along with intensive onsite case management, for individuals in the most precarious circumstances. This allows each person the space, time and assistance they need to work on securing permanent affordable housing.



PERMANENT HOUSING

4,686 Apartments in NYC, Upstate NY, and CT Through 23 residences and 171 "Scatter Site" apartments all with access to support services as needed - we provide the security that enables formerly homeless and lowincome New Yorkers to make a lasting home.

Our Approach

Breaking Ground employs a range of data-driven initiatives designed to enable people to forever escape the trauma of homelessness.

Our approach ensures that our services are tailored to the needs and circumstances of each individual on the path to finding a permanent home.

Some people will move directly into permanent housing from the street, and we do whatever it takes to make this placement possible, as quickly as possible.

For others, transitional housing provides an interim step – safe and clean accommodations with onsite supportive services - where each person can begin to establish stability and work toward the goal of obtaining permanent housing.

Home is more than just four walls and a roof. At Breaking Ground, home means a support system. Across our supportive housing portfolio, onsite wraparound services enable each person to get – and stay – on the path to permanent stability:

Benefits assistance

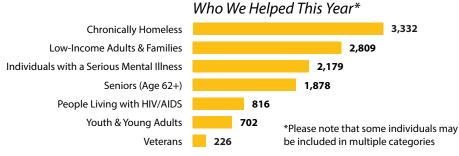
- Medical care
- Mental health care
- Substance abuse referrals
- Skills-building and selfsufficiency programs, including connection to employment services

At a Glance: 2022 Impact

Your support of Breaking Ground in 2022 enabled us to serve **nearly 12,000 vulnerable New Yorkers** across our outreach and housing programs. Along with sustaining our core work, you helped to dramatically expand outreach capacity on the streets and open two new permanent residences representing more than 600 apartments for people experiencing or at risk of homelessness.







By the Numbers









Meeting people where they are

6,614

unique people served

1,829

people working intensively with us toward permanent housing

599

housing placements

A warm and welcoming hub

168

unique people served

35

housing placements

17,020

individualized service engagements

A safe haven to rest and restore

827

unique people served

185

people moved on to permanent housing

23%

placed were 62+ years of age

A permanent home with support

4,910

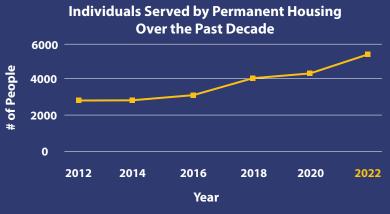
unique people slept under a Breaking Ground roof

604

new households moved into an apartment

98%

of people exiting homelessness remain housed at 12 months



Other Key Facts



safe haven residents connected to healthcare

200
families with children permanently housed





Connect to Care

A suite of programs that brings the Breaking Ground approach to street outreach into privately managed spaces and discrete geographic areas.

Through contracts with corporate partners and consortia, Connect to Care works to discover people experiencing homelessness who have fallen through cracks in the system and get them connected to vital services and housing opportunities.

Connect to Care programs are designed to meet a set of defined needs and goals, and can include:

- Training and education options for our corporate partners, including overview of homelessness, simple strategies for engagement, harm reduction and overdose prevention, and crisis intervention and de-escalation techniques
- Dedicated outreach teams who canvass discrete locations (such as retail stores, cafés, or defined geographic areas) and respond to notifications and situations identified by the contracting organization
- Social services oversight and management
- Data collection and regular reporting on outcomes



Connect to Care

2022 Program Outcomes



653 individuals served 30 housing placements



838 individuals served 35 housing placements



295 individuals served 25 housing placements



Homeless Assistance Fund -

Breaking Ground and the Partnership for New York City announced the creation of the Homeless Assistance Fund (HAF) along with Mayor Eric Adams in the summer of 2022. This collective public-private initiative expands services and mental health resources for New Yorkers experiencing homelessness. Building on Breaking Ground's Connect to Care platform, the HAF is designed to accelerate access for unsheltered New Yorkers and individuals living with mental illness to the services and housing they need.

In a demonstration of the business community's commitment to helping city government address the challenges of homelessness and mental illness, over 60 companies contributed more than \$8 million to launch the Fund.

The Homeless Assistance Fund program officially launched with "feet on the street" in November of 2022. We look forward to reporting on its full impact in 2023 and beyond.

7 Geographic Areas including parts of Midtown Manhattan, Lower Manhattan, and Downtown Brooklyn

Unique Individuals Encountered



Connect to Care: All Programs

Fund Teams Oct. 17 - Dec. 31



Project Partners

Architect: Beyer Blinder Belle Landscape Architect: W Architecture and Planning General Contractor: Monadnock Construction Onsite Services: Center for Urban Community Services

Financing Partners

NYC Council NYC Housing Preservation & Development NYC Housing Development Corporation **NYS Homeless Housing & Assistance Program Enterprise Community Partners** JPMorgan Chase Federal Home Loan Bank of New York Leviticus Fund

Philanthropic Partners

Wells Fargo Foundation Deutsche Bank DB SHARE Program National Grid

Large-Scale Supportive Housing for Brooklyn

90 Sands | DUMBO, Brooklyn

491 Supportive & Affordable Units | Completed: 2022

In November of 2022, we celebrated the official opening of 90 Sands. Breaking Ground's first hotel conversion in more than two decades and now the second-largest supportive residence in the country, after our Times Square residence.

90 Sands is scaled for impact, with 491 supportive and affordable apartments that are home to people exiting homelessness (305 units) and low-to-moderate income households (186 units). Upon completion, we worked closely with New York City to pilot a program that accelerated placements into supportive apartments at 90 Sands, reducing the time spent homeless by approximately two months. In fact, we expect the building to lease up in record time, and to be fully occupied by 12 months in operation (a typical lease-up schedule for a building of this size would extend past 18 months).

By transforming spaces that had previously been utilized as large dining halls into social services, medical, and property management offices. Breaking Ground was able to maximize the onsite resources for delivering ongoing supports to the 305 households that would come to 90 Sands directly from homelessness. These spaces allow for significant provision of case management, psychiatric, and primary medical care.

◄ Public Plaza

In addition to services and amenities for residents, Breaking Ground reimagined and activated the plaza at the corner of Jay and Sands Streets, which had never been open for public use. Today, there are three no-barrier entrances, along with new drought-resistant planting and a variety of permanent and seasonal seating options.

"90 Sands is extraordinary in so many ways innovative financing, scale and impact, incredible views, and a seamless integration with the surrounding neighborhood — I continue to be amazed by its very special profile."

- Breaking Ground President & CEO, Brenda Rosen

Putting It Together

Financing for the \$254 million project was assembled from a complex array of public and private sources. Acquisition was funded by the New York City Department of Housing Preservation and Development's Supportive Housing Loan Program, the New York City Council, Enterprise Community Partners, and a sponsor loan from Breaking Ground. Construction was financed by 501(c)3 and taxable bonds issued by the New York City Housing Development Corporation, and key resiliency improvements were funded by NYS Homeless Housing and Assistance Program. JPMorgan Chase provided the letter of credit. Additional funding was provided by the Federal Home Loan Bank of New York's Affordable Housing Program (Webster Bank, sponsor institution), the Wells Fargo Foundation, Deutsche Bank's DB SHARE Program, and National Grid.



We are especially grateful to the Wells Fargo Foundation for providing a \$3 million lead philanthropic grant establishing the Wells Fargo Supportive Housing Program at 90 Sands. Wells Fargo's leadership and commitment to affordable housing at 90 Sands and across the country is extraordinary.



Promoting Stability for Older New Yorkers

The 152 apartments at Betances are home to formerly homeless and low-income older adult households. Crucially, 26 of the units are set aside for current residents of NYCHA apartments, allowing senior residents to continue to age in place in the community while freeing up much-needed public housing for other New Yorkers.

The 120,000 square foot development features a 24-hour attended lobby, state-of-the-art security systems, a laundry room, library, computer lab, multipurpose room for events and programming, and landscaped courtyard and roof spaces. The building also features a 4,700 sq ft community facility to create educational opportunities for underserved youth. With its rooftop solar array, Betances may even be a net generator of municipal energy supply, providing electricity back to the grid when there is a surplus.



A New Era of Sustainability

Betances Residence | South Bronx

152 Supportive & Affordable Units for Older Adults | Completed: 2022

In June, we hosted a ribbon cutting at Betances Residence in the Bronx, our latest development for older adults. Betances is Breaking Ground's first Passive House-certified development and one of only a handful of supportive residences in the City to embrace the most rigorous standard for reducing the energy footprint of residential developments. With a tight building envelope and engineered ventilation systems, Passive House design ensures high indoor air quality for our senior tenants while achieving energy efficiencies.

Designed by COOKFOX Architects, the building integrates biophilic principles, such as the incorporation of natural materials, movement patterns, and abundant natural light throughout, to enhance resident well-being. The entry to the building is focused on a framed view of the central organizing feature of the project, a verdant courtyard. Visible from both the sidewalk and the corridors of the residential floors, the garden creates connections between residents and the wider community.



Project Partners

Architect: COOKFOX Architects

Passive House Consultant: Steven Winter Associates General Contractor: Monadnock Construction Onsite Services: Center for Urban Community Services

Financing Partners

NYC Council

Bronx Borough President's Office

NYC Housing Preservation & Development

New York City Housing Authority

NYS Homeless Housing and Assistance Program

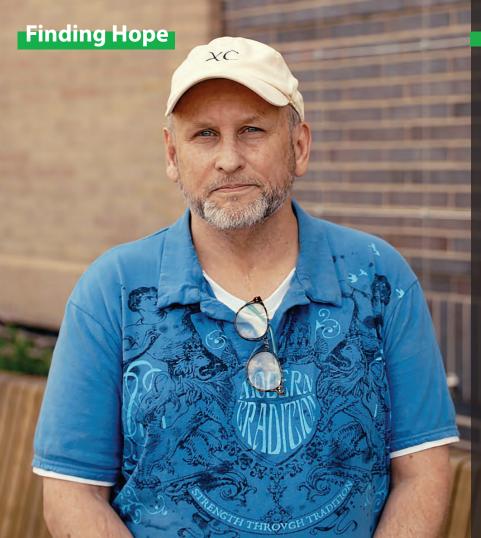
Corporation for Supportive Housing

AFL-CIO Housing Trust

Wells Fargo

Philanthropic Partners

JPMorgan Chase Foundation
The Harry and Jeanette Weinberg Foundation



Michael Cundiff, 90 Sands

Michael experienced the destabilizing forces of mental illness from an early age. It was not until very recently that he was able to put a name to his condition with the help of therapy and medication.

With nearly fifteen years of homelessness and housing instability behind him, he came off the streets in Midtown Manhattan with the help of Breaking Ground's outreach teams.

After almost two years at one of our safe havens, he was among the first to move into an apartment at 90 Sands.

Seeing his new unit for the first time, he called it "a dream come true" to have a key to his new home, a door to lock behind him, and access to onsite medical and mental health services. He moved into his apartment in September and with a kitchen of his own for the first time in many years, has rediscovered a love of cooking.

Leonard Gill, Betances Residence

30 years ago, Leonard overcame addiction. Ever since, he's committed to a recovery process through which he gives back, serving as a consumer advocate and peer counselor, helping countless people struggling with substance use to enter programs and find success with sobriety.

But when his wife of 35 years died in March of 2020, grief gripped him, and he found himself on the edge of homelessness.

Then he got a call about a housing opportunity at Breaking Ground's Betances Residence in the South Bronx. He recalls fondly receiving his keys for the first time, when building director, Karen Warner, did a little dance with him, singing "Welcome to Betances living!" Today, his affordable onebedroom apartment, with supports available onsite, has given him a new lease on life. At 70 years young, he is committed to continuing his work and helping as many people as possible find peace, joy, and a sense of purpose in recovery.





In Development: Jamaica Residence

Breaking Ground has a long history of developing supportive and affordable housing throughout New York City, but the Jamaica Residence will mark our first project in Queens. When our friends at Community Healthcare Network announced plans to replace their Federally Qualified Health Center, we jumped at the chance to work with them to also build new permanent housing at the site. Located on Sutphin Boulevard, Jamaica Residence will create a **new state-of-the-art medical clinic** along with 173 units of **supportive and affordable housing for older adults who have experienced or are at risk of homelessness**. This will be Breaking Ground's second development built to Passive House standards, and will be an all-electric project. Set to break ground in 2023, Jamaica Residence will welcome its first residents in 2025.



Williamsburg & Seafarers Safe Havens

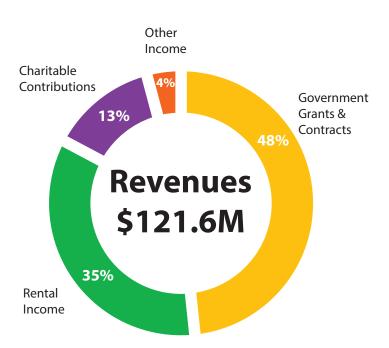
During the darkest days of COVID-19, Breaking Ground worked with New York City to quickly open two new transitional **housing sites** for unsheltered New Yorkers in Williamsburg, Brooklyn and Union Square in Manhattan. Locating these programs near where people are experiencing homelessness was a recipe for success, and helped more than 200 unsheltered individuals come off the streets and into single and double rooms that provided safe respite from the streets. At the beginning of 2022, Breaking Ground again worked with the City to convert these two sites to safe havens, providing additional onsite services for the most vulnerable street homeless New Yorkers while we work with each person toward permanent housing. With robust onsite case management, onsite medical and psychiatric care, and enhanced harm reduction services, Williamsburg and Seafarers increased our capacity to serve street homeless New Yorkers in transitional housing by 58%.



In Development: Kingsboro Vital Brooklyn

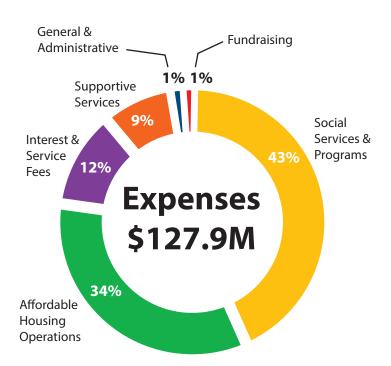
This Vital Brooklyn project, in collaboration with Douglaston Development and Empire State Development, will bring **over 900 affordable and supportive apartments** to Brooklyn's Flatbush neighborhood, along with transitional housing, extensive public amenities, and programming for community members and residents. Completion is expected by 2028.

Financial Report



Revenues Note:

Total revenues of \$121.6 million reflect a 12% increase over the prior year and 44% increase since 2018. Program-related revenue remains our largest funding source and largest growth area. Philanthropic support for the organization remains strong and was especially critical in 2022 when there were no developer fees recognized due to timing delays for project closings. Rental income and management fees continue to grow due to our expanded real estate portfolio.

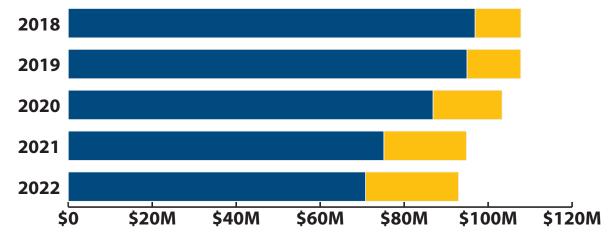


Expenses Note:

Despite a challenging operating environment Breaking Ground was able to sustain and grow its mission-critical programs and expand our permanent housing portfolio in 2022.

General & Administrative expenses (including Supportive Services) represent 10% of total expenses and continue to decline as a percentage of total expenses year-over-year. The average cost to raise \$1 of support is less than 10% for the last 5 years. Interest and fees are largely noncash expenses.

Net Assets: Controlling Interest



Net Assets Note:

The decline in Net Assets Without Donor Restrictions is due to a few factors. As previously noted, reduced commercial and event rental income were permanent losses from 2020-2022. Developer fees were also lower in this period, but continue to be an important source of revenue that will be realized over time. Increases in Net Assets With Donor Restrictions are largely due to one-time donations for specific programs and permanent housing developments, including a new outreach initiative with the Partnership for New York City, and housing sites such as 90 Sands and our first project in Jamaica, Queens. After adjusting for timing differences, Breaking Ground continues to maintain a very solid financial position that is reflective of excellent program and property management, generous donors, and diverse revenue streams.

Between 2018 and 2022, total assets under management rose from \$817 million to \$1 billion, growth fundamentally commensurate with the substantial number of permanent supportive affordable apartments developed and opened during that period.

Financial Report

Statement of Activities

January 1, 2022 through December 2022

Revenues

\$ 15,575,344
\$ 58,551,258
\$ 512,389
\$ -
\$ 41,747,374
\$ 5,190,905
\$ \$ \$ \$ \$

\$ **Total Revenues** 121,577,270

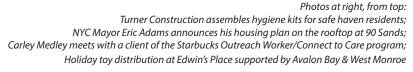
Expenses

Excess (deficiency) of Revenue Over Expenses [†]	\$ (6,367,936)
Total Expenses	\$ 127,945,206
Interest & Service Fees	\$ 15,121,334
Fundraising	\$ 1,091,421
General & Administrative*	\$ 1,303,977
Supportive Services*	\$ 10,996,056
Affordable Housing Operations & Development	\$ 43,710,576
Social Services	\$ 55,721,842

Statement of Financial Position

Total Assets	\$	1,037,870,897
Total Liabilities	\$	849,761,449
Net Assets Controlling Interest Noncontrolling Interest	\$ \$	92,958,850 95,150,598

^{*}The Supportive Services functional expense category was added in the 2020 audit year, as approved by Breaking Ground's auditing firm. Supportive Services are largely programrelated General and Administrative expenses.







^{*}Excludes depreciation and amortization

► Institutional Supporters - Thank You

The following private institutions supported our work in 2022 with charitable gifts of \$10,000 or greater.

Corporations & Foundations

All New York Title Agency

Alliant Insurance Services

Allied Universal

Ameriprise Financial

Anexinet

Annaly Capital Management

Apex Investments

April Housing

AvalonBay Communities

Bank of America Merrill Lynch & Bank of America

Foundation

Bank of China USA

Bank United

Barclavs

The Barker Welfare Foundation

The Barry and Mimi Sternlicht Foundation

BFC Partners

Blackstone

Breitman Family Foundation

Broadway Cares/Equity Fights AIDS

Brookfield Office Properties

Brooklyn for Brooklyn

Cadwalader, Wickersham & Taft LLP

Cannon Heyman & Weiss, LLP

Capital One

Carson Family Charitable Trust

Catbird NYC

CBRE

Center for Urban Community Services

Citigroup

City National Bank

Commonwealth Land Title Insurance Company

Con Edison

COOKFOX Architects

Credit Agricole

Dechert LLP

Deutsche Bank USA

The Douglaston Companies

The Durst Organization

Eastdil Secured

Empire Blue Cross Blue Shield Foundation

Empire Blue Cross Blue Shield HealthPlus

The Essex Avenue Foundation

ΕY

Fairstead

Fidelity National Title Insurance Company

First Republic Foundation

Fried, Frank, Harris, Shriver & Jacobson

GFP Real Estate

Goldman Sachs

Gotham Organization

Grevstone

Hudson Housing Capital

Jean and Louis Dreyfus Foundation, Inc.

JLL

Jones Day

JPMorgan Chase & Co. and JPMorgan Chase Foundation

Kellner Herlihy Getty & Friedman LLP

Kohlberg Kravis Roberts & Co.

Kroll

The Lawrence Foundation

The Lucretia Philanthropic Fund

M&T Bank

Macy's

Madison Realty Capital

The Mai Family Foundation

MetLife Foundation

Mizuho Americas and Mizuho USA Foundation, Inc.

Monadnock Construction

Morgan Stanley

The Mother Cabrini Health Foundation

National Grid

The New York Community Trust

North Shore Risk Management

The Pace Companies

Partnership for New York City's Homeless Assistance Fund

Proskauer Rose LLP

RBC Capital Markets

Related

Rhone Group

Rialto Management Group

Richman Housing Resources

Roberts & Holland

Robin Hood Foundation

Room & Board Business Interiors

Sidley Austin

Simpson Thacher & Bartlett

SL Green

The Starr Foundation

Starwood Capital Group

Starwood Property Trust

Stewart Title Insurance Co.

Sullivan & Cromwell LLP

Tishman Speyer

Titlevest

Urban Atelier Group

Urban Edge Properties

van Ameringen Foundation, Inc.

Vornado Realty Trust

Walker & Dunlop

Webster Bank

Wells Fargo and Wells Fargo Foundation

Government Partners

NYC Department of Homeless Services

NYC Department of Housing Preservation & Development

NYC Housing Development Corporation

NYC Human Resources Administration

New York City Housing Authority

NYS Homes & Community Renewal

NYS Office of Temporary & Disability Assistance/Homeless Housing & Assistance Corporation US Department of Housing & Urban Development



▶ Board of Directors and Senior Staff as of December 31, 2022

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Vornado Realty Trust

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Michael Werner Partner Fried, Frank, Harris, Shriver & Jacobson LLP

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Anna Fisher Vice President, Property Management

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Michael Rosen, Vice President, Asset Management

Judith Rosenfeld Vice President, Special Projects

Jeff Scheuer Vice President, External Affairs

