

BRP workers repairing brick work and replacing windows throughout 63 buildings in East New York, Brooklyn



Impact Report 2014



Impact Measurement Summary

ABOUT BRP

Since its inception in 2003, BRP has been dedicated to revitalizing underserved, urban areas in ways that improve the social and economic conditions of the surrounding community, while creating both construction and permanent job opportunities. In addition, through sustainable design and construction we seek to provide tenants and buyers with healthier, energy efficient living environments and lower energy costs. Finally, through transit oriented development (on sites within a one-quarter to one-half mile radius of a major transit stop), BRP strives to adhere to the “smart growth” principals of “development that serves the economy, the community, and the environment.”

IMPACT MEASUREMENT

BRP measures its investment impact in the following areas:

- **Housing/Community Development**
- **Environmental Impact**
- **Job Creation**

In this inaugural Impact Report, we attempt to quantify the positive impacts delivered through our investment activity during 2014 and compile results since the firm’s inception. Our reporting measures are based on the Impact Reporting and Investment Standards (IRIS) devised by the Global Impact Investing Network (GIIN). Where IRIS does not provide a measure relevant to the private equity real estate sector, we have used internal measures. In addition, energy and environmental metrics have been calculated by our 3rd party consultants, Energy Concepts Engineering and Ecology & Environment, Inc.

948

Units of **affordable housing** built or preserved

1.4MM

Kilowatt reduction in energy usage

3,225

Construction and permanent jobs created in underserved neighborhoods

Housing/Community Development

BRP is an innovator in developing high-quality, energy-efficient, mixed-use properties throughout the city of New York. A focus on mixed-income properties in particular, affords BRP the opportunity to meet the demand for the City's most supply-constrained housing sector (workforce housing). In addition, by creating affordability across many different economic levels, the firm provides lasting value to the neighborhoods where it invests by improving housing quality and safety, increasing property values, and enhancing local amenities and retail offerings. Consequently, public services such as neighborhood schools and basic infrastructure have also improved.

Since inception, BRP has built or preserved 1,321 units of housing for families within the NY Tri-State area. Of these units, 948 were targeted for lower income residents. These units range from market rate rental and for sale housing to 100% affordable homes located in distressed or emerging neighborhoods.

Last year, BRP closed \$120 million in developments to preserve and build new housing in underserved communities. This includes the \$95 million acquisition and preservation of a 468 unit, affordable rental portfolio in the East NY section of Brooklyn.

Moreover, with the addition of our GS BRP Urban Ventures Real Estate Fund, we have over 350 units in construction and another 2,000 units under development.

1,321

Housing units built or preserved

55,154

SF of community facility space built or financed

*Mixed Income Housing
Brooklyn, NY*



*Yoga/Wellness Center
Harlem, NY*



*Early Learning Center
Brooklyn, NY*



*Upgraded affordable housing
Brooklyn, NY*



*Organic Grocer
Brooklyn, NY*



Environmental Impact

At BRP, energy efficiency begins with the building's thermal envelope, which is designed and constructed to limit air leakage. This includes external walls, floors, roofs, ceilings, windows and doors – all critical determinants of energy usage in lighting, heating and cooling. The use of energy-efficient building materials is also key to this process.

Roof design and materials reduce cooling needs by reflecting solar heat

Insulation and air sealing maximized to increase energy efficiency

Building Envelope and materials effect energy lost or retained in thermal mass

Fan Coil System requires fewer exterior openings than grill system, thus saving more energy

Combined Heat & Power (CoGen) system generates efficient energy

Window and door placement, materials and installation influence lighting and HVAC requirements

535 tons

Reduction in CO₂/greenhouse gas emissions

622,163

Square feet renovated and/or remodeled for reuse

937,900

Kilowatts of Heat recovered due to energy saving systems installed

*Mixed income development
Brooklyn, NY*

Environmental Impact



*Newly installed CoGen
system at Queens, NY
development*

In addition to building an efficient envelope, BRP utilizes clean, renewable energy via combined heat and power systems, also known as cogeneration (or CoGen) to generate electricity and useful thermal energy in a single, integrated system. The Cogen system also reduces harmful emissions of ozone depleting nitros oxide and volatile hydrocarbons by over 65% compared to conventional sources. In addition, BRP's CoGen systems reduce energy use and greenhouse gas emissions by 535 tons of CO₂ per year (equivalent to the annual emissions of 102 cars or 44 homes).¹

BRP currently has 4 CoGen systems in construction or up and running with 7 more in development, including 6 micro-CoGen units. These systems use natural gas as an input to provide power, heat and cooling. Moreover, the end user's utility-related operating costs can be reduced by as much as 50%.²

681,528

Kilowatts of Electricity
generated via clean, efficient
and natural energy sources

200

Kilowatt reduction in
consumption of grid sourced
energy during peak periods
(the equivalent of about 200
houses)¹.

Source: ¹ Energy Concepts Inc, ²Tecogen Inc. and Energy Concepts research.

Job Creation

Each new BRP development drives direct employment during its planning and construction phases. Permanent jobs are also created in facilities management and commercial tenancy including retail, healthcare, educational, management, food service/restaurant employment as well as other non-profit and faith-based institutional jobs. In addition, BRP also facilitates indirect employment by supporting a number of local, MWBE suppliers and sub-trades such as architecture, engineering, plumbing, electrical, design and real estate brokerage services.



3,225

Jobs created due to
BRP investments

136

Permanent jobs
created at both BRP
and organizations
financed or
supported by BRP
investments

48

Permanent employees
of the organization from
minority/previously
excluded populations

Case Study

East New York Rental Portfolio



Acquired in January 2014, the East New York Rental Portfolio project consists of 63 buildings comprising 468 units in the East New York neighborhood of Brooklyn. The properties had suffered from years of neglect and deferred maintenance, including leaking roofs, cracked foundations and mold. BRP's value-added, acquisition strategy included rehabilitation and financial restructuring to address the poor physical and financial state of the properties. The rehab included: full modernization of kitchens and bathrooms, new windows, mold remediation, installation of new roofs, masonry and façade work, installation of new, energy efficient boiler/heating systems, new building entry doors with controlled entry access systems including video surveillance and intercom systems, and new public corridors and stairwells with energy efficient lighting. The East NY portfolio is indicative of the type of investments made by BRP which provide families with access to high-quality, affordable homes, while providing returns to our investors.

Pre Renovation Conditions



Case Study

East New York Rental Portfolio

Impact Summary

Community Development

BRP's \$95MM investment in the ENY portfolio enabled 468 families to live in newly remodeled homes while preserving affordable housing in 63 buildings and maintaining the fabric of the neighborhood by keeping residents in their community. In addition, BRP improved health quality throughout the portfolio with the remediation of black mold. BRP also improved the general safety of the buildings by cleaning up the properties, adding security systems, lighting, entry doors, and rehabbing public corridors.

Environmental Impact

Energy conservation measures implemented at ENY include:

- New energy efficient boilers for heat and domestic hot water
- New insulation on all piping throughout mechanical room
- New baseboard radiators for better distribution of heat at the point of use
- New windows
- Added insulation at all roofs
- New energy efficient light fixtures – LED fixtures in building vestibules
- New Energy Star appliances in all apartments
- New building entry doors with insulated glass
- White roofs for all buildings (cool roofs)
- Insulated all receptacles and switches located on the perimeter walls
- Repaired or replaced all exterior doors – reduced heat loss in winter

Job Creation

Through the rehabilitation of the 63 buildings in East NY, BRP created both permanent and construction jobs. 13% of the construction employees came from the local community, while approximately 35% of the permanent jobs were filled by local residents.

Post Renovation



Measurement Metrics

IMPACT AREA	ISIS METRIC (ID)	DEFINITION	REPORTING FORMAT	CUMULATIVE DATA
Housing/ Community Development				
1.	Percent Affordable Housing (PD5833)	Percentage of housing units projected to be constructed or preserved as a result of investments made by the organization during the reporting period that will be considered to be affordable housing.	Decimal	44%
2.	Number of Housing Units Constructed (PI2491)	Number of housing units constructed by the organization during the reporting period.	Reporting Currency (OD5990)	1,321
3.	Number of Affordable Housing Units Built or Preserved (*)	Number of housing units projected to be constructed or preserved as a result of investments made by the organization during the reporting period that will be considered to be affordable housing.	Number of Units	948
4.	Value of Community Facilities Financed (PI2410)	Value of community development facilities projected to be built, renovated, or purchased as a result of investments made by the organization during the reporting period.	Reporting Currency (OD5990)	\$17.5MM
5.	Number of Housing Units Improved (PI6058)	Number of housing units improved or refurbished by the organization during the reporting period.	Reporting Currency (OD5990)	468
6.	Area of Community Facilities Financed (PI4765)	Area of community facilities projected to be constructed or preserved as a result of investments made by the organization during the reporting period.	Number of square feet or square meters	55,154
7.	Value of Commercial or Retail Infrastructure Financed (PI5983)	Value of commercial or retail infrastructure projected to be built or renovated as a result of investments made by the organization during the reporting period.	Reporting Currency (OD5990)	\$92.3MM
Environmental Impact				
8.	Energy Saved/Conserved (PI4009)	Amount (estimated) of energy conserved as a result of energy-efficient construction/renovation investments made by the organization during the reporting period.	Number of kWh	1,409,464

(*) BRP internal metric

IMPACT AREA	ISIS METRIC (ID)	DEFINITION	REPORTING FORMAT	CUMULATIVE DATA
9.	Energy Efficiency Improvements (PI1586)	Area of buildings projected to receive energy efficiency improvements as a result of investments made by the organization during the reporting period.	Number of square feet or square meters	622,163
10.	Area of Buildings Reused (PI9170)	Area of buildings projected to be renovated/remodeled that qualify for reuse as a result of investments made by the organization during the reporting period.	Number of square feet or square meters	64,379
11.	Green Building Practices (OI6765)	Indicate whether the organization employs green building practices.	Yes/No	Yes, BRP employs green building practices.
12.	Wastewater Treatment Compliance (OI7860)	Indicate whether the organization's practices related to discharge of wastewater comply with local legal requirements.	Yes/No	Yes, BRP complies with all local legal requirements.
13.	Supplier Evaluation (OI4739)	Indicate whether the organization considers social and environmental performance when evaluating suppliers.	Yes/No	Yes, BRP seeks suppliers that produce environmentally-friendly goods in an environmentally responsible manner.
14.	Environmental Impact Objectives (OD4108)	Environmental impact objectives pursued by the organization. Selection:	Selection	<ul style="list-style-type: none"> •Energy and fuel efficiency •Natural resources conservation •Pollution prevention & waste management •Sustainable energy •Sustainable land use •Water resources management
15.	Water Conservation (OI4015)	Amount of reduced water usage achieved as a result of the organization's water conservation efforts during the reporting period.	Gallons/Year	5,223,848
16.	Waste Disposed: Recycled/Reused (OI2535)	Amount of waste disposed by the organization through reuse and recycling during the reporting period.	Tons	2,190.8

IMPACT AREA	ISIS METRIC (ID)	DEFINITION	REPORTING FORMAT	CUMULATIVE DATA
Job Creation				
17.	Target Beneficiary Demographic (PD5752)	Demographic groups of beneficiaries targeted by the organization.	Selection	Minority/ previously excluded populations
18.	Permanent and Construction Jobs Created Due to Investments of the Organization (*)	Net number of new full-time equivalent jobs created as a result of financial investments by the organization at the end of the reporting period, and since the beginning of support/investment by the organization.	Full Time Equivalents (FTEs)	3,225
19.	Jobs Created at Directly Supported/Financed Enterprises: Total (PI3687)	Net number of new full-time equivalent employees working for enterprises financed or supported by the organization at the end of the reporting period, and since the beginning of support/investment by the organization.	Full Time Equivalents (FTEs)	75
20.	Permanent Employees: Total (OI8869)	Number of people employed by the organization as of the end of the reporting period. This is the sum of all paid full-time and part-time employees.	Number of people	61
21.	Permanent Employees: Minority/Previously Excluded (OI3236)	Number of people employed by the organization who belong to minority or previously excluded groups as of the end of the reporting period. This is the sum of all paid full-time and part-time minority or previously excluded employees.	Number of people	48
Cross-Sector				
22.	Product/Service Certifications (PD2756)	Indicate third-party certifications for products/services sold by the organization, that are valid as of the end of the reporting period.	Text	LEED Certified, LEED Gold Certified
23.	Social Impact Objectives (OD6247)	Social impact objectives pursued by the organization. Select all that apply:	Selection	<ul style="list-style-type: none"> •Affordable housing •Employment generation •Community development

(*) BRP internal metric

Footnotes

1 Percent Affordable Housing (PD5833)	Number of completed and projected affordable units constructed or remodeled as a percentage of total units. Based on investment during the reporting period.
2 Number of Housing Units Constructed (PI2491)	Number of units completed during the investment period.
3 Number of Affordable Housing Units Built or Preserved (*)	Number of projected affordable units constructed or remodeled during the investment period.
4 Value of Community Facilities Financed (PI2410)	Valuation based on proportionate share of total project value on a square footage basis.
5 Number of Housing Units Improved (PI6058)	Includes completed and in construction units at 65 rehabilitated properties.
6 Area of Community Facilities Financed (PI4765)	Cumulative square footage of community facility space built or financed.
7 Value of Commercial or Retail Infrastructure Financed (PI5983)	Valuation based on proportionate share of total project value on a square footage basis.
8 Energy Saved/Conserved (PI4009)	Amount (estimated) of energy conserved as a result of energy-efficient construction/renovation investments made by the organization during the reporting period.
9 Energy Efficiency Improvements (PI1586)	Area of buildings projected to receive energy efficiency improvements as a result of investments made by the organization during the reporting period.
10 Area of Buildings Reused (PI9170)	Area of buildings projected to be renovated/remodeled that qualify for reuse as a result of investments made by the organization during the reporting period.
11 Green Building Practices (OI6765)	All new construction projects pursue LEED certification, a recognized third-party green building certification. Green building practices employed include energy efficient design, water conservation, local/recycled materials, low VOC materials, construction waste management, daylighting, recycling, controllability of systems, and, in some case, combined heat and power systems.
12 Wastewater Treatment Compliance (OI7860)	N/A
13 Supplier Evaluation (OI4739)	Subcontractors are required to abide by strict environmental, health, and safety performance standards on the job site. Materials sourced for LEED projects must in many cases meet strict environmental and product safety criteria.
14 Environmental Impact Objectives (OD4108)	Environmental impact objectives pursued by BRP based on the list provided

Footnotes

15 Water Conservation (OI4015)	This is the amount of potable water conserved compared to a baseline case modeled per building according to LEED standards for Bradford, Macedonia and Garvey buildings. Conservation measures include: Low flow/dual flush toilets and Low flow faucets and showers. Note that all BRP buildings pursuing LEED have used xeriphytic plant species to eliminate the need for irrigation of landscape plantings. These savings are included because a baseline case was not calculated as part of the LEED submittal.
16 Waste Disposed: Recycled/Reused (OI2535)	This is the total quantity of construction and demolition waste that was recycled or reused over the course of construction for 3 recently completed buildings. In all cases this represents over 80% of the total mass of construction and demolition debris generated.
17 Target Beneficiary Demographic (PD5752)	Demographic groups of beneficiaries targeted by the organization.
18 Permanent and Construction Jobs Created Due to Investments of the Organization (*)	Net number of new full-time equivalent jobs created as a result of financial investments by the organization at the end of the reporting period, and since the beginning of support/investment by the organization. This figure is calculated as total construction cost for each project divided by the job multiplier 60,000.
19 Jobs Created at Directly Supported/Financed Enterprises: Total (PI3687)	Net number of new full-time equivalent employees working for enterprises financed or supported by the organization at the end of the reporting period, and since the beginning of support/investment by the organization. Excludes direct employees of the organization.
20 Permanent Employees: Total (OI8869)	Number of people employed by the organization as of the end of the reporting period. This is the sum of all paid full-time and part-time employees.
21 Permanent Employees: Minority/Previously Excluded (OI3236)	Number of people employed by the organization who belong to minority or previously excluded groups as of the end of the reporting period. This is the sum of all paid full-time and part-time minority or previously excluded employees.
22 Product/Service Certifications (PD2756)	BRP designs to LEED specifications and has received both LEED and LEED gold certification for projects completed as of the reporting period.
23 Social Impact Objectives (OD6247)	Social impact objectives pursued by the organization.



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