



# People. Places. Planet.

**//Fairstead**  
ESG Report



## Letter from Leadership

At Fairstead, we endeavor each and every day to make the world a better place. Our focus on creating a positive impact applies not only to immediate stakeholders — residents, local partners, team members, and investors — but also to our cities, to our country, and to our planet.

This simple but lofty ambition is integral to our organization's mission and fundamental to our achievement.

Fairstead aspires to create high-quality, sustainable housing for all, regardless of income. We know that to do so effectively we must adhere to the environmental, social, and governance (ESG) principles that enhance the lives of our residents and their surrounding communities, mitigate or reverse harm to the ecosystem, and meet the moral and ethical standards of the institutions and individuals who entrust us with their capital.

*“We believe an organization united in worthy goals can improve individual lives, reshape communities, and spark societal change.”*

As this report illustrates, our ESG efforts permeate the organization's thinking and actions, from development to design and construction, asset management to resident services, and beyond. It also outlines our roadmap to resiliency for the country's aging housing stock – a series of best practices our team has become experts in to ensure older buildings can be sustainable for the future.

We fundamentally believe that an organization of committed and talented professionals united in the pursuit of worthy goals can improve individual lives, reshape communities, and spark societal change. We are proud of the work we have accomplished thus far and excited about what is yet to come.

Jeffrey Goldberg  
CEO

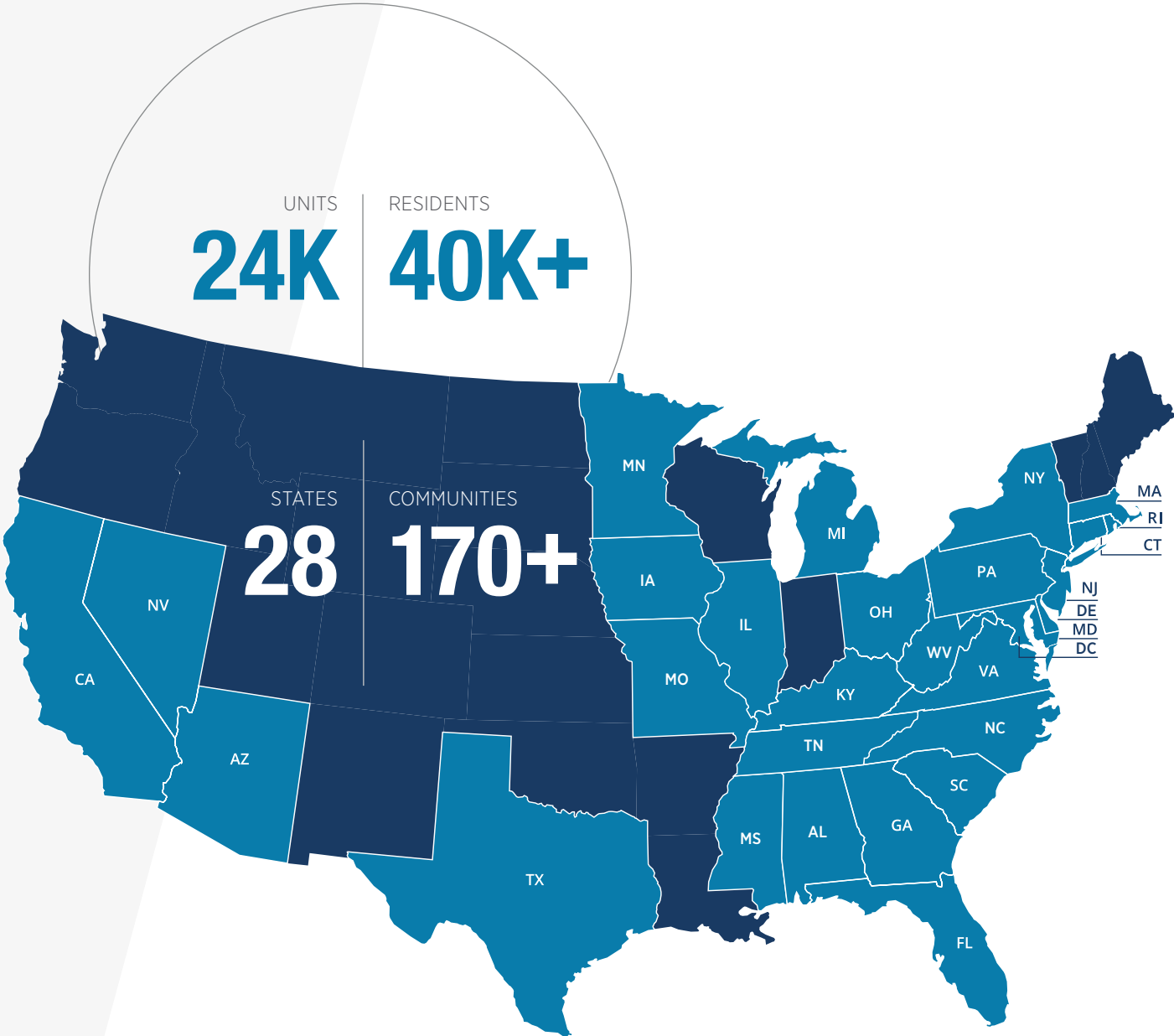
# Company Profile

Fairstead is a vertically integrated, national real estate developer specializing in the creation of sustainable, high-quality housing for all, regardless of income. We possess in-house expertise across disciplines, including capital markets, finance, acquisitions, development, design, construction, energy, sustainability, property and asset management, communications, leasing, marketing, and community impact, which oversee \$7.8B in assets and identified pipeline.

Fairstead’s approach to ESG issues is most broadly reflected in our forward-looking plans. We are long-term investors, owners, and operators with values, goals, and operating principles that are intentionally aligned with the needs and aspirations of our residents, our communities, our society, and our planet.

That alignment is evident at every stage of involvement. For example, Fairstead’s pre-acquisition due-diligence process includes on-site evaluation by the energy and sustainability experts. Their early participation ensures that our understanding of deal economics and subsequent bidding reflects a practical appraisal of the cost to renovate — or build from the ground up — in accordance with our exacting standards, which encompass energy and water efficiency, the use of healthful materials, and best practices for construction while residents remain in place. We also leverage our industry-leading expertise to strategically invest in new technologies, participate in pilot programs, and act as an incubator, allowing Fairstead to operate at the frontier of these societally and globally important domains.

Fairstead is likewise at the forefront of the real estate industry in our approach to community impact. We are building a rapidly growing, in-house resident-services operation that provides on-site social services and programming in communities around the country. We also partner with hundreds of local organizations and government entities throughout the United States, to better meet the unique needs of individual residents and their communities.



**We are long-term investors, owners, and operators aligned with the needs and aspirations of our residents, our communities, our society, and our planet.**

# Committed to a Just and Sustainable World

The entirety of Fairstead’s organizational philosophy, and in particular our approach to environmental, social, and governance (ESG) matters, can be accurately summarized in two words:

## People first.

From our earliest days, Fairstead has been committed to bettering the circumstances and prospects of those who call our communities home, while at the same time providing our team members with the opportunity to pursue purposeful careers in a conscientious organization focused on work/life harmony. Both goals are viewed through the lens of society at large, with the understanding that all our personal and professional fates are inextricably linked to the sustainability of our planet.

At our properties and in our offices, in our organizational structure and throughout our processes, a human-centric credo drives our ESG-related decision making.



## Environmental

**We view the pursuit of energy and water efficiency as an opportunity and responsibility.**

Our in-house energy and sustainability experts implement efficient and environmentally conscious resource-utilization strategies across our portfolio and throughout our process with notable emphasis on resiliency as a significant portion of our residents are particularly vulnerable to service disruptions. Further, we view the pursuit of energy and water efficiency as an opportunity and responsibility. This is essential to bettering the financial circumstances and living conditions at our communities as well as the long-term prospects of the world.

Our approach to all our sustainability and resiliency efforts is informed by the knowledge that every property is unique. As a result, we work to understand each on its particular merits. We analyze copious data, drawn from a variety of sources. Then, we develop a program for each asset to optimize its capital investment, utility usage and spend, and resident comfort.





# Social

## Pillars of Community Building

Fairstead’s approach to developing, renovating, and managing our communities is informed by five overarching goals.

**Education and Workforce Opportunities**  
We view home and community as springboards for self-improvement.

**Health and Wellness**  
We believe that homes built from non-toxic materials that offer plentiful access to fresh air, sunlight, and nutritious foods are crucial to physical well being, mental health, and aging safely in place.

**Financial Literacy**  
We believe that affordable housing can be a foundation for economic independence and growth in personal finance.

**Environmental and Social Justice**  
We view quality, sustainable housing for all regardless of income as a right rather than a privilege.

**Bridging the Digital Divide**  
We believe unfettered access to the Internet and related technologies should not be a function of socioeconomic factors.

Our Resident Services team implements programs that invest in the personal capacities of those who live in our buildings in ways that help move their families and communities forward. These programs, which take place on-site, are designed to promote positive health outcomes, improve the financial capacity of residents, build job skills, expand Internet access, and offer opportunities for civic engagement.

Whenever possible, we engage with and support local partners, understanding that such alliances promote neighborhood cohesion and a crucial sense of belonging. We undertake strategic philanthropic giving as part of those efforts.



# Governance

## We value and seek diversity in all forms — especially diversity of thought and style.

We believe that Fairstead’s vertically integrated structure offers the best opportunity to ensure a consistent and equitable approach to decision making in our business, including development, design and construction, property management and compliance, resident services, legal, and human resources. An equal-opportunity employer, we strongly value and actively seek diversity in all its forms — not least gender, race, ethnicity, religion, sexual orientation, and physical capability — especially diversity of thought and style. We are a collaborative organization guided by a belief that the best choices emerge when participants represent a wide-ranging selection of perspectives and experiences.

We prize the highest standards of organizational communication, attempting whenever possible to surpass the expectations for financial and operational controls required by our many government and non-government institutional funders, investors, and partners.



## // ENVIRONMENTAL

# Increasing Sustainability, Improving Resiliency

Fairstead's in-house sustainability and resiliency experts have backgrounds in solar development, engineering, finance, and data analysis. They are driven by the belief that resource-efficient and environmentally sound design, construction, and operation principles can, at the same time, improve the lives of residents, mitigate harm to the environment, and represent a viable economic model that encourages the expansion of housing options for Americans regardless of income. We seek a variety of strategies and tactics in pursuit of our mission.





Michael Gilbert

Q&A

Michael Gilbert is Fairstead’s Director of Energy and Sustainability, overseeing initiatives related to energy, water, waste, and the environment across our portfolio.

» HOW WOULD YOU CHARACTERIZE FAIRSTEAD’S ENERGY AND SUSTAINABILITY EFFORTS?

As a vertically integrated, full-service real estate developer, owner, and operator, Fairstead is motivated by a long-term view. We manage the communities we acquire and build, so we prioritize investments that enhance sustainability and foster resilience. We see the sustainability of Fairstead as intrinsically connected to the sustainability of the environment and the prosperity of the property. Sustainability has a direct impact on the overall success of a property.

» IS FAIRSTEAD’S PRIMARY FOCUS ON ITS RESIDENTS OR THE ENVIRONMENT?

Both, actually. From an environmental perspective, we pursue efficiencies with the aim of serving as responsible stewards of our planet, with a focus on resource conservation and decarbonization. From a resident perspective, we want to enhance quality of life, limit service disruptions, and provide better control and quality of life for each resident. In an ideal world, we can achieve both priorities at the same time. Boiler controls, leak detection, and energy and water efficiency are all great examples.

*“We see the sustainability of Fairstead as intrinsically connected to the sustainability of the environment.”*

» WHY IS LIMITING SERVICE DISRUPTIONS SO IMPORTANT AT FAIRSTEAD?

We know that many of our residents have few options in the event of a service disruption at home. Sustainability improvements increase the likelihood that those homes will be habitable 365 days a year.

» WHAT DRIVES FAIRSTEAD’S DECISIONS TO INVEST IN SUSTAINABILITY AND RESILIENCY?

We think in terms of events and catalysts. An event might be something as major as the acquisition of a community or as minor as the failure of an appliance. In both cases, we’re looking for opportunities to integrate sustainability and cutting-edge technologies into design and purchasing.

» WHAT’S A TYPICAL CATALYST FOR SUSTAINABILITY INVESTMENT?

That would be some kind of external driver, from a government policy to a public- or private-sector program. We’re very aggressive – and skilled – in leveraging sustainability-focused programs and other incentives. The more of these resources and sustainable technologies we integrate in our communities, the better off everyone is.



# Pledging to Be a Better World

Fairstead is a proud signatory of two industry-leading state initiatives that aim to hold affordable housing developers to an especially high sustainability standard. Signatories to such pledges send clear signals to the public and private sectors that cost-effective, zero-carbon retrofits are needed and desired by the affordable housing community.



RetrofitNY is an initiative sponsored by the New York State Energy Research and Development Authority intended to make carbon-neutral retrofits a reality at scale in the state. By signing this pledge, Fairstead is working with NYSERDA to create a large number of affordable housing units that are carbon neutral by 2025.



Realize-CA is an RMI-sponsored initiative intended to establish a statewide net-zero carbon retrofit program that will significantly improve the affordable multifamily building stock in California. (RMI is an independent nonprofit that uses market-driven solutions to secure a clean, prosperous, zero-carbon future for all.) The program standardizes and streamlines economically viable retrofit packages using decarbonization technologies. In addition to its overarching goal, REALIZE-CA hopes to:

- » Improve building resilience
- » Ensure healthy and comfortable living environments
- » Drive down energy expenditures and carbon emissions
- » Preserve affordable housing
- » Increase grid stability
- » Help to achieve California's aggressive climate goals



## Enterprise Green Communities

Fairstead aims to adhere to Enterprise Green Communities criteria for affordable housing. This framework provides proven, cost-effective standards for creating healthy and energy-efficient homes. In New York City, all new construction and substantial rehabilitation that receive funding from the Department of Housing Preservation and Development must comply with the Enterprise Green framework (or pursue LEED certification).



## ENERGY STAR Certification

Fairstead seeks to attain ENERGY STAR certification for its communities. Financially efficient, Energy Star-certified buildings help protect the environment by generating fewer greenhouse gas emissions than average. To be certified, a building must meet strict energy performance standards set by the EPA. Certification is annual and verified by a qualified third-party. ENERGY STAR-certified buildings have lower utility bills, using, on average, 35% less energy than similar buildings nationwide.



## Forest Stewardship Council Certification

Fairstead's cabinetry vendors have Forest Stewardship Council chain-of-custody certifications. This means they source materials from FSC-certified forests, as well as recycled and controlled sources. They also follow FSC-defined best practices throughout production and supply chain. The guidelines are designed to protect animal habitats and old-growth trees, maintain biodiversity, ensure zero deforestation, safeguard the rights of indigenous peoples, and support fair wages and safe work environments. The three types of FSC labels are:

- » **FSC 100%** | All forest-based materials in a product were sourced from FSC-certified forests that have been audited independently to ensure they're managed sustainably.
- » **FSC Recycled** | All forest-based materials in a product are 100% recycled.
- » **FSC Mix** | Product contains materials from FSC-certified forests, recycled wood, and FSC-controlled wood (implying a limited likelihood of unsustainable sourcing).

FSC is an international organization that provides a system for voluntary accreditation and independent third-party certification that allows certified forests to market their products and services as the result of environmentally appropriate, socially beneficial, and economically viable forest management.



# Thoughtful Design and Construction



Sabina Dzaferovic

Sabina Dzaferovic is a Project Manager on Fairstead's Design & Construction team.

Fairstead's commitment to improve the lives of our residents and the world in which they live manifests itself not only in the designs we conceive, the materials we use, and the systems we install, but in how we approach construction.

» CAN YOU DESCRIBE FAIRSTEAD'S APPROACH TO THE DESIGN AND CONSTRUCTION PROCESS?

We try to put ourselves in someone else's shoes. A lot of our work is "occupied rehab", which means we renovate apartments with the residents in place. Because of that, we want to be done at the same time every night so they can come home to some semblance of normalcy each day.

» HOW IMPORTANT IS RESIDENT COMMUNICATION ON A JOB SITE?

Very. Technically, a property manager or resident liaison is responsible for communicating with residents about construction schedules and issues that may arise, but in reality they're going to talk to the people doing the work. We try to be honest and clear.

*"We're focused on energy and water efficiency, and other aspects of sustainability."*

» WHAT'S THE TRICKIEST ASPECT OF THE KIND OF CONSTRUCTION FAIRSTEAD SPECIALIZES IN?

We're focused on energy and water efficiency and other aspects of sustainability, like low-VOC paints, carpets, and flooring. I take extra effort to find the right materials and parts for a project that make budgetary sense and also will last. We manage many of our buildings; we don't want something breaking or wearing out any more than residents do.

» DOES FAIRSTEAD TRY TO USE LOCAL PROFESSIONALS WHEN POSSIBLE?

Very much so. We're a national organization, which brings a lot of advantages. We recognize that local architects and subcontractors bring specialized knowledge about regional

regulations and common usages. We also believe in supporting local businesses. When we are spending money on labor and materials, we believe some of that should be invested back into the economy.

» IS PROJECT-MANAGING FOR FAIRSTEAD DIFFERENT THAN IT IS FOR OTHER COMPANIES?

For me, yes. In my previous job, which I loved, we were working exclusively on high-end construction. At Fairstead, the quality is high but it's mostly in the affordable space, and the difference you can make in a person or family's life by upgrading their home is very rewarding. I like having a construction job that allows me to help people.

Fairstead's solar energy and heating systems have reduced CO<sub>2</sub> by more than 440,000 pounds.

**The equivalent of planting four new trees every day for a year.**

Fairstead's conservation programs have saved 150 million gallons of water.

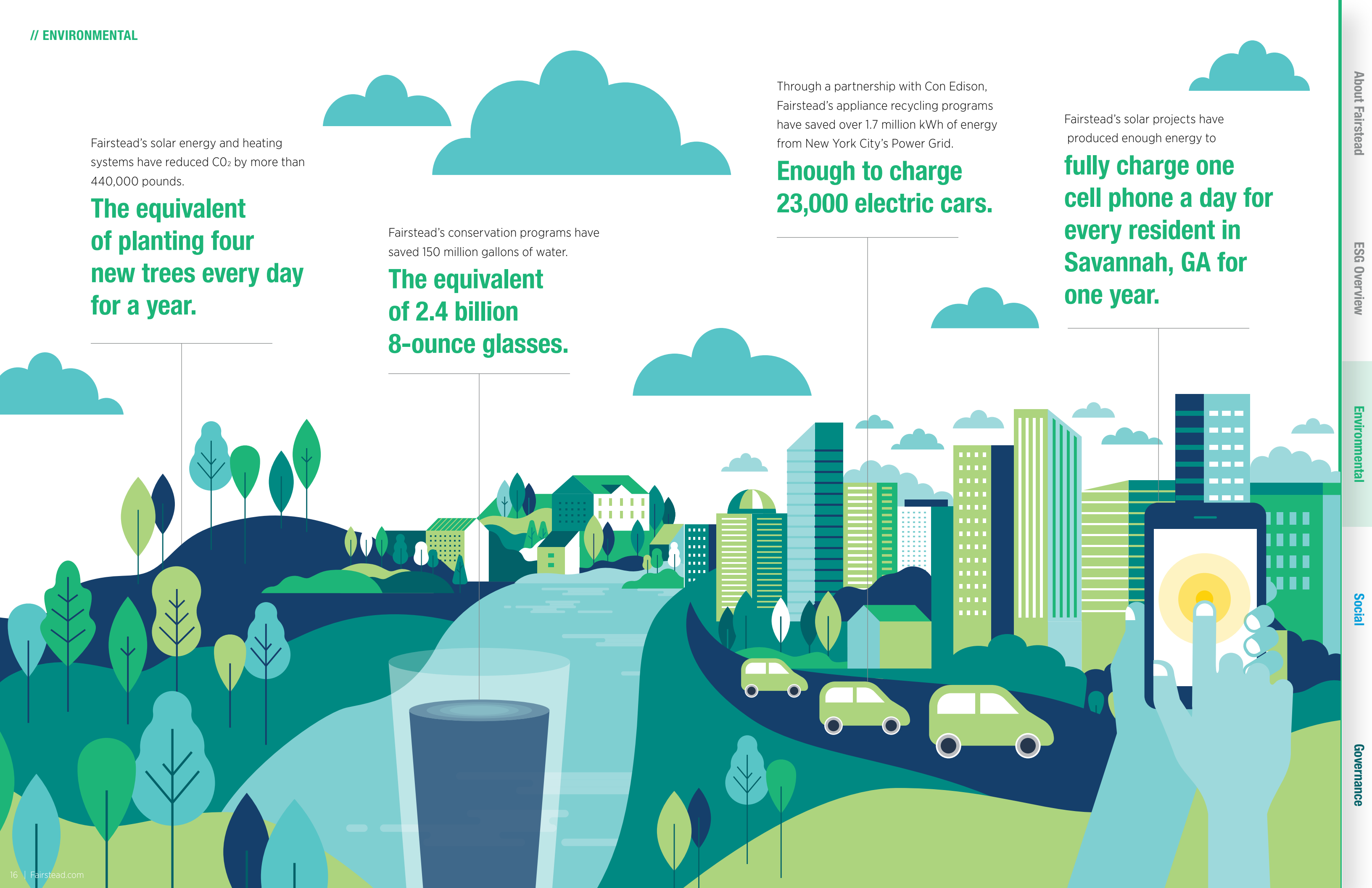
**The equivalent of 2.4 billion 8-ounce glasses.**

Through a partnership with Con Edison, Fairstead's appliance recycling programs have saved over 1.7 million kWh of energy from New York City's Power Grid.

**Enough to charge 23,000 electric cars.**

Fairstead's solar projects have produced enough energy to

**fully charge one cell phone a day for every resident in Savannah, GA for one year.**





# Solar Energy Development

Fairstead is a significant developer of solar power systems, with an in-house team that delivers projects to our properties across the United States. We apply the same rigorous technical and economic analysis and construction methodology as we do across all of our communities. Since our first solar project, in California, was energized in 2018, we have increased the pace of development across the country. This means not only installing systems in new acquisitions, but also retrofitting older buildings when viable.



**575.3  
mWh Power**  
generated by Echo Valley’s  
community solar power  
project within its first two  
years of operation

// CASE STUDY

## Rhode Island’s Sunnier Future

Fairstead’s in-house solar division worked with National Grid and Rhode Island Housing to plan and install a 426 kW photovoltaic system across the rooftops of Echo Valley, an 10-building complex in West Warwick. The effort was a key component of a \$6-million rehabilitation shortly after we acquired the buildings. Fairstead submitted the project to the Rhode Island Renewable Energy Growth’s Community Remote Distributed Generation Program, allowing us to share the cost savings with the residents of Echo Valley—approximately 100 families and the broader community. Now, Rhode Island, for the first time, has community solar at an affordable housing development that provides access to clean, renewable energy at discounted rates.



# A Roadmap to Resiliency for the Country's Aging Housing Stock

Every year, existing building operations account for 27% of carbon emissions globally. That's more than a quarter of the world's emissions contributing to climate change because of where we live and work every day. Fairstead, one of the nation's largest affordable housing operators in the US, is deploying leading-edge technologies to reduce its carbon footprint by making older buildings more efficient. By taking a layered approach focused on energy, water, smart tech, and reduction, the company has significantly reduced emissions in buildings that are over 100 years old, while simultaneously improving the quality of life for residents and neighbors.

## Old Building, New Tech

Don't let age fool you. The latest technologies can be deployed in your 100-year-old building: smart HVAC filters and radiator covers, the Micro-CHP that creates a continuous back-up power supply, cool roofs, and more. Our solar and heating systems have reduced CO<sub>2</sub> emissions by more than 440,000 pounds. That's like planting four new trees every day for a year.

## Reduction, Reduction, Reduction

The first step is reducing the amount of energy, water, and gas buildings use as much as possible by replacing inefficient appliances and fixtures with Energy Star and low-flow options. Embrace heat pumps and, yes, the electric stovetop. And recycle whenever possible! Our appliance recycling programs with Con Ed have saved over 1.7 million kWh of energy from New York City's power grid – enough to charge 23,000 electric cars.

## Knowledge is Power

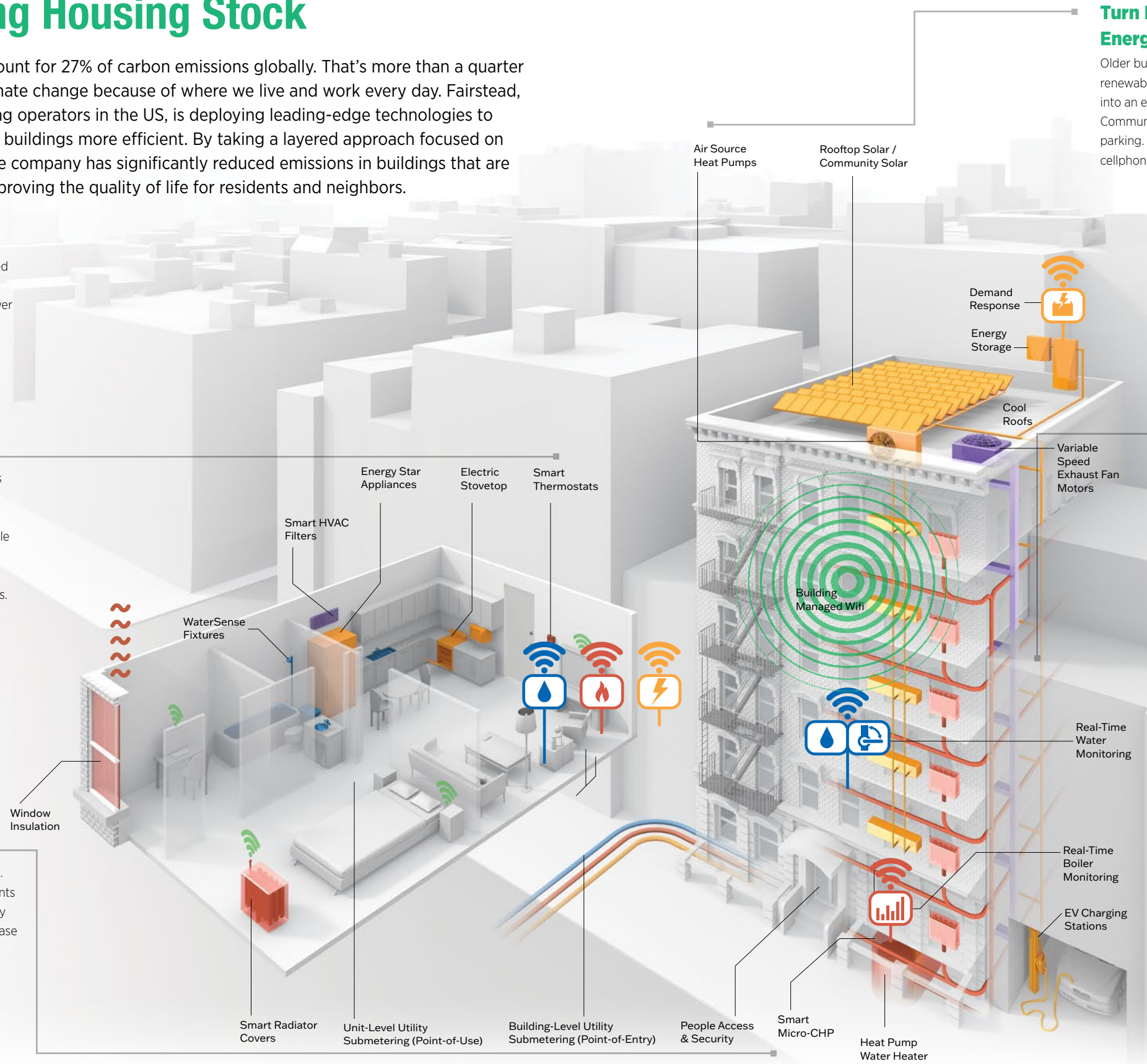
Empower your residents to take control of their energy usage. Enroll your buildings in demand response programs so residents can monitor in real time and help alleviate strain on the energy grid during peak times. Installing smart thermostats will increase comfort while reducing energy and heat.

## Turn Buildings into Energy Generators

Older buildings don't just have to be energy consumers. Move towards renewable, clean energy sources whenever possible. Turn your building's roof into an energy-generator that can be shared with your neighbors through a Community Solar program. Install EV charging stations if you have on-site parking. Our solar projects have produced enough energy to fully charge one cellphone a day for every resident in Savannah, Georgia for a year.

## Early Detection for Environmental Protection

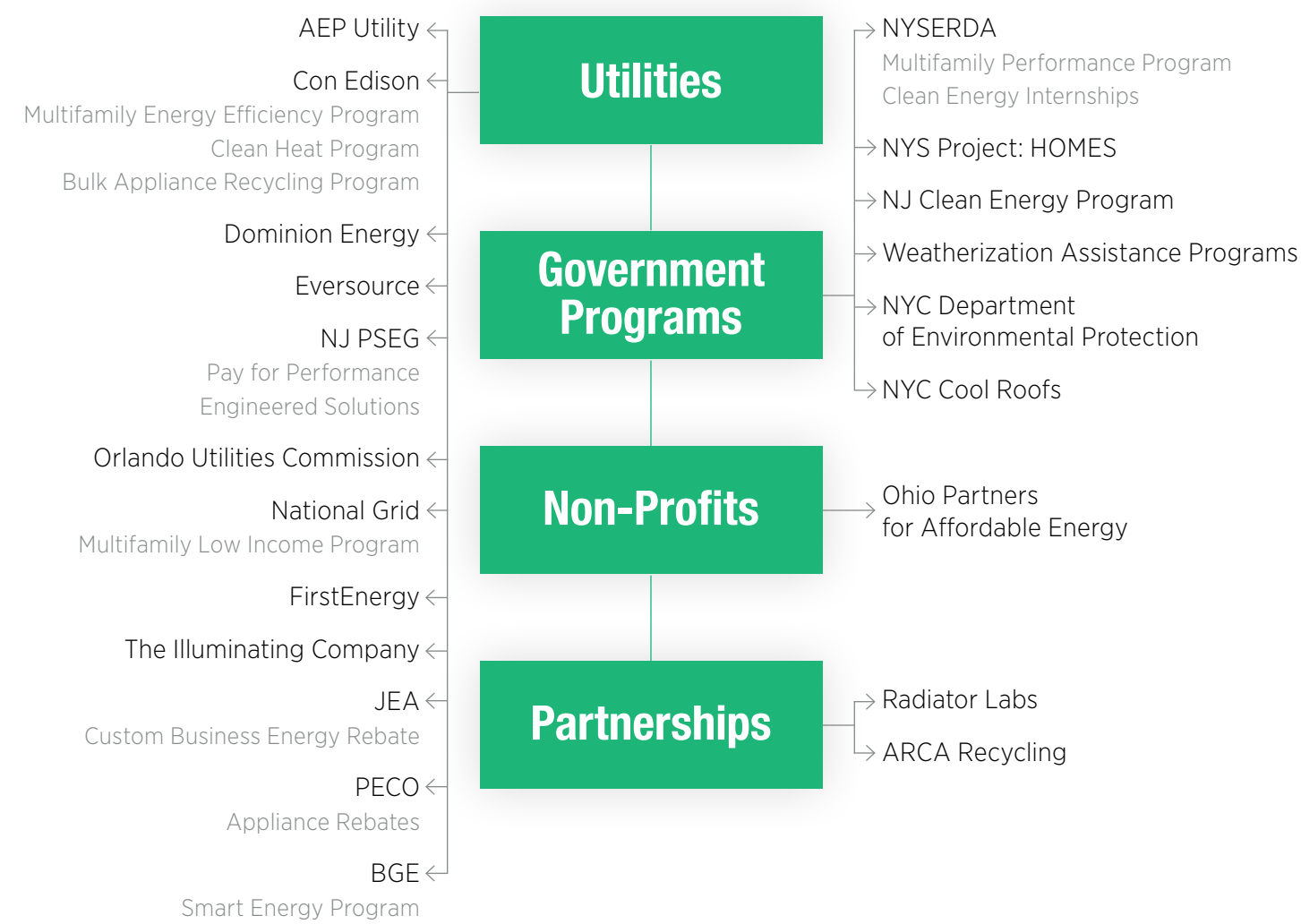
Smart technologies teach you how your building operates. Water and boiler monitoring systems allow you to catch costly, resource-draining problems in real time before they have a big impact on the environment. Find that small leak before it becomes a flood and causes damage to your home and wastes a natural resource. Fairstead's water conservation programs have already saved more than 150 million gallons of water, the equivalent of 2.4 billion glasses of water.



# Public and Private Incentives

We incorporate federal, state, and utility incentives into our project financing, allowing us to often deliver incremental revenue (or savings) to an existing community. Fairstead’s in-house team is expert at navigating these incentive programs created to promote energy/water efficiency, decarbonization, and robust building infrastructure. Because of our experience, our participation and counsel is increasingly sought by sponsors and partners. These programs include free building improvements (air sealing, insulation, water fixtures, and appliances) and significant rebates for everything from lighting to boilers. The incentives make it more attractive to undertake energy/water improvement projects that reduce consumption, waste, and operating expenses, as well as improve resident comfort.

We believe the aggressive pursuit of rebates and other incentives is not simply an opportunity, but rather an obligation. Our team members who focus on sustainability and resiliency have previously worked for government and utilities know from experience that robust program participation is crucial to program continuation.



# Fairstead Ventures

As the real estate industry in general—and the sustainability ecosystem in particular—evolves, so do we. Fairstead aggressively seeks opportunities to participate in pilot programs and technology incubators, allowing us to test new equipment, software, systems, and approaches as they are being developed. We focus on tech that will improve how we build and operate, and that creates more stable, comfortable, and resilient homes for residents. Through strategic partnerships in PropTech companies and business incubators, our portfolio often serves as a test lab for innovative solutions that aim to set a new standard for the affordable housing industry. Fairstead’s venture arm also seeks synergistic partnerships and strategic tech investments that will help buildings and communities become more sustainable and resilient.

// CASE STUDY

Putting Millions of Dollars into Action

Fairstead’s strategy of leveraging PropTech investment to increase environmental sustainability and build community resiliency can be seen in its relationship with Enviro Power. This energy tech company transforms existing heating infrastructure into an energy platform via its SmartWatt Boiler technology: a micro-CHP system that generates hot water for heating and domestic use plus electricity at nearly zero-cost. Designed to run on either natural gas or liquid propane, the SmartWatt Boiler is one of the most efficient heating solutions for buildings and homes in the market, with a 97% (HHV) heating efficiency. Equally important, this electricity produces half the carbon dioxide emitted by electricity from the grid, while lowering the carbon footprint and increasing resiliency by providing a backup power feature. Fairstead Ventures has invested in Enviro Power and has made a commitment to install these systems at selected properties across the country, to bring an efficient solution that is better for the environment and residents.

50%

“Reduction in carbon-dioxide emissions for power generated via SmartBoiler Technology vs. the conventional grid.”  
- Enviro Power



# Remote Monitoring, Analytics, and Maintenance

Fairstead invests heavily in data-management and analytical technologies that allow us to assess a community’s utility performance against our overall portfolio and a national database of multi-family buildings.

This lets us continuously monitor energy, steam and water leaks, as well as major HVAC equipment and water consumption, greatly improving our speed and efficacy in diagnosing and repairing operational deficiencies that waste money, energy, and water, and remediating issues. We have deployed these monitoring systems at most of our properties, to great success.

We also install boiler-monitoring-and-control technology to detect equipment problems, reduce fuel consumption and greenhouse gas emissions, and deliver more reliable services.



**91M Gallons**  
of water saved through the use of low-flow fixtures and leak-detection programs.

**\$1.2M**  
Reinvested back into the community.



// CASE STUDY

## Water Consumption

Fairstead’s commitment to water conservation can be seen at the Savoy Park Apartments in Harlem, New York. Powered by a \$365 million investment, Fairstead is continuing a comprehensive renovation of the 1,800-unit complex, including a full complement of energy and sustainability upgrades. Every year, the company saves approximately 40 million gallons of water from installation of low-flow fixtures and other conservation measures, as well as 5.5 million gallons from leak detection and correction.





**WaterSense**

Fairstead seeks to meet WaterSense standards in product procurement, construction, and operations. WaterSense is a voluntary partnership program sponsored by the United States Environmental Protection Agency. WaterSense-labeled products and services have been certified to use at least 20% less water, save energy, and perform as well as or better than regular models. WaterSense is also intended to encourage innovation in manufacturing and support sustainable jobs for American workers.



**SmartWatt Boiler**

Fairstead has invested in SmartWatt Boilers and committed to installing them in our communities. SmartWatt is a micro-CHP (combined heating and power system) that generates hot water (for heating and domestic use) and electricity (on-site at nearly zero-cost). When connected to a smart thermostat, SmartWatt boilers provide more flexibility and efficiency in heating and add to building resiliency.



**HERS 80**

Fairstead seeks to achieve Home Energy Rating System (HERS) 80 for qualified communities. This program rates the energy efficiency of residential buildings in the United States. A score of 80 on the HERS Index indicates that the home is 20% more energy-efficient than a standard new home built to code. The program is designed to help homeowners, builders, and contractors improve the energy efficiency of homes and communities.





## // SOCIAL

# A Platform for Empowerment

Fairstead regularly invests in the personal capacities of our residents in ways that help move their families forward, building robust communities that exist in harmony with the surrounding neighborhood and city. We see our communities as more than brick-and-mortar residences but rather as launching pads for self-directed personal and communal growth.

All our programs and services are conceived and actualized within this framework, informed by an abiding respect for — and an imperative to learn from — the people we serve.

Part of this mission includes hiring a diverse on-site property team, reflective of the residents its members serve. Fairstead is proud of this multilingual staff, which includes speakers fluent in Spanish, Russian, and a number of Chinese dialects, and is complemented by translation services in Farsi, Burmese, Vietnamese, and Arabic.

# Our Programming

“When Hurricane Ian hit, the community really stepped up to help us. Goodlette Arms is really the only affordable community for seniors in the area. We had firetrucks, emergency response, the Salvation Army, and more making their way into our area, despite the flooding, to help us.”

– **Yakira Chu, Goodlette Arms**



“Health and wellness programming has been my big focus. We have a food ambassadors program where a nonprofit partner brings in fresh produce for seniors along with doing live food demonstrations – like how to cook healthy meals and making smoothies. Bringing free health screenings to the site is so important for our residents to remain healthy. I try to have a doctor come to the property every month. When I meet with my seniors I always ask them, ‘have you seen the doctor?’ to check up on them and make sure they can live a healthy life.”

– **Shawanda King, Euclid Beach**

“I’m a big believer in aging in place and giving residents services and activities that will make them happy. I love seeing someone enjoy the programming that I bring to the community. Seeing them smile is a “thank you.”

– **Stella Davidovic, Federation Towers**



“Many seniors don’t have family to advocate for them and I take great pride in making sure all of our residents are able to stay in an independent living situation for as long as possible.”

– **Devany Wilson, Owl’s Nest**



## Guiding Principles

Fairstead’s work with and for its residents is guided by three foundational understandings:



**Quality affordable housing leads to economic stability**

Stable homes are key to improving personal finances, building job skills, and closing the achievement gap.



**Quality affordable housing promotes neighborhood stability**

Resident involvement and leadership are key to improving low-income communities.



**Quality affordable housing results in healthier lives**

Healthful homes are fundamental to addressing the social determinants of physical well-being and positive outcomes.



# Proactive Resident Services

Fairstead’s on-site resident services programs are designed to promote positive health outcomes, improve the financial capacity of residents, build job skills, expand Internet access, and offer opportunities for civic engagement. On-site coordinators are tasked with improving the quality of life of all residents, as well as partnering with businesses and organizations within our communities.

Our fast-growing Resident Services team is composed of social workers and program coordinators with an average of six years of experience and expertise in the U.S. Department of Housing and Urban Development’s “Standards of Success.”



Rita Washington

## Q&A

» WHAT SORT OF SERVICES AND PROGRAMS DOES FAIRSTEAD PROVIDE TO WOODSIDE RESIDENTS?

On a daily basis, residents see me for a range of routine needs, from emergency rental assistance and help with paperwork to job-hunting tips and resources for schooling and healthcare. We also arrange for different events, such as Halloween parties, vaccination clinics, and National Night Out, which is aimed at building positive police-community relations. For Black History Month, we started a program to educate kids about African-American history, with a focus on Annapolis. We also have a food pantry open to residents twice a week. Thanks to our many generous donors, it’s stocked with items that residents actually want, which often isn’t the case at standard food banks.

Rita Washington is the Resident Services Coordinator at Woodside Gardens Apartments in Annapolis, Maryland, where she has worked for eight years.

*“We’re on-site, engaging with the community.”*

» WHAT IS FAIRSTEAD’S PHILOSOPHY IN REGARDS TO RESIDENT SERVICES?

Our goal at Woodside is to help people become self-sufficient. So with the food pantry, for instance, we empower residents with the training and tools they would need to oversee it themselves. We also engage residents in volunteer initiatives — community cleanups, things like that — at Woodside. When we received a grant from the city of Annapolis to create a garden, it became a hands-on project for our residents. It’s now run by resident services together with Woodside’s kids.

» HOW DO YOU ENSURE THAT YOU’RE CONNECTING WITH RESIDENTS?

We’re not strangers coordinating things from miles away. We’re on-site, engaging with the community, talking face-to-face, and listening to their concerns. Fairstead also places a big emphasis on matching properties with coordinators who truly understand the resident population and culture. I actually grew up in Woodside, so I’m very familiar with the needs and perspectives of residents. I love that I’m able to contribute to the community with that level of personal understanding.



### Resident Services in Action

Depending on a community’s needs, Fairstead’s services and programming for residents may include:

- » On-site physician visits
- » Resident needs assessments
- » Free tax preparation services
- » Case management
- » Bus service (medical appointments, food shopping, resident-suggested field trips)
- » Homework assistance
- » Food pantries
- » Healthy cooking demonstrations
- » Financial literacy for seniors
- » College awareness for teens
- » Exercise classes (yoga, Zumba, etc.)
- » Community gardens
- » Broadband Connectivity
- » Referrals to appropriate agencies and organizations
- » Wellness workshops and vaccination clinics
- » Health insurance enrollment
- » Eviction prevention



# Neighborhood-Centered Emergency Response

Even as Fairstead expands, we maintain a laser focus on the hard realities faced by some of our communities. They are, often enough, populated by folks with particular vulnerabilities, whether the result of age, income, medical conditions — or some combination of all three. As a result, we have created a comprehensive program for responding to emergencies and other challenges.

We see a resident-centered approach to crisis response as a moral obligation, given the trust placed in our organization by both residents and partners. It is an approach made possible by our vertically integrated organizational structure and our people-centered organizational credo.

## // CASE STUDY

### A Pandemic-Level Challenge

As it did to many organizations throughout the country and world, COVID-19 has forced Fairstead to adapt in real-time to unprecedented health and safety challenges. We are fortunate to be able to report that our actions during the pandemic demonstrated a company-wide resolve to act as responsible citizens, to implement forward-thinking policies, and to prioritize residents, especially the most vulnerable.

At our Federation Sunrise community in South Florida, for example, we partnered with the local fire department to create an on-site vaccination clinic. We also offered a range of programs for seniors centered around education, employment, meal assistance, and health awareness — helping residents achieve wellness in all its forms.

Our people-centric approach also included the Fairstead team as well. Across our properties — and at our headquarter and regional offices — we adopted numerous policies to reduce COVID-19 transmission:

- » We bolstered sanitation and cleaning protocols.
- » We provided masks and hand sanitizer.
- » We mandated masking, testing, and/or vaccination.
- » We limited capacity in conference rooms and other meeting areas.
- » We required site teams to wear masks in resident homes.
- » We formulated rigorous return-to-office protocols.
- » We instituted detailed communication protocols in the event of positive COVID-19 cases at our offices.

We also organized various pandemic relief initiatives at many of our properties:

- » We offered on-site vaccination at 23 properties.
- » We delivered food support at 25 communities.
- » We arranged technology-access events at 14 sites (arranging for residents to receive tablets, phones, and laptops).
- » We helped residents obtain emergency rental assistance at 14 communities (totalling \$2.2 million in funding between December 2021 and February 2022).
- » We provided on-site testing and at-home test kits at certain properties.

## Emergency Response as a Process

In addition to meeting the industry's highest standards for emergency management, Fairstead invests significant resources to help residents cope with crises large and small. We know that many of our residents often have limited options when dealing with displacement or other serious crises. Our efforts to assist them include:

### » Corporate Emergency Response Team

In an emergency, the property-level Corporate Emergency Response Team (CERT) is deployed. This group is composed of company officers other members of senior staff. They monitor all emergencies at Fairstead properties.

### » Communications

In the event of an emergency, a member (or members) of the CERT will oversee crisis-related communications at the local, state, and national levels.

### » Community Canvassing

In the immediate aftermath of an emergency, CERT members canvass residents and local stakeholders to determine and prioritize community needs. These may include temporary housing, provisions, cooling centers, resource connection, and medical assistance.



# Fairstead’s People are Our Greatest Asset

Our team has collectively spent the better part of the past four decades immersed in all facets of the real estate industry, consistently demonstrating an ability to improve people’s lives and positively impact the cities and communities in which we operate. Fairstead’s organizational values inform our vision and guide our actions, while our people-first ethos expands beyond corporate structure to encompass the tens of thousands of residents who call our properties home.

Fairstead’s leadership recognizes the critical role its team members play in the firm’s overall success, and has created a benefits package that demonstrates this belief. This package is one of the industry’s most comprehensive and was designed to promote the health, wellness, and financial security for team members and their families.

## Local Partnerships

Fairstead believes that sustainable and resilient homes are only part of the community-building equation. That’s why we help communities help themselves by providing the tools and support services that residents tell us they need. And we believe that this is done most effectively by working hand in hand with local organizations. We know that “home” means a community that is not limited to four walls or a specific geographic square. It must encompass neighboring areas and community partners.



### // CASE STUDY

## A Haven for Homework

Issues families face in many Fairstead communities run the gamut, from food insecurity to emergency rent help, financial illiteracy, job hunting skills, Internet access and home healthcare. To meet them, Fairstead’s social service coordinators regularly partner with local, boots-on-the-ground organizations that may work with an array of volunteers. Such is the case with Woodside Gardens in Annapolis, Maryland, and the nearby Newtowne Community Development Corporation (NCDC). Newtowne is the driving force behind Homework Haven, an after-school program at Woodside that provides students with tutoring, snacks, uniforms, backpacks, and the like. Homework Haven is mostly staffed by educators who volunteer to serve as tutors during the school week, providing the community’s students with a reliable place to learn and local adults qualified to help them. It’s one of several services NCDC provides to the residents of Woodside Gardens, and NCDC is one of hundreds of local organizations around the country that Fairstead partners with.





# Organizational Philanthropy

Fairstead and its principals donate millions of dollars each year to various local partners. We also provide team members with the opportunity to direct some of the company’s charitable giving to worthwhile nonprofits that support our residents and communities.

An example of the former is the \$25,000 Fairstead has donated to fund youth programs at the Virginia Beach Department of Parks and Recreation, which works with residents of our Atlantis Apartments community. It’s an investment in jobs and personal growth that’s especially important to a community whose teens and young adults face considerable challenges.

An example of the latter is the \$50,000 that the company has committed to donate annually to local and national organizations chosen through an internal nomination and selection process. In 2022, in commemoration of Juneteenth, Fairstead donated \$10,000 to each of the following organizations:



\$50,000

Fairstead’s recurring annual philanthropic commitment governed by an internal nomination process



\$25,000

Fairstead’s recurring annual commitment to Virginia Beach



\$50,000

Fairstead’s contribution, along with the Partnership for New York City, to launch the Homeless Assistance Fund — a collective initiative to provide services those experiencing homelessness





## // GOVERNANCE

# Setting New Standards, Surpassing Obligations

Fairstead is a privately held company guided by required and self-imposed associated with our many public-facing roles, such as: responsible landlords to more than 40,000 residents across 28 states; as a committed partner with varied community partners nationwide; as accountable custodians of federal, state, and local government funds; as trusted stewards of private and public investment dollars; as accountable general contractors to construction subcontractors around the country; and, ultimately, as a global citizen dedicated to a sustainable future for our planet.

We are a collaborative, vertically integrated organization guided by a belief that the best decisions emerge when participants represent a wide-ranging selection of perspectives and experiences.

We prize the highest standards of organizational accountability, attempting when possible to surpass the expectations for financial and operational controls required by our many government and non-government institutional funders, investors, and partners.

We strive for the highest ideals in all aspects of governance, with a notable focus on compliance, risk management, corporate citizenship, and employee well-being.





# Our Core Values

## Empathy

We are compassionate and thoughtful, eager to understand the perspective of others.

## Innovation

We are forward-thinking and data-driven, certain there is always a better way.

## Entrepreneurship

We are curious and bold, celebrating new ideas, and creating new opportunities.

## Determination

We are dedicated and industrious, striving every day to better serve our residents, communities, and partners.

## Integrity

We are socially responsible and environmentally conscious, committed to building a better world.







Seth Hoffman

Seth Hoffman is Fairstead's General Counsel.

# Q&A

» HOW WOULD YOU DESCRIBE FAIRSTEAD'S GENERAL APPROACH TO GOVERNANCE?

We are very aware of our responsibilities to multiple groups of stakeholders with different priorities, so we are constantly refining our overall approach, as well as our specific processes to ensure that we are in the best position to achieve our goals and fulfill all of our obligations to our constituents.

» IS THERE A HIERARCHY OF STAKEHOLDERS AT FAIRSTEAD?

There is no hierarchy. Each stakeholder group, and our responsibilities to them, have to be treated as our top priority. We work to operate the best communities and create the ideal workplace. We aim to fulfill and surpass obligations to funders, investors, and local partners.

*“Governance helps Fairstead achieve our goals for our stakeholders, and go above and beyond day to day requirements.”*

» IN WHAT AREA IS FAIRSTEAD'S GOVERNANCE PHILOSOPHY MOST OBVIOUS?

Given the nature of our business and our role as stewards of capital we are very focused on governance and compliance. In the design and construction realm, that means operating in adherence to labor law and sourcing requirements, paying people fairly, working with minority and women-owned businesses, upholding the highest safety standards, and conforming to certification requirements. In property management, a focus on compliance means managing our properties in strict accordance with funder goals and regulations and ensuring our communities are reflective of the people who live in them.

» IN WHAT AREA IS FAIRSTEAD'S COMMITMENT TO GOOD GOVERNANCE LESS OBVIOUS?

We try to go above and beyond what's required of us. So, for example, with a couple of technical exceptions, we operate as if we are a registered SEC investment advisor. We don't have to do this, but because investors trust us with large sums of money we take our fiduciary responsibilities very seriously. And we continue to look for other opportunities to surpass expectations for organizations, such as ours.

# Compliance

Fairstead’s compliance efforts are evident in three operating areas: Corporate, Design & Construction, and Property Management.

**Corporate** Fairstead’s General Counsel is focused primarily on regulatory and legal compliance, as well as risk management.

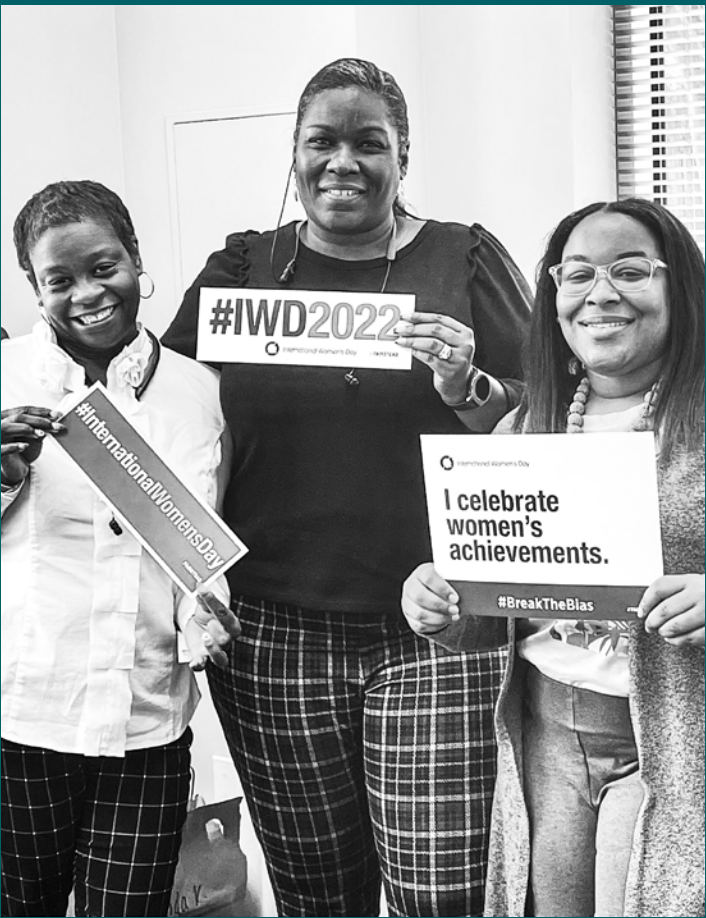
**Design & Construction** The team members oversee labor (wages, preferred subcontractors, etc.) and safety issues, as well as regulatory requirements (licensing, permitting, etc.).

**Property Management** The compliance team navigates requirements associated with affordable and workforce housing, ensuring that each community in our portfolio adheres to applicable occupancy regulations (eligibility, etc.) and regulatory requirements (income qualifications, reporting, training, etc.).

## Compliance Expertise

Our team is committed to ensuring that all properties and programs comply with federal, state, and local guidelines as well as industry standards. Below is a list of some of the many regulations and programs in which we participate.

- » **Building Energy Benchmarking Program** (California)
- » **Enterprise Income Verification System Privacy Guidelines** (Federal)
- » **Existing Buildings Energy & Water Efficiency Program** (Los Angeles)
- » **Equal Employment Opportunity Laws** (Federal)
- » **Fair Employment Practices** (State)
- » **Housing Authority Project- and Tenant-Based Voucher Regulations** (State, Local)
- » **HUD Project Based Rental Assistance Regulations** (Federal)
- » **HUD Section 3 Requirements** (Federal)
- » **HUD HOME Regulations** (Federal)
- » **Local Law 33** (New York City; energy-efficiency rating)
- » **Local Law 84** (New York City; energy- and water- consumption reporting)
- » **Local Law 87** (New York City; energy-efficiency reporting)
- » **Local Law 97** (New York City; emissions reduction)
- » **Local Vendor Requirements** (State, Local)
- » **Low-Income Housing Tax Credit (LIHTC) Regulations** (Federal, State, Local)
- » **Minority and Women Owned Business Enterprises Requirements** (State, Local)



## Supporting Minority- and Women-Owned Business

Fairstead is passionate about working with Minority- and Women-Owned Business Enterprises (MWBEs).

We believe a healthy ecosystem of MWBEs fosters economic stability on national and local scales, as well as equity on a societal scale. In line with our commitment, Fairstead actively seeks to identify qualified MWBEs for the specific purpose of affording them the opportunity to work with the company. Through our competitive bid process, we seek to award bid orders to these businesses when they are appropriately certified and qualified.

# Corporate Citizenship

Fairstead believes in active participation in local, national, and industry groups aimed at improving the lives of residents and team members and strengthening our cities. Our many affiliations include:

- Association for a Better New York
- Affordable Housing Developers Council
- Affordable Housing Tax Credit Coalition
- CHIEF
- Citizens Housing Planning Council
- Coalition of Affordable Housing Providers
- Commercial Real Estate Women Network
- Community Housing Improvement Program
- Housing Association of Nonprofit Developers
- Institute of Real Estate Management
- Maryland Affordable Housing Coalition
- National Affordable Housing Management Association
- National Apartment Association
- National Housing & Rehabilitation Association
- Newark Regional Business Partnership
- Northern Virginia Affordable Housing Alliance Leadership Council
- New York Private Equity Network
- New York State Association for Affordable Housing
- Partnership for New York City
- Pennsylvania Apartment Association
- Property Management Association
- Urban Land Institute
- Van Alen Institute
- Virginia Housing Alliance
- Virginia Tech University - Property Management Advisory Board
- Women in Housing & Finance

# Employee Well-Being

As an equal-opportunity employer, Fairstead strongly values and aggressively seeks diversity in all its forms — not least gender, race, ethnicity, religion, sexual orientation, physical capability — but especially diversity of thought and style. We are a collaborative organization guided by a belief that the best choices emerge when professional collaborators undertake meaningful work supported by a thoughtful organization following best practices in regard to staffing, compensation, training and development, transparency, and internal communications.



Stephanie Perez

Stephanie Perez  
is Chief People Officer  
at Fairstead.

» HOW WOULD YOU DESCRIBE THE HUMAN RESOURCES PHILOSOPHY AT FAIRSTEAD?

It’s a “people first” philosophy. Our goal is to make Fairstead the best place to work, where people want to show up every day and perform because they believe in our mission and are motivated by our vision. To that end, we foster a purposeful work environment, with the awareness that our daily work has real impact for real people.

» HOW DO YOU CREATE THAT OPTIMAL ENVIRONMENT FOR EMPLOYEES?

We’re a forward-looking organization that’s constantly thinking about how we can provide team members with training and development that align with Fairstead’s vision. That training might be around things from cultural norms and conflict resolution to communications



Giving back is a core value at Fairstead, and we’re always looking for ways to make a positive impact in our community. In 2022, team members provided much-needed school supplies to classrooms with perfect attendance that were identified through the Adopt-A-Classroom program, helping to support students and teachers in our communities.

with residents and community partners. We value input and always look to support our teams and improve their experience. We could decide, for instance, to help a team member switch departments to advance their professional aims and better support the Fairstead mission.

» HOW IMPORTANT IS CULTURE TO A COMPANY LIKE FAIRSTEAD?

We think a lot about organizational sustainability in addition to environmental sustainability. Culture is almost as important as the business model. You have to get both right for long-term viability and success.

» HOW DOES COMMUNICATION PLAY IN HERE?

Fairstead has been growing enormously, and with that growth comes a lot of

change. We’re constantly thinking about how we communicate on organizational and operational developments, keeping Fairstead’s purpose as our North Star while also prioritizing smooth adjustments for our team members. We want our communication to be helpful and purposeful.

» HOW DOES FAIRSTEAD THINK ABOUT DIVERSITY, EQUITY, INCLUSION?

To us, diversity is more than checking boxes. We prize diversity in all its forms. We believe the multiplicity of perspectives, contributed by our staff, can genuinely fuel growth. For this reason, we are always looking for ways to recruit from the local communities where we operate.



# ESG Task Force

In 2021, Fairstead enlisted a third-party consultant to undertake an ESG gap analysis. The results provided us with a road map for achieving our ambitious goals. One key recommendation was to create a task force composed of senior decision makers who would guide and direct our ESG program. Taking this one step further, we formed three working committees (Environmental, Social, Governance) to advise and develop initiatives for enlarging our ESG Program. Each committee includes members from across departments, levels of work experience, roles, and backgrounds to ensure that the goals and initiatives we set take into account the impacts they will have on the communities we serve as well as the company as a whole. We believe diversity of the members of the working committees will bring many unique points of view and experiences that lend themselves to the development of goals and programs to benefit our communities, our people, and the planet.



# Risk Management

Fairstead’s approach to risk management is proactive, emanating outward from a core commitment to maximizing the safety and security of our residents and employees to encompass asset conservation and institutional liability.

As part of its continued focus on the development and execution of industry best practices, Fairstead recently created a risk management training program named F.I.R.M. (Fairstead Insurance & Risk Management) that was spearheaded by the Head of Risk Management and Insurance and the Vice President of Security to prepare associates in emergency response, injury response, workers compensation, insurance compliance and advanced risk control practices.

Fairstead’s risk-management strategy has three pillars

## 1 Uncertainty Minimization

- Regular assessment of property, processes, and personnel
- Mitigation recommendation and implementation, e.g., remote monitoring, leak detection and remediation

## 2 Liability Transference

- Third-party insurance

## 3 Incident Management

- Emergency response
- Regular best-practice evaluation and updates

# Awards

Although Fairstead is more focused on results than recognition, we are always appreciative when our work or team members are honored. One particular competition was especially meaningful, as it validated our organizational approach to water and energy conservation. The BE305 Challenge was initiated by Miami Mayor Daniella Levine Cava to reduce greenhouse gas emissions and energy/water consumption in South Florida. Fairstead participated in the pilot Challenge in 2020, and in 2021 our Federation Gardens community was named “Residential Building with the Most Water Saved” while our Federation Towers property was designated “Residential Building with the Most Energy Saved.” Both awards reflect core aspects of Fairstead’s brand guidelines. Between 2019 and 2020, improvements to Federation Gardens included ENERGY STAR-rated stoves and refrigerators, new microwaves, low-flow plumbing fixtures, bathroom and kitchen exhaust upgrades, LED lighting upgrades (in-unit and common areas), and installation of live water monitoring. Energy consumption at Federation Gardens decreased by 640,000 kWh and water consumption decreased by almost 1.8 million gallons. Having received a 65 on the ENERGY STAR Water Scorecard in 2018; the building received a 91 in 2021, a 40% increase. At Federation Towers, improvements included new refrigerators, in-unit and common-area LED lighting, low-flow fixtures, and window and slider upgrades. Energy consumption decreased by 400,000 kWh, while water consumption decreased by almost 1.2 million gallons. Having received a 23 on the ENERGY STAR Performance Scorecard in 2018, Federation Towers earned a 69 in 2021, an increase of 200%.

### Additional Awards

- » **EY Entrepreneur of the Year**  
Jeffrey Goldstein (2022)

» **Crain’s New York Business**  
Notable Leaders in Real Estate (2022)

» **Globe St.com**  
Senior Housing Influencers (2022)

» **Freddie Mac**  
Impact Sponsor Award (2022)

» **ENERGY STAR Certifications (2021)**

» **Smart Growth Rhode Island**  
Outstanding Smart Growth Projects (2021)

» **Constructech**  
Women in Construction (2020, 2021)

» **Affordable Housing Finance**  
Top 10 Companies Completing Substantial  
Rehabs (2020)
- » **Affordable Housing Finance**  
Top 50 affordable housing owners (2020)

» **Globe St.com**  
Multifamily Influencers (2020)

» **National Affordable Housing  
Management Association**  
Communities of Quality Designation (2020)

» **National Affordable Housing  
Management Association**  
Communities of Quality Designation (2020)

» **Affordable Housing Finance**  
Top companies completing acquisitions  
nationwide (2019)

» **Top Affordable Housing Owners  
Nationwide** (2019)

One particular competition was especially meaningful, as it validated our organizational approach to water and energy conservation.





**//Fairstead**



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