



HUDSON VALLEY PROPERTY GROUP

IMPACT & ESG UPDATE

NOVEMBER 2024



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References to past investments herein are for the purpose of providing historical context regarding the growth of our real estate investments. This Presentation outlines only certain characteristics of the Fund and all information in the Presentation is for illustrative purposes only.

Prior to the creation of the Funds, investment acquisitions and real estate transactions were done by the Firm, HVPG (“Pre-Funds Investments”). The HVPG transactions are shown throughout this presentation. HVPG, HVPF, and HVPF II have Low Income Housing Tax Credit (“LIHTC”) investments and investments using private equity. All HVPG, HVPF, and HVPF II investments are listed in various pages in this presentation. For the avoidance of doubt investments owned by the Firm were made prior to the creation of the Funds. These investments were and are managed by HVPG. The managers involved in Pre-Funds Investments, are the same as the managers of HVPF and HVPF II. The Firm’s Pre-Funds Investments were managed in a substantially similar way as HVPF and HVPF II.

SELECT AFFORDABLE HOUSING PRESERVATION PROJECTS



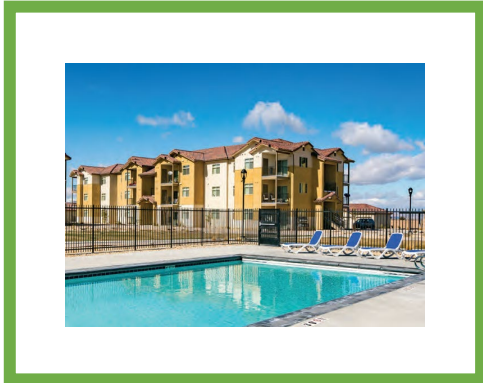
NORTHGATE APARTMENTS
CAMDEN NJ



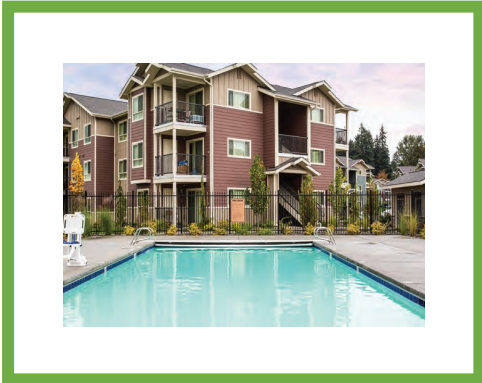
GRANDVIEW TERRACE
JERSEY CITY, NJ



VILLAGE SQUARE
GASTON, NC



COPPER SQUARE
LANCASTER, CA



COOPER LANE
VANCOUVER, WA



TRADITIONS
COLORADO SPRINGS, CO



AN ANNUAL UPDATE FROM OUR CO-FOUNDER & CEO

This past year has been extraordinary in many respects. Against a backdrop of climate events, inflation, and global economic uncertainty, we have remained steadfast in our mission to address the housing affordability crisis in the United States. Our achievements this year, driven by a commitment to responsible investment, have been transformative, and it is thanks to your continued support that we are able to drive meaningful change. I am honored to share our progress with you.

Over the past year, HVPG has strategically expanded across the Mid Atlantic, Southeast and the West Coast. Our acquisitions include a 1,140-unit portfolio in Maryland and North Carolina and a 4,768-unit portfolio spread across Washington, Colorado, California, and Idaho. Today, HVPG provides stable, affordable housing for families and seniors across 12 states, having preserved the affordability for 92 communities and 17,170 units that prioritize health, well-being, and quality of life.¹

Amid growing housing instability, with over half of U.S. renter households considered cost-burdened, our commitment to affordability is unwavering. Many of our residents pay no more than 30% of their income on rent, thanks to our partnerships with state, local, and federal agencies. We recognize that affordable housing is critical not just for economic stability but for fostering resilient communities, especially as we face increasing climate-related risks and challenges.

In response to these challenges, we are committed to advancing sustainability across our portfolio. By conducting energy audits and implementing energy-saving measures, we are reducing both costs and environmental impacts. Our properties are now more resilient, efficient, and prepared to face climate risks.

Beyond housing, HVPG is dedicated to improving residents' quality of life through initiatives like providing free high-speed Wi-Fi, financial tools to help tenants build credit, and enhanced safety measures. Our resident-first approach creates communities where people can thrive.

This past year's achievements reflect the strength of our mission and the trust you've placed in us. Together, we are making real progress in addressing the affordable housing crisis and building a sustainable, inclusive future for all. Thank you for your partnership in this endeavor.

Sincerely,

Jason Bordainick

Co-Founder & CEO

¹As of October 31, 2024. This includes the recapitalization of 1,756 units in 10 properties (the NJ Section 8 Portfolio, Los Tres, Kieth Plaza and Kelly Towers) owned previously by the Firm or Hudson Valley Preservation Fund, LLC. Thus, allowing HVPG to preserve those units twice (at two separate points in time). Without including these recapitalizations there were 82 communities and 15,414 unique units (this includes the Echo Portfolio which has closed in stages, and we anticipate to be fully acquired by the end of 2024.)



WHO WE ARE¹

Founded in 2010, our mission is to preserve and improve existing US affordable housing for generations to come.



17,170²
affordable units
preserved²

- We acquire multi-family properties and add thoughtful and sustainable enhancements, leveraging innovative strategic partnerships in the areas of healthcare, education and technology to deliver a better standard of living for residents and value for investors.
- ~34% of properties are for seniors
- At HVPG, we're motivated to 'do well by doing good'

44 employees³

- 16 (36%) employees are women
- 6 of the 15 (40%) senior level positions are held by women⁴

Vertically integrated team:

- Acquisitions
- Asset Management
- Construction & Design
- Accounting & Finance

Geography:

- 12 states and expanding
 - CA, CO, FL, ID, IL, MD, NC, NJ, NY, PA, RI, WA

¹ As of October 31, 2024.

² This includes the recapitalization of 1,756 units in 10 properties (the NJ Section 8 Portfolio, Los Tres, Kieth Plaza and Kelly Towers) owned previously by the Firm or Hudson Valley Preservation Fund, LLC. Thus, allowing HVPG to preserve those units twice (at two separate points in time). Without including these recapitalizations there were 15,414 unique units (this includes the Echo Portfolio which has closed in stages and we anticipate to be fully acquired by the end of 2024.)

³ Total employee count includes the two founders Jason Bordainick and Andrew Cavaluzzi.

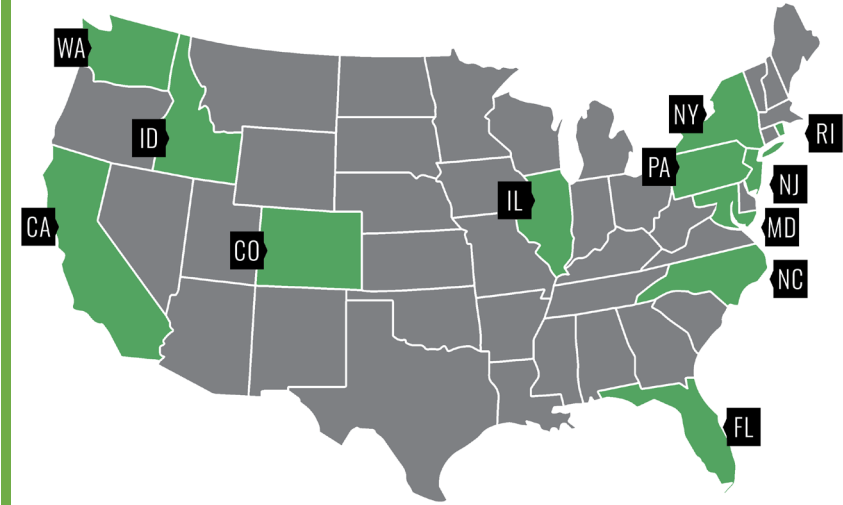
⁴ Total senior positions include directors, associate directors and controllers and do not include Jason Bordainick or Andrew Cavaluzzi.

ANNUAL UPDATE

- The housing affordability crisis in the US continues to reach unprecedented levels with rising housing costs¹
 - The number of cost-burdened homeowners (those who spend more than 30% of household income on housing and utilities) grew by 3M to 19.7M from 2019 – 2022¹
 - Half of all renter households (22.4M) were cost burdened at last measure in 2022¹
- Preservation of housing has become critical to not only retain and improve the existing affordable housing supply, but to protect communities in the face of growing climate changes¹
 - Housing is increasingly at risk of damage from severe hazards. The number of billion-dollar disasters related to climate change has grown from an annual average of 3 in the 1980s to 28 in 2023 alone
 - At last count, 60.5M housing units were in areas with at least moderate risk, according to the Federal Emergency Management Agency (FEMA) National Risk Index
- In 2024, HVPG expanded to California, Colorado, Idaho, North Carolina and Washington
 - In 2024 we added 2,180 units and anticipate closing on 4,768 before the end of the year
- Fund I was launched in 2018 and is now fully deployed with 13 investments
- Fund II was launched in 2020 and currently has 13 investments (the Echo and Mid-Atlantic Portfolios are reported as one investment each)²

¹ [The State of the Nation's Housing 2024 Report](#), Harvard Joint Center on Housing Studies, 2024.

² The majority of properties in Fund II's investment in the Echo Portfolio have already closed and the remainder is anticipated to close by the end of 2024.



Westview Mural Installation

 Baltimore, MD

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We strive to align ourselves and support the United Nations Principles for Responsible Investment (“UNPRI”) sustainable development goals (“SDG”) through our investments.¹



We unequivocally support SDG 11 to make cities inclusive, safe, resilient and sustainable

- Our goal is to own and operate quality and affordable rental housing that supports low-income households and increases housing stability, economic security, good health and educational advancement
- We use a public/private partnership with HUD, local housing authorities, cities, municipalities, local IDAs and state finance agencies to increase affordable units that can be preserved, created and rehabilitated by leveraging finite public resources with private capital. We plan to:
 - Improve housing quality
 - Increase residential stability
 - Increase housing affordability



We unequivocally support SDG 9 to upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and institutional processes

- Our goal is to be a good steward of the environment by incorporating practices that reduce waste, conserve energy and water and reduce greenhouse gas emissions across the portfolio. We plan to:
 - Reduce greenhouse gas emissions
 - Make energy/water efficiency improvements where appropriate at the properties in our portfolio
 - Reduce energy and water usage
 - Install green energy systems and use solar energy at fitting properties

¹ HVPG is not a signatory to the UNPRI.

HOW HVPG MEETS THE UNSDG'S



Improve housing quality for ~47,850 residents¹

- HVPG has renovated over 12,400 units to date (investing ~\$23,000 per unit on average)²
- Onsite teams partner with over 50 local not-for-profit organizations across the portfolio to provide property-specific resident programming and services



Preserve housing affordability

- Across the portfolio, the average extension on the length of affordability is 30 years
- The average term of extended affordability across the portfolio is 30 years
- 2,179 units had renewed affordability restrictions since Jan 2023



Reduce energy consumption across the portfolio³

- 15% kilowatt hour reduction (electric)⁴
- 11% thermal reduction (natural gas)⁴
- 100% of HVPG renovated units have faucet water aerators and 96%+ have low-flow toilets to reduce water consumption
 - Along with our standard water saving measure package of low-flow toilets, showerheads and aerators, we piloted a [Watergater](#) valve at two properties. These combined measures have resulted in water savings of 8%+ at each location
- 100% of HVPG renovated buildings have common area LED lighting

¹ Resident count includes the properties that closed in 2024 including Northgate, the Mid-Atlantic Portfolio and the full Echo Portfolio (and is reported by property management).

² Includes anticipated cost and scope of work for properties that are in construction and where renovations are not yet complete (this does not include the Echo Portfolio).

³ Energy reduction is calculated starting when construction is completed, and efficiency measures are installed at a property. Each property has a different start date for these measures. This is reported from installation through the end of 2023. The utilities reported are paid by the landlord not the tenant.

⁴ A subset of properties are excluded from the calculation as some information is not yet available to report or construction still in progress.



ENVIRONMENT

In the US, residential and commercial buildings are responsible for 37% of the country's total energy consumption.¹ We are committed to making our properties more energy and water efficient and resilient in the face of climate change.

Properties undergo energy audits to implement sustainability measures for both savings and environmental footprint reduction. HVPG utilizes best practices in sustainable and resource efficient development, including:

- Ensuring property rehabilitations have budgets for energy efficiency upgrades
- Implementing sustainable materials and energy conservation measures
- Reducing landfill waste by redirecting recyclable materials
- Minimizing water usage with native plantings and water conserving technology

Construction managers examine areas for energy savings in each of our rehabilitation projects, including:

- Installing high efficiency HVAC/DHW systems, smart thermostats and Energy Management Systems
- Installing water conservation methods to reduce excess consumption, green energy systems and solar roofing
- Installing motion sensor and LED lighting, Energy Star appliance replacements, air sealing and weather-stripping to reduce air infiltration as well as adding insulation and installing new roofing and windows
- Replacing windows, panes and exterior doors to increase insulation performance

¹ Reported in the [Independent Statistics and Analysis US Energy Information Administration](#), last updated April 2024.

SOCIAL CHALLENGES & HVPG IMPACT

Nearly **50% of all US renter households** are housing cost burdened, paying **over 30% of their income in rent** and nearly half of those people were severely cost-burdened, paying **over 50% of their income.**¹

HVPG believes that providing stable, affordable housing for families and seniors is the foundation for maximizing impact

- Renters who can afford housing are healthier and more likely to be prepared for unforeseen circumstances
- They are better equipped to handle unexpected emergencies and have more residual income to afford basic needs (food, clothing, transportation)

We invest in partnerships with state, local and federal agencies and programming to ensure rents remain affordable

- Affordable housing demands far exceed the federal government's ability to preserve and create supply on its own. Our ability to form public/private partnerships and leverage these finite funding sources help state, local and federal agencies meet their public policy goals

Creating housing stability is critical to ensuring positive health and educational outcomes for very low-income renter households²

- HVPG's overall portfolio has 96% physical occupancy, 91% economic occupancy and 96% collections (YTD as of 6/30/2024)
- Many properties have a years-long waitlist for new residents
- Average length of stay across the portfolio is approximately 9 years
- Residents and their families can stay in the same school district, form deeper community relationships and age in-place



¹ [The State of the Nation's Housing 2023 Report](#), Harvard Joint Center on Housing Studies, 2024.

² [Housing Creates Health](#), NYC.GOV, March 5, 2024.

RESIDENT SERVICES SPOTLIGHT¹

Property programs are tailored to resident needs. These initiatives focus on supporting financial stability and bridging the digital divide to provide access to virtual opportunities (online education, tele-healthcare and remote work).



Automating credit building by reporting tenant monthly rent payments to credit bureaus, boosting personal credit scores. We've partnered at select pilot properties to provide incentive programs to residents for paying rent on time.

- Good credit scores means more money saved for residents making planning for mortgages and auto or student loans easier and less expensive
- 2023 program rolled out across 7 properties (1,100 units)
 - 572 units reporting rent (almost 700 residents)
- Credit scores increased 43 points on average
 - 676 is the average credit score of users
 - 74 new credit scores established since enrollment
 - 73% of scores improved since enrollment
 - 9% of scores moved from subprime to prime



We partnered with this Wi-Fi provider to offer property-wide wireless internet at select properties available to tenants at no cost.

- Program rolled out across 25 properties encompassing 5,692 units



Pinata allows residents to build credit for paying rent on time and reward them with points.

- Program rolled out across 6 properties, encompassing 475 units
- 37-point average credit score increase

AWARDS

Multifamily Innovation Sustainability Award from Multifamily Leadership¹

HVPG was granted the 2024 Sustainability Award at the Multifamily Innovation Summit in December 2023

- This award recognizes multifamily apartment communities that have implemented sustainable practices and initiatives. Criteria for this award may include energy efficiency, water conservation, and the use of renewable energy sources
- There was a \$379 entry fee to be considered for the award

IMPACTASSETS 50 2024²

Now in its 13th year, the ImpactAssets 50™ is a free database of impact investment fund managers. The IA 50 offers a compilation of experienced and emerging impact fund managers and is intended to illustrate the breadth of impact fund managers operating today (though not a comprehensive list). As they report, fund managers selected to the IA 50 demonstrate a wide range of impact investing activities across geographies, sectors and asset classes.

- 2024 was the first year HVPG was included in the list of 50 and are in the real estate category
- There was no fee to be considered for this

¹ <https://multifamilyinnovation.com/multifamily-leadership-recognizes-industry-leaders-at-the-multifamily-innovation-summit/>

² <https://impactassets.org/ia50/fund.php?id=a01RQ000007EZI1YAO>

AWARDS

GlobeSt. Women of Influence¹

Since 1983, GlobeSt. has recognized a growing number of female CRE professionals for their remarkable achievements. GlobeSt. has collected nominations across various categories, spanning the entire commercial real estate spectrum, in effort to shine a light on the individuals that have personally impacted the market and significantly driven the industry to new heights via their outstanding successes.

- There was no fee to be considered
- Three HVPG employees were recognized:
 - Alex Coleman, Chief of Staff in the Corporate Real Estate Executive category
 - Anna Perez, Associate Director in Design and Construction in the Architect / Design Professional category
 - Anna Perez also won Woman of their year in the Architect / Design Professional category
 - Laura Yanushpolsky, Director of Asset Management in the Investment Professional category

AHF Readers Choice Finalist²

Grandview Terrace Apartments in Jersey City, NJ was selected as a finalist in the preservation category of the 2024 Reader's Choice Awards

- There was no fee to be considered
- While Grandview was a finalist it did not win in its category (winners were announced in Nov 2024 at [AHF Live](#))

¹ <https://www.event.globest.com/womenofinfluence/2024-honorees>

² https://www.housingfinance.com/developments/ahf-announces-2024-readers-choice-awards-winners_o

GRANTS & OTHER RECOGNITION

FSS GRANTS AT HVPG PROPERTIES

- Property management hired three FSS coordinators for Community Meadows, Corinthian and Pilgrim Baptist Village
 - These FSS coordinators will work directly with residents on overall financial health, employment, managing expenses, and assist if they experience difficulty paying rent
 - This program was created via HUD grants
 - Grant applications are \$2,000 each

OTHER GRANTS AND FUNDING

- Pleasant Homes, Millwood, Central Gardens, and Rock Creek are served by the nonprofit, Community Services Foundation (CSF)
 - Through fundraising and grants, CSF secured over \$210,000 for these four properties in 2024
 - Typically, CSF offers onsite property programs such as youth and senior programs (unaffiliated to property management)
 - Grant applications are \$2,000 each

AHF – Top 10 Companies Completing Substantial Rehabs in 2023

- AHF compiled this list naming HVPG as number six (6) of ten (10) with 1,019 units being rehabilitated in 2023
 - There was no fee to be considered

DIVERSITY, EQUITY, & INCLUSION



VISION to be the place where a diverse mix of talented people want to thrive and do their best work

- Named one of Crain's 2024 Best Places to Work in NYC ranking 36 of 70
 - \$1070 fee to be considered
 - The rankings were announced Sept 18, 2024
- Great Place To Work® Certified™
 - Based on employee experience where 89% said it's a great place to work – 32 points higher than the average U.S. company
 - \$2,716. fee to be considered (fee included the application for both 2024 and 2025)
 - Certification granted on May 3, 2024



FOCUSED on equality as employers and throughout the populations we serve

- In the past five years the number of HVPG employees has more than doubled (from 17 in 2019 to 44 today)¹
- 36% of HVPG employees are female¹



COMMITTED to creating a diverse and inclusive environment with pride in being an equal opportunity employer - reflected in our pursuits across our brand

- Providing diversity training to all employees
- Prioritize local hiring at jobsites to economically support underserved communities where our assets are located
- Contract MWBE subcontractors and vendors at construction jobsites and for property operations whenever possible



¹ Full time HVPG employees as of October 31, 2024.

GOVERNANCE

Good governance is essential as we acquire HUD assisted, tax credit, affordable and workforce properties. Using conventional financing and/or Low-Income Housing Tax Credits, we have the capabilities to acquire large multi-state portfolios as well as individual assets.

- HUD section 8
- HUD section 236
- HUD section 42 low-income housing tax credits
- NYS & NYC Mitchell Lama housing
- RAD conversions
- Rural development
- HUD section 202
- Mark-to-market and mark-up-to-market restructuring
- Secure new project and tenant based rental subsidy
- Partnership conflict resolution
- Minimizing tax upon sale repercussions
- Creating value in unused development rights



Improving governance, property management and oversight not only improves the resident experience but allows us to add value and increase NOI





GOVERNANCE

HVPG undertakes the following responsibilities (at times in collaboration with not-for-profit owners):

- Funding pre-development costs
- Creation of construction scope
- Obtaining construction pricing
- Overseeing construction
- Creating financial underwriting
- Negotiating with agencies, lenders and tax credit investors
- Hiring and managing consultants (architect, engineers, expeditors, sustainability consultants, etc.)
- Managing relationships with local, state and federal agencies
- Determining what physical improvements should be made
- Determining service enhancements
- Construction & project completion guarantee
- Lease-up guarantee
- Operating deficit guarantee
- Securing debt financing
- Securing LIHTC equity and/or co-investment (if applicable)
- Obtaining necessary agency approvals for acquisition / preservation
- Obtaining additional rental subsidy for residents (where possible)
- Identifying and engaging property management & service providers (when applicable)

PROJECT SPOTLIGHT: GRANDVIEW TERRACE

A 2022 acquisition of 283-units in a low-income senior property that was at risk of being removed from the affordable housing supply and was in dire need of a modernization and substantial capital repairs.

Extensive ~\$15MM renovation featuring a resident sky lounge

- Scope of work included:
 - Units: new kitchen cabinetry, countertops, low-flow water fixtures, Energy Star appliances and energy-efficient LED lighting
 - Common areas: renovated lobby, corridors and laundry
 - Security enhancements: new “smart” audio and visual intercom system and high-resolution cameras installed throughout the building
- Unique tenant “sky lounge”:
 - Space includes a stretching room, community gathering room, library and computer center
 - Venue for senior social services programming

Secured affordability and additional rental subsidy for at-risk tenants

- The regulatory restrictions that governed the property’s affordability had expired under previous ownership putting the property at-risk of being removed from the affordable housing supply and tenants at-risk of being displaced
- As a result of the HVPG’s preservation project:
 - A new **20-year** term HUD Regulatory Agreement was placed on the property
 - **267** income-qualified tenants received new rental subsidy through project-based and tenant-based HUD Section 8 vouchers which limits their household rental burden to 30% of annual income. These residences previously received no rental subsidy or affordability protections





HUDSON VALLEY PROPERTY GROUP

THANK YOU

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