

Enabling a vibrant urban  
living experience for all



Social Impact Learnings

2021



[HousingDiversity.com](https://www.HousingDiversity.com)



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# Letter from Our CEO

Impact Motivated



Impact Committed



Impact Certified



Dear Readers,

Like many of us, I was born into a family of immigrants. I grew up in and around New York City. As a child, the city was an affordable place to live. I fondly remember visiting grandma's walkup on Avenue U, buying fresh groceries in the "old neighborhood" in Greenpoint, Brooklyn, and getting Ices at the Lemon Ice King in Corona, Queens. Yet, as I grew up, I also witnessed the gradual displacement of many populations as more and more of the city I loved became unaffordable. My family, like so many, joined the exodus of talent and opportunity that left the city during those years.

As an adult in Seattle, I witnessed a city becoming hollowed out due to a growing lack of housing affordability. I recalled the transformation of New York City as millions of people lost the opportunity to call the city their home. As a result, I felt an urgency to find a better way. I saw flashes of what could be in Seattle as population density, collaboration, and chance interactions came together. Like its entrepreneurs, the city was forward-thinking, enacting sensible land-use policies that corresponded with job growth. These policies enabled entrepreneurs like me to explore new ways of delivering less expensive housing at scale, fostering housing abundance.

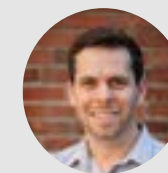
For the past eight years, we have created developments that address multiple megatrends with one housing solution. We build communities whose locations provide greater access to opportunity and whose affordability provides homes for a wider diversity of inhabitants, fostering a broader base of shared experiences. Our smaller, more efficient homes consume less carbon, and their higher density ensures more efficient use of public spaces. Density also creates unique opportunities for innovation and collaboration within the community and neighborhood. People who live close to employment, essential services, and neighborhood amenities spend less time in cars, busses, and trains burning fossil fuels while wasting time in isolation. Creating smaller, centrally located housing stock provides future generations access to location-based opportunities and addresses threats to human survival such as climate change and depletion of resources.

It has been an incredible journey thus far through many partnerships and friendships to arrive here today. I am honored to have the opportunity to present our inaugural impact report. This report serves as a benchmark of where we are today. The data we have gathered will fuel positive changes in our company moving forward. I am excited to be formalizing Housing Diversity's commitment to social and environmental impact, and I am proud to continue my family tradition of doing well while doing good.

Thank you for your interest in Housing Diversity Corporation and our inaugural Impact Report.

Sincerely yours,

Brad Padden



# About Us

HDC creates modern, affordable, and sustainable private apartments in walkable/bikeable neighborhoods close to transit and employment. Our developments help boost residents' well-being and address a severe market gap in housing for those earning middle-income wages promoting economic diversity within communities.

## Corporate Values



### Stewards

Continually raising the bar in service to our stakeholders



### Collaborative

Supporting each other to create a whole that is greater than its parts



### Continuous Learners

Uncovering structural advantages and unusual opportunities



### Humanistic

Focusing on the well-being of the people we serve



### Passionate

Using every resource available to create successful outcomes

## HDC's Impact Goals

We strive to improve outcomes for stakeholders in four critical areas:



Increased housing attainability



Greater environmental sustainability and a smaller carbon footprint



Improved mental and physical health of residents



Enriched local economy



## Vision: 20,000 Homes by 2030

We envision a future where people have safe, ideally located, well-designed homes to live in and access to everything they need. These homes contribute to sustainability and decrease commute time. Housing Diversity seeks to create 20,000 of these homes by 2030, all with naturally occurring affordability.

# Portfolio & Development Details

## In Operation



(473 Units)

## Under Construction



(323 Units)

## Under Development



(1,947 Units)

## In Opportunity Zones



(1,995 UNITS)

DEVELOPMENT	MARKET	UNITS	CONSTRUCTION COMPLETE DATE
1621 McCadden	L.A	69	Q4 2021
603 Mariposa	L.A	92	Q4 2022
1317 Grand	L.A	147	Q1 2022
1411 Flower	L.A	227	Q1 2023
11th Ave E*	Seattle	54	N/A
12th St*	Seattle	78	N/A
23rd Ave*	Seattle	61	N/A
Franklin Ave E*	Seattle	35	N/A
900 Rainier	Seattle	398	Q4 2023
510 Broadway	Seattle	84	Q3 2020
3405 Harbor	Seattle	115	Q1 2022
7324 MLK	Seattle	272	Q1 2023
1722 Summit	Seattle	49	Q2 2017
423 Terry	Seattle	112	Q2 2018
500 Broadway	Seattle	107	Q4 2021
701 Jackson	Seattle	232	Q2 2023
9201 Delridge	Seattle	77	Q1 2024
4488 California	Seattle	96	Q1 2024
4001 Willow	Seattle	196	Q2 2025
<b>TOTAL:</b>		<b>2,581</b>	

\*Buildings were acquisitions

# Our Impact Management Journey

Properties have a lasting impact on their residents and their communities. With so much at stake, HDC continually hones its decision-making to maximize the value of housing. Impact measurement and management have become essential to the process. Through impact measurement, we learned more about who our residents are, the variety and extent of the changes they are experiencing, and how we contribute to those changes.

During this process, we confirmed what matters to our residents, such as affordability, privacy and access to community amenities. In addition, while we knew that our buildings' design, build, and size efficiency saved energy and increased sustainability, we are now quantifying to what extent. Finally, we collected social impact evidence on how our product benefits the local economy.

Our inaugural Impact Learning Report communicates our commitment to social impact. It signals our efforts to bring HDC's impact from intentions to evidence and determined action. Following industry best practices, we will incorporate this year's learnings into our business practice moving forward, with insights driving improvements to our business model, buildings, and residents' experiences.



# Why Measure and Manage Impact?

Measuring impact lets us see what is working and what can be improved. It allows us to test and validate our theory of change and helps us make informed decisions. These findings also help us maintain accountability to stakeholders such as the rental communities we serve and the investors whose capital enables our work.

Time is of the essence. It is vital to HDC that we address multiple social and economic challenges and boost our positive impact for our residents, community partners, and the environment. The impact management process pushes us to grow our impact continuously.



“

*“When you think of the urbanization that’s going on around the world now, we will see a doubling of our built environment before our century is over. We better do it right, both energy-wise and materials-wise, to optimize the human condition in those places.”*

– John D. Spengler, Director, Center for Health and the Global Environment, Harvard University

# Impact Learnings at a Glance

## About this Report

This report is based on feedback requests sent to 430 residents. The survey was designed to solicit honest feedback, both positive and negative, using best practices in survey design. Incentives were offered to encourage completion of the survey and 30% of residents responded over a period of 3 weeks.

### Stakeholders Top Priorities



**87%**  
Affordability



**44%**  
Access to  
Essential Services



**43%**  
Safety



**42%**  
Privacy

### Walk, Bike & Transit Scores



**94**  
Walk Score



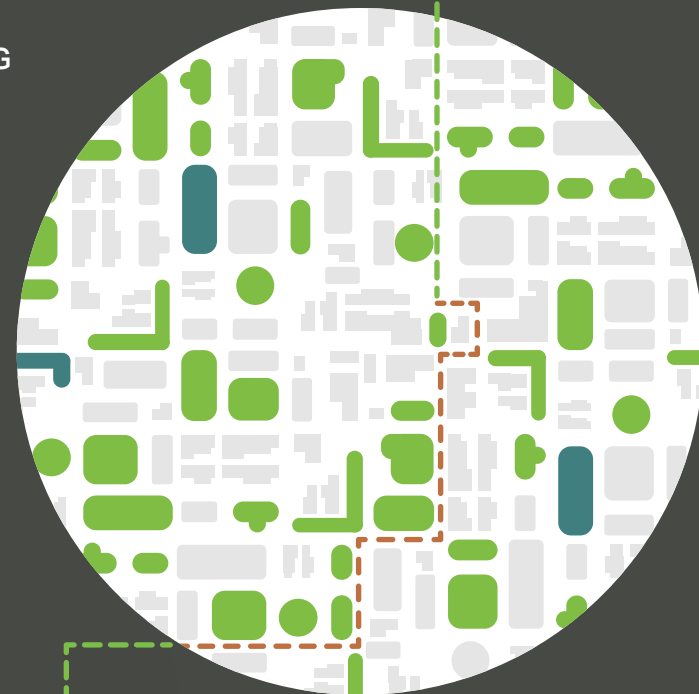
**83**  
Bike Score



**79**  
Transit Score

100% of HDC buildings are within 3 miles of community spaces such as libraries, mass transit, hospitals, parks, farmers market, schools, restaurants, art galleries, and museums.

# Changes in Commuting Behavior & Reduced Dependency on Fossil Fuel



**74%**

OF PEOPLE SAY THEY COMMUTE LESS THAN 30 MIN SINCE MOVING INTO HDC APARTMENTS

**16%**

Improvement in 0–30 min commute time

**6%**

Improvement in 30–60 min commute time

**7%**

Improvement in 1–1.5 hr commute time

**10%**

Reduction in commutes over 1.5 hours



**12% MORE PEOPLE ARE NOW WALKING**



**18% SAVE MONEY ON ENERGY**



**12% FEWER PEOPLE USE A CAR TO COMMUTE**

**NO ONE DRIVES MORE THAN 1.5 HR TO WORK ANYMORE**

**16% DECIDED NOT TO BUY A CAR**

## What do residents do with the time saved?

85% of residents say that they relax, socialize, connect with their family, or pursue a hobby in the time they saved in their commute.



## What do residents do with the money saved?

Savings were equally distributed, with residents pursuing hobbies, traveling, going out, eating well, purchasing insurance, saving, investing, and helping others.



## What choices would residents have made if they had not found our apartments?

(Residents were able to select multiple choices)

**47%** would pay higher rent

**38%** would stay at a less desirable place

**35%** would share an apartment

**26%** would stay with family



## Widespread Use of Community Amenities

**59%** of residents use local parks

**62%** of residents shop local

**47%** of people use nearby hiking trails

**28%** use the library

**20%+** use a workout, yoga, art classes in the community



**25% of residents report saving money after moving in**



# The Problem:

## Why aren't attainable, walkable, and sustainable homes being produced?

There are multiple forces at play that create a strong demand for walkable neighborhoods. Millennials and Gen Z want greater access to transit, essential services, and community amenities. They only want to pay for what they use and are willing to give up space to gain this access. At the same time, Baby Boomers and retirees are increasingly looking beyond conventional retirement communities or the empty-nester single-family homes, seeking options that will allow them to age in place within an existing community. Both groups want to live in communities where they can live near where they work, and play. A mix of housing types (not just a greater quantity of housing) is needed to meet various income and generational needs. However, multiple barriers are blocking the development of attainable, walkable, sustainable, and safe housing. Zoning codes, lending structures, and investor acceptance encourage large, expensive luxury apartments rather than sustainable, efficient apartments.

Barriers include:

1. Parking requirements are also tied to unit count, impacting the financial and physical feasibility of attainable housing. Ideally, creating walkable units near public transit removes parking requirements and saves carbon as well.
2. Infrastructure and impact fees charged by municipalities for developments are typically the same regardless of the size of the apartments. Developments that include predominantly larger, more expensive apartments can absorb these fees more easily as a percentage of the the build's total cost versus smaller, less expensive units where additional fees are required to build more density.
3. Neighborhood opposition and re-zoning requirements increase costs, creating a barrier to developers from creating small affordable units. Additionally, this housing type lacks strong support from institutional investors and debt partners.



*“The reality in most cities is that their planning and regulatory systems are barriers to delivering the housing choices that communities need. Density- and use-based planning and zoning separates uses and creates suburban environments. That makes it difficult, or impossible, to mix forms, uses, and types that result in walkable, mixed-use neighborhoods, unlike the ones that formed before zoning in the United States before the 1940s.”*

- Daniel Parolek, Architect, Urbanist,  
Author & Strategic Advisor

# The Solution:

## Our Impact Approach

Housing Diversity Corporation developments contribute to socioeconomic diversity, sustainability, and inclusion in core urban neighborhoods.

### We work to improve outcomes for stakeholders in four critical areas:

1. Increased housing attainability for community members of diverse socioeconomic backgrounds
2. Greater environmental sustainability due to green building practices, decreased reliance on single-occupant vehicles and greater use of public transit, walking, and biking, and a smaller carbon footprint due to compact high-density housing that reduces resident's energy use and carbon emissions
3. Enriched local economy
4. Improved mental and physical health of the residents

## Impact Statement

### If

We provide affordable, energy-efficient housing near work, public transit, essential services, and community amenities

### BY

Developing and managing well-designed, sustainable multi-family apartment buildings with naturally occurring affordability in core urban areas

### THEN

Occupants with a diversity of incomes and needs can thrive in urban communities, with more time and money, and greater health while saving energy and improving the local economy

### ULTIMATELY

We will have sustainable and diverse urban communities.

## Input: What do we bring to the table?

- Investors, who bring equity to finance developments
- Debt partners, who help leverage the investor's equity
- Capital markets knowledge and experience
- Knowledge about code, zoning, policy, and tax advantages
- A willingness to take risks to create new stocks of attainably priced housing
- Experience successfully developing and managing multifamily communities
- Intention and a high standard of behavior based on our corporate values
- Access to unique deal flow

# Outcomes

## Short-Term

- Saving residents commute time
- Decreasing or eliminating driving/ transportation expenses, saving residents money
- Increasing naturally occurring affordability by creating smaller units
- Freeing up larger apartments for families
- Reducing the use of single-occupancy vehicles
- Helping local businesses thrive
- Increasing the use of bicycles and walking as modes of transportation
- Increasing resident's time spent socializing due to increased time, access, and disposable income

## Medium-Term

- Meeting housing demand for homes attainable to residents earning middle incomes and below
- Building a solid feeling of community within developments
- Increasing the use of community amenities
- Reducing energy consumption due to smaller apartments, material efficiency, and greater reliance on public transportation, biking, and walking
- Improving residents' physical and mental health

## Long-Term

- Increasing housing attainability for community members from a range of socio-economic backgrounds
- Boosting economic diversity in core urban settings
- Multiplying positive environmental impact through the use of locally sourced materials and sustainable building methods, decreased reliance on single-occupancy vehicles, and lowered energy use
- Improving local economies

## Activities

- Creating more affordable and energy-efficient housing stock by converting large, old apartments into smaller homes and building new smaller sustainable apartments from the ground-up
- Choosing sites located near employment, essential services, community amenities, and mass transit
- Using environmentally friendly materials, fixtures, and building methods
- Increasing sustainability in retrofitted buildings and building sustainable new spaces in adaptive reuse and ground-up developments
- Seismically retrofitting and modernizing old buildings and making design choices that boost resiliency.
- Making design choices that boost resident well-being such as large windows, balconies, shared social spaces, and private apartments that reduce interior crowding

# The Social Impact Measurement & Management Process

Founded on principles of increasing housing abundance and access and reducing carbon footprint, HDC has embarked on a structured process of measuring and managing our impact. We partnered with thought leader, SoPact, and followed Actionable Impact Management (AIM) guides to define our impact strategy. Additionally, we utilized SoPact Impact Cloud®, a platform that allows us to align our framework with multiple standards such as Sustainable Development Goals, Impact Management Project, Aeris, and GIIN-IRIS. This technology allows us to be agile, incorporating social impact best practices as they emerge and tying our data to a wide variety of standards.



**IMPACT STRATEGY**

After determining what we wanted to measure, we identified data sources for each metric. For example, output data could be derived from existing sources and resources, while outcome metrics would need to be collected using resident surveys.



**DATA COLLECTION STRATEGY**

Incorporating our stakeholders' priorities and how they pursue change is crucial to document, analyze, and act upon. Using best practices, we developed a set of questions to get direct feedback from our resident stakeholders. We defined frequency and method of delivery for the survey and incentives to increase engagement.



**STAKEHOLDER FEEDBACK COLLECTION**

Cycle is repeated regularly, providing accountability and data to inform change moving forward, allowing HDC to deliver legitimate and profound impact management.



**REPEAT**



**ANALYZE**



**LEARN**



**DEMONSTRATE IMPACT**



**DEFINE A PATH FORWARD**

We collected outcome and output indicators and then analyzed and visualized them using SoPact's Impact Cloud® dashboard. We used this data to create a roadmap that will maximize impact.



**METRICS**

Together with SoPact, we developed a list of output and outcome metrics to give us a clear idea of what our stakeholders are experiencing. First, we defined output metrics based on collected data and additional data points from our architects, analysts, and research. We then pinpointed which outcome metrics we needed to gather.

# Alignment to Impact Standards & Frameworks

## Impact Management Project

### IMPACT MANAGEMENT PROJECT

Impact Management Project (IMP) harnessed a practitioner community of over 2,000 investors, enterprises, and organizations to set norms for impact management techniques. Together, these parties built consensus on measuring, assessing, and reporting social and environmental impact. They created a common logic for enterprises and investors to measure effects on people and the planet, intending to reduce negative and increase positive impact. The IMP framework is instrumental in understanding the stakeholder's voice. Further, IMP norms align to the United Nations Sustainable Development Goals (UN SDG) and IRIS+. Additionally, we aligned to Urban Land Institute (ULI) Principles on Building Resilience. We used the IMP framework to define HDC's "Impact Class" and how the company fulfills the "Five Dimensions of Impact."

## Impact Class: Contributing to Solutions

Impact Management Project (IMP) uses "Impact Classes" to group investments with similar impact characteristics based on their impact performance data (or, for new investments, impact goals). This categorization helps investors understand the level of impact a company has achieved.

Housing Diversity Corporation meets all criteria for IMP's ABC test, which asks "Is the enterprise, A. **Acting to Avoid Harm**, B. **Benefiting Stakeholders**, and C. **Contributing to Solutions**?" Consequently, HDC's Impact Class is "C. Contributing to Solutions."

#### A: ACT TO AVOID HARM

Yes, HDC is acting to avoid harm to its stakeholders by meeting and exceeding industry regulations.

Yes

#### B: BENEFIT STAKEHOLDERS

Yes, HDC has positive effects on people and the planet. It allows residents to save money, reduce commute times, and increase their privacy. In addition, it benefits the earth by using locally sourced and low VOC building materials and reducing the carbon footprint of residents.

Yes






#### C: CONTRIBUTE TO SOLUTIONS

Yes, HDC contributes to the solutions, boosting economic diversity and vibrancy in urban areas by creating thriving, sustainable communities

Yes

# The Five Dimensions of Impact

The “Five Dimensions of Impact” are norms established by Impact Management Project (IMP). We used these norms to evaluate what changes Housing Diversity Corporation’s business brings to residents, the environment, and the community and environment.

The Five Dimensions of Impact	
Dimension	Guiding Question(s)
 <b>What</b>	What outcome(s) do business activities drive? How important are these outcomes to the people (or the planet) experiencing them?
 <b>Who</b>	Who experiences the outcomes? How underserved are the stakeholders?
 <b>How Much</b>	To what extent do the outcomes occur, focusing on factors such as scale, depth, and duration?
 <b>Contribution</b>	What is the enterprise’s contribution to the outcomes? What would have been likely to happen anyway?
 <b>Risk</b>	Are there risks to people and the planet if the impact does not occur as expected? What are they?



## Dimension 1: What is changing?

“**What** tells us what outcome the enterprise is contributing to, whether it is positive or negative, and how important the outcome is to stakeholders.” (Impact Management Norms 2020)

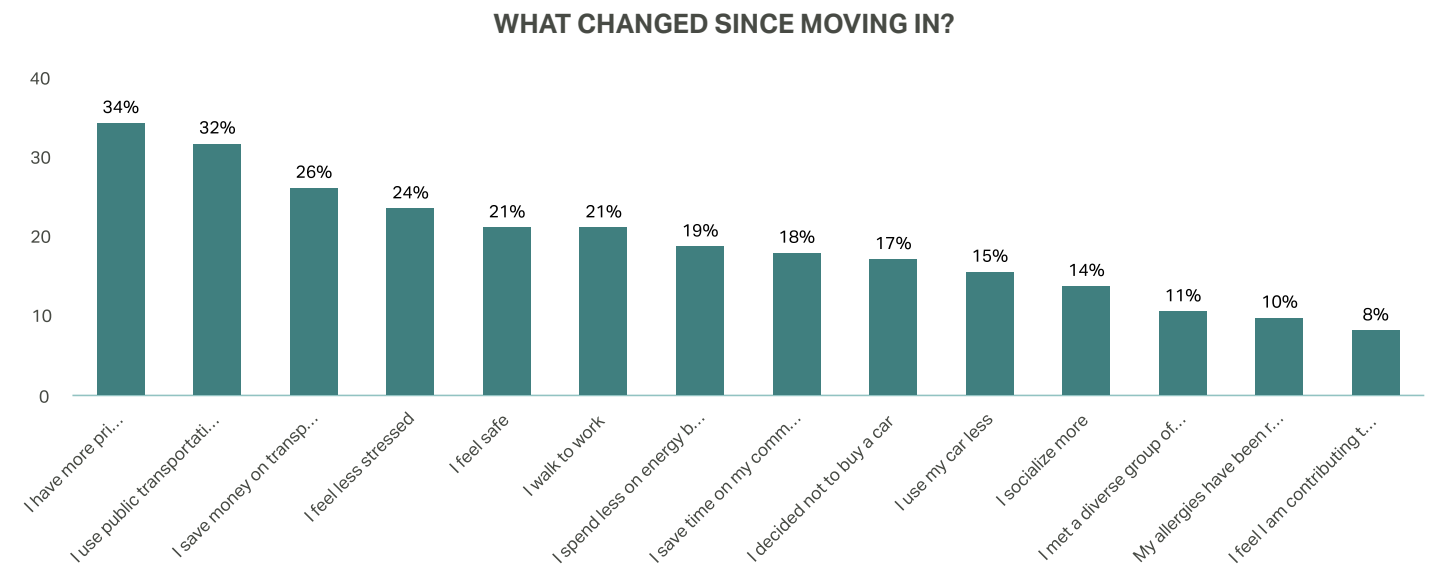
We explored Housing Diversity Corporation’s impact in two areas:

- **Social Impact:** Diversity in the urban economy, housing attainability, and healthy living
- **Environmental Impact:** Urban sustainability and environmental responsibility

We used the “What” dimension” to examine data points, revealing HDC’s environmental impact. Additionally, we created and administered a survey to residents crafted to illuminate what is changing for our stakeholders. The survey allowed HDC to measure how residents’ lives and behaviors changed since moving into HDC housing, looking for positive and negative changes to quantify our social impact.

### Social Impact Findings

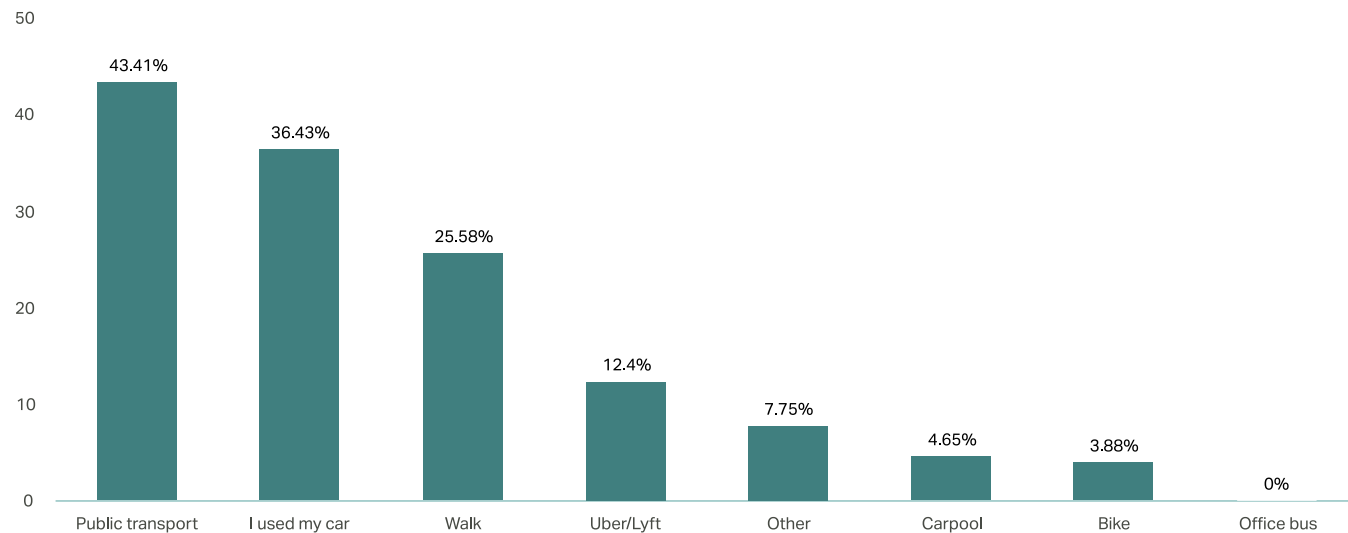
Understanding what our residents experience is essential to HDC. Therefore, we used resident feedback to inform these learnings. For example, through stakeholder surveys, we learned that residents are saving money by commuting shorter distances, paying less for energy, and forgoing purchasing cars. Read on to discover more about our social impact findings.



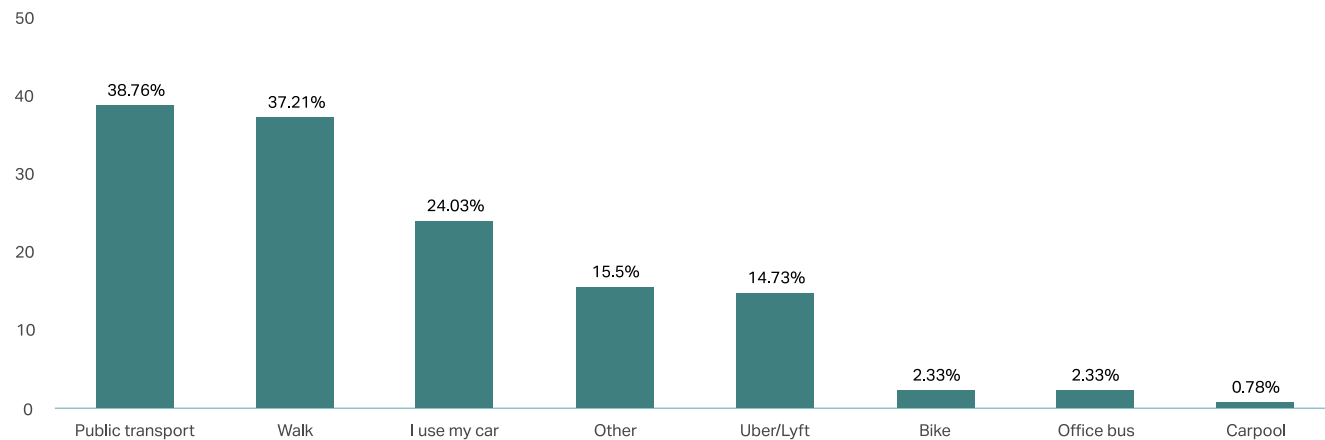
### Changes in Resident Commuting Behavior

We site HDC apartments near employment centers and transit. We hope that the locations we choose will help reduce commute times and single occupancy vehicle use. Therefore, we wanted to see how our residents commuted to work before and after moving into our apartments. Since moving into HDC apartments, 13% more people walk to work, and 4% more people use public transportation, while the number of people who commute by car decreased by 15%.

HOW WERE YOU COMMUTING BEFORE MOVING TO THIS BUILDING?



HOW ARE YOU COMMUTING AFTER MOVING TO THIS BUILDING?



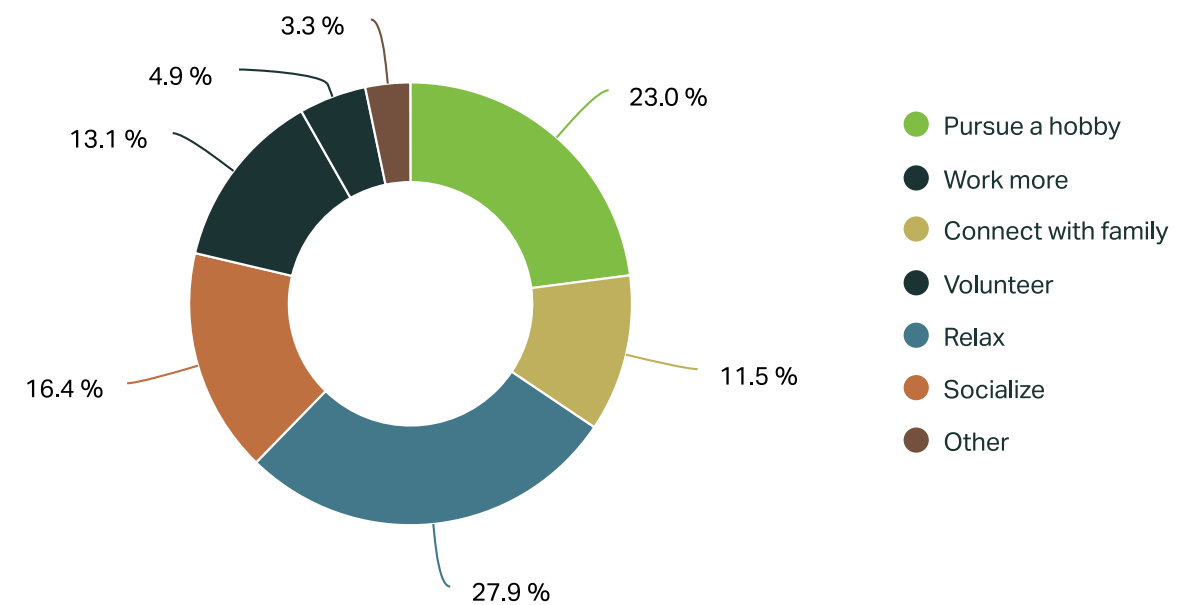
### Commute Times Reduced

A study from the University of Waterloo in Canada found that as a person's commute increases, their satisfaction with life reduces. The results suggest that employees with long commutes are more sensitive to time constraints, which may result in higher levels of stress. As a result, they skip working out, making fresh meals, and enjoying time with their families. We are pleased to find that not only are residents comfortable working and learning from their apartments but that commuters have reduced their commute time since moving into HDC apartments. Over 70% of residents say they do not commute for more than 30 minutes each way since moving in. Additionally, there were positive improvements in all other commute segments.

#### Since moving in:

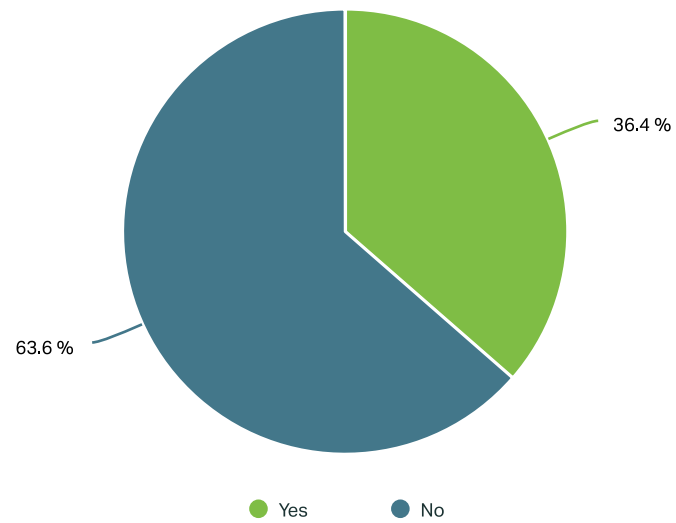
- No one drives more than 1.5 hours to work anymore, a 10% reduction
- The number of residents driving less than 30 minutes to work increased by 13%
- The number of residents with a 1–1.5 hr commute decreased by 7% The number of residents with a 30–60 minute commute increased by 3%

WHAT ARE YOU DOING WITH THE TIME YOU SAVED?

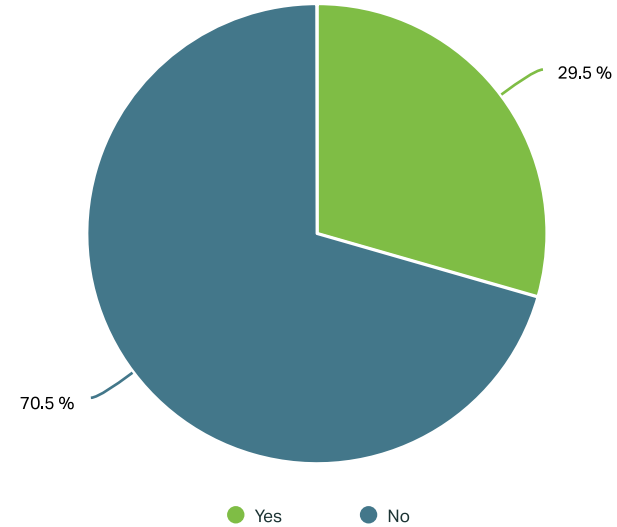


### Cost Savings

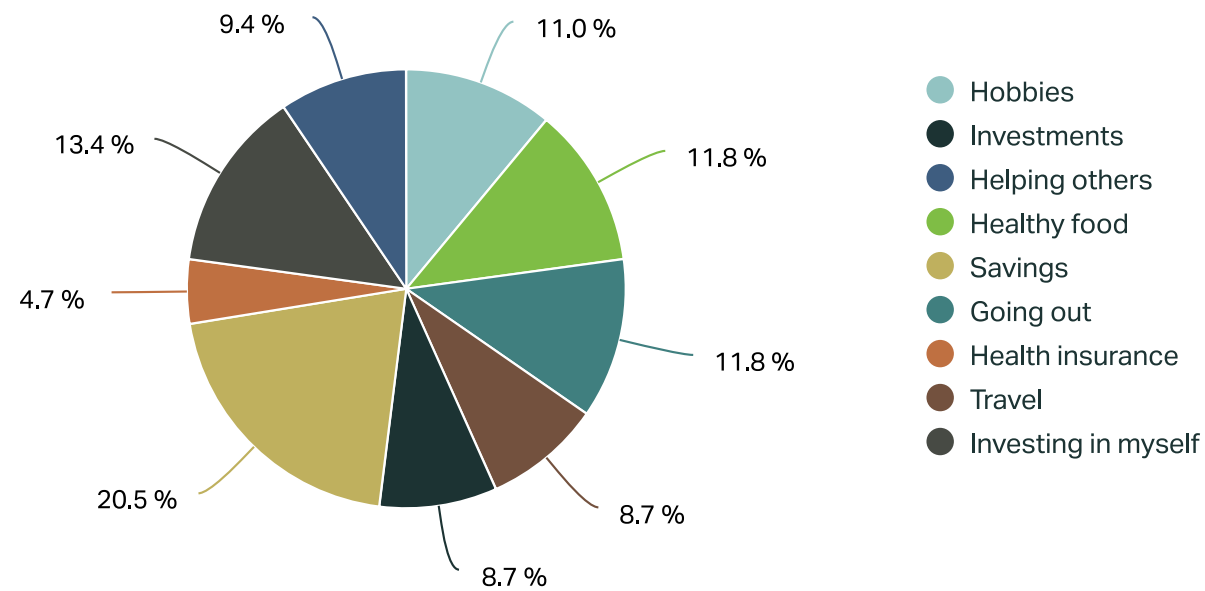
HAVE YOU SAVED MONEY SINCE MOVING IN?



DID YOUR TRANSPORTATION COSTS DECREASE BY 20% OR MORE SINCE LIVING AT IN THIS BUILDING?



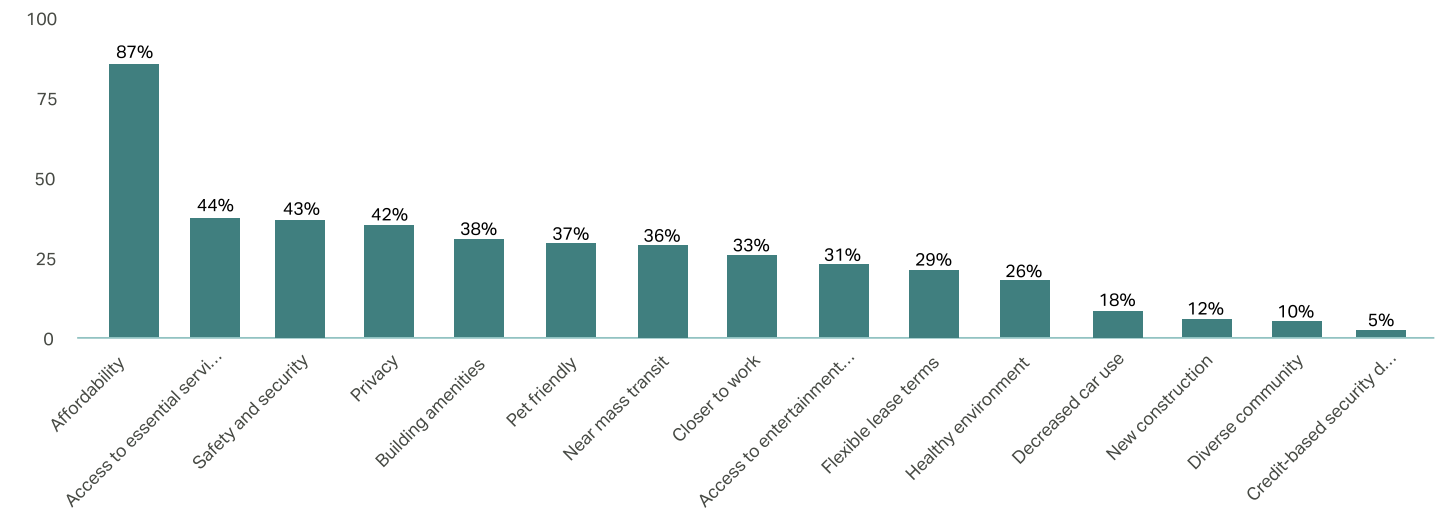
HOW DO YOU USE THE MONEY YOU SAVED BY LIVING HERE?



### Resident Priorities

We plan on using the information we learned about resident priorities to ensure that our offerings fit resident expectations and select areas for improvement. For example, our survey confirmed our belief that affordability was a key factor for residents, with 86.7% of them reporting it as an expectation. Other priorities were accessibility to essential services, safety, building amenities, and privacy. Pet friendliness and proximity to work are close behind.

WHAT FACTORS ARE IMPORTANT TO OUR STAKEHOLDERS?



### Health and Wellness

Every HDC apartment is clean, modern and private. According to the Robert Wood Johnson Foundation, physical conditions within a living space, as well as housing affordability, have the potential to help—or harm—our health in major ways. These factors not only “shape[s] home and neighborhood conditions but also affect[s] the overall ability of families to make healthy choices.” (*Housing and Health 2020*)

In the past year, interior crowding has gained attention as a significant factor in the transmission of the COVID-19 virus. Unfortunately, a 2019 American Housing Survey (AHS) found that about 38% of all U.S. households with multiple occupants (34 million households) lack at least two full bathrooms and enough bedrooms to keep one person isolated. As private, well-ventilated, affordable homes, HDC apartments have been a safe harbor in trying times like the COVID-19 pandemic, giving our residents the confidence and comfort to stay indoors.

## Environmental Impact Findings

HDC is committed to preserving and protecting our planet's limited resources for our future generations and the health and wellness of our residents. We believe we must work to ensure ecosystem functions are safeguarded and restored through conservation and sustainable solutions.

### Greenhouse Gas Reduction

Per the US Department of Transportation, if one driver switches from driving to taking mass transit for a daily commute of 20 miles, 4599 pounds of carbon dioxide is saved per year —equivalent to a 66% reduction in the annual carbon footprint of a typical American household.

Since moving to our apartments, residents report a reduction in car use and increases in eco-friendly modes of transportation such as mass transit, biking, and walking. For example, since moving to HDC apartments, 12% more people are now walking to work, and 12% fewer people use a car to commute! Additionally, 47.3% of our residents report working or learning from home, increasing to 18.6% during COVID.

Per the US Department of transport, If just one driver per household switched to taking public transportation for a daily commute of 20 miles, this would save 4599 pounds of carbon dioxide per household per year—equivalent to a 66% reduction in the annual carbon footprint of a typical American household.

After living at HDC apartments, 12% more people are now walking and 12% fewer people use a car to commute.

### Additional efforts to reduce greenhouse gasses include:

- Constructing all developments constructed with climate-responsive and resilient construction design.
- Retrofitting of acquired properties to minimize greenhouse and ozone-depleting gas emissions
- Using renewable and energy-efficient resources

### Ecological Stewardship

#### Efforts towards conservation and sustainability include:

- Using rainwater collection systems for on-site greywater re-use
- Permeable hardscapes and pavement that prevent water retention and runoff
- Using greyfield sites that allow for the revitalization of under-utilized urban land
- Brownfield sites that allow for clean-up of existing environmental contamination

### Conserving Energy and Water

We design, construct and retrofit HDC buildings to conserve energy and water through We design, construct and retrofit HDC buildings to conserve energy and water through integrated design, efficiency improvements, and optimized operations. HDC follows Washington State Energy Code, minimizing air leakage and heat loss.

When possible, we use renewable energy sources, such as rooftop photovoltaic solar arrays, which have substantially fewer emissions than fossil fuel-fired power plants. (50g or less CO<sub>2</sub> emissions per kWh over their lifetime compared to about 1000g CO<sub>2</sub> /kWh for coal and 475 g CO<sub>2</sub> /kWh for natural gas.)

HDC also uses energy-efficient fixtures, such as high-efficiency LED lights. Choosing these fixtures can create a substantial environmental impact. For example, substituting an LED light bulb for an incandescent one saves 3,549 lbs of CO<sub>2</sub> annually and has a significant product life, reducing landfill waste.

#### Actions include:

- Constructing 100% of new HDC developments to be energy efficient with optimized building envelopes.
- Leveraging passive systems such as daylighting, natural ventilation, thermal mass with nighttime ventilation, and pre-cooling.
- Using high efficiency LED lights, heat pump technology, low-flow plumbing fixtures.

Renewable energy sources have substantially fewer emissions than fossil fuel-fired power plants. They typically emit about 50g or less of CO<sub>2</sub> emissions per kWh over their lifetime, compared to about 1000g CO<sub>2</sub>/kWh for coal and 475 g CO<sub>2</sub>/kWh for natural gas.

HDC uses energy-efficient fixtures, which can have a substantial environmental impact. For example, each incandescent light bulb replaced by an LED one saves nearly 4000 lbs. of CO<sub>2</sub> emissions annually. LED bulbs also reduce landfill waste due to their (approximately) 50000-hour life.

### Waste Reduction & Sustainable Materials

- HDC's properties utilize reusable and low-impact building materials.
- Local manufacturers and suppliers provide key material components.
- The building envelope is designed to be durable, long-lasting, and minimize waste sent to landfills.
- Waste from construction projects is sent to facilities with a 75% recycling rate.



## Dimension 2: Who is experiencing the change?

*"Who tells us which stakeholders are experiencing the outcome and how underserved they are in relation to the outcome." (Impact Management Norms 2020)*

We needed to uncover the characteristics of HDC's stakeholders and determine the significance of the effects they are experiencing. This understanding allows HDC to serve its residents better in the future.

### Here is what we learned:

- We currently have 430 residents.
- Most of our residents work in the Tech/Finance/Professional, Health/Education, Retail, or Food/Entertainment sectors or are students.
- They are predominantly caucasian and female
- They are mostly Millennials and Gen Z (aged 18-40)
- The average income of our residents is less than \$47,000 per year.
- The average income to rent ratio is 29.9%.
- The average age of our residents is 29.5 years.
- 17.8% of residents own a pet.

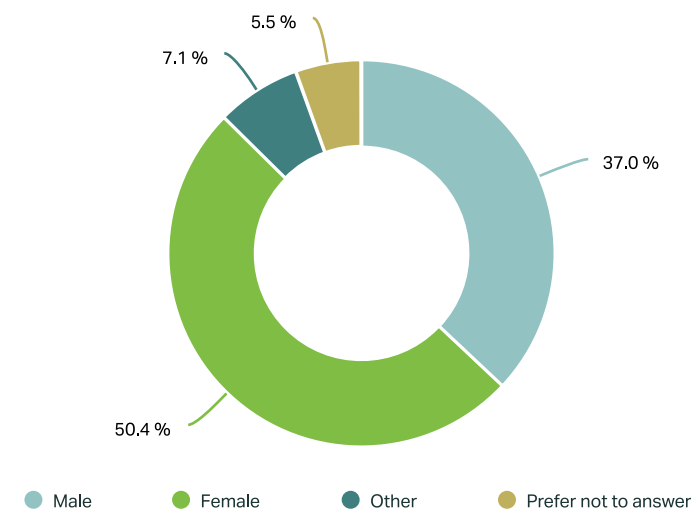
### Residents by Industry

Industry	Resident (%)
Tech/Finance/Professional	31.6%
Health/Education	18.7%
Retail	11.0%
Food/Entertainment	10.3%

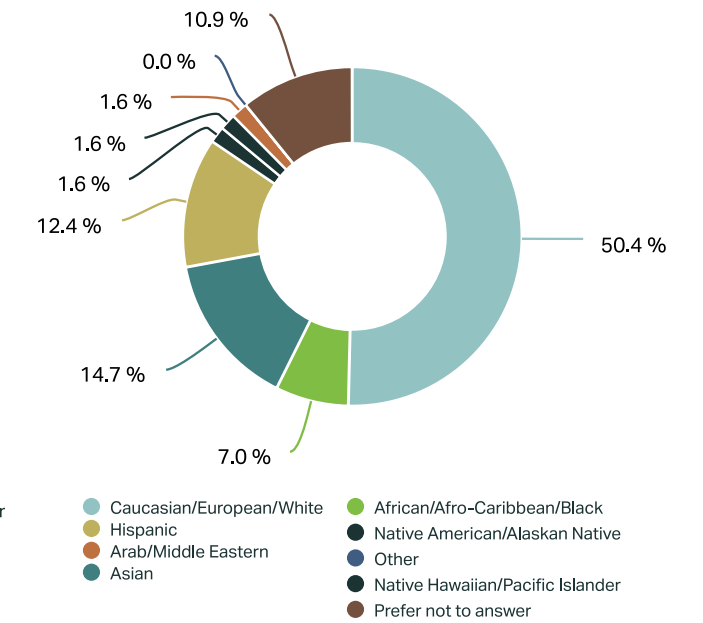
### Residents by Generational Cohort

Generational Cohort	Resident (%)
Millennials (25-40)	52.8%
Generation Z (18-24)	39.9%
Generation X (41-56)	03.9%
Baby Boomers (57-76)	03.4%

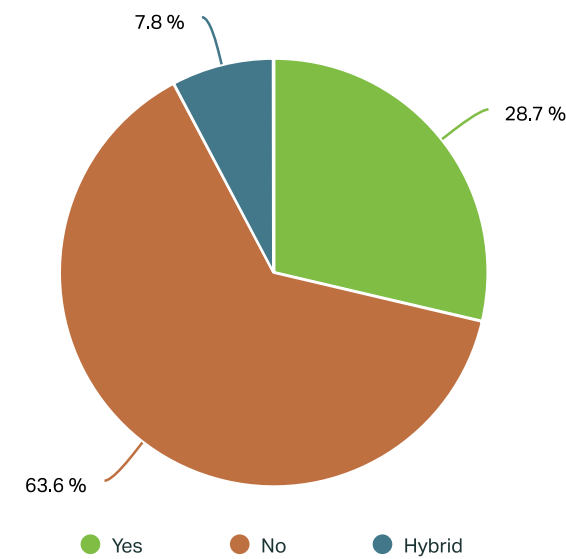
RESIDENTS BY GENDER



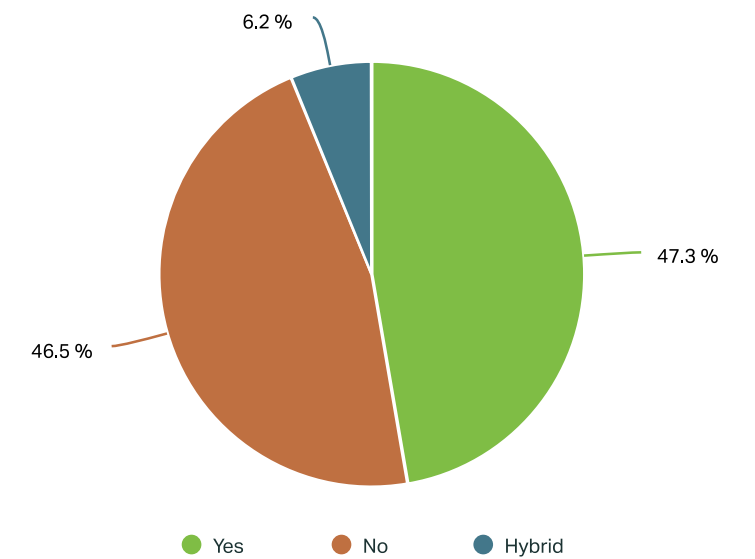
RESIDENTS BY RACIAL IDENTITY



PRE COVID-19 WORK ARRANGEMENTS  
(Work from Home Availability)



WORK ARRANGEMENTS DURING COVID-19  
(Work from Home Availability)

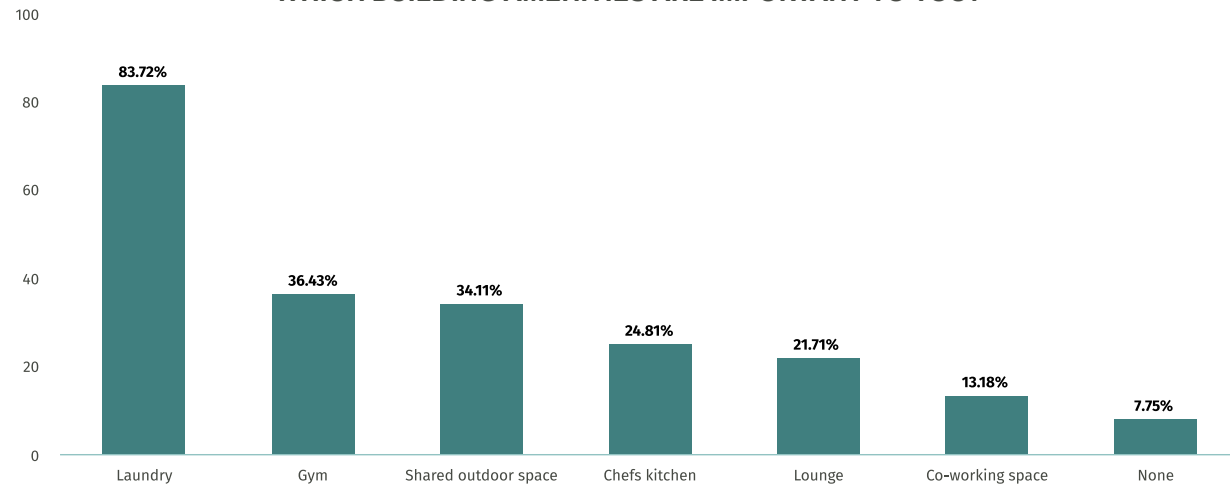


### Dimension 3: How much is changing?

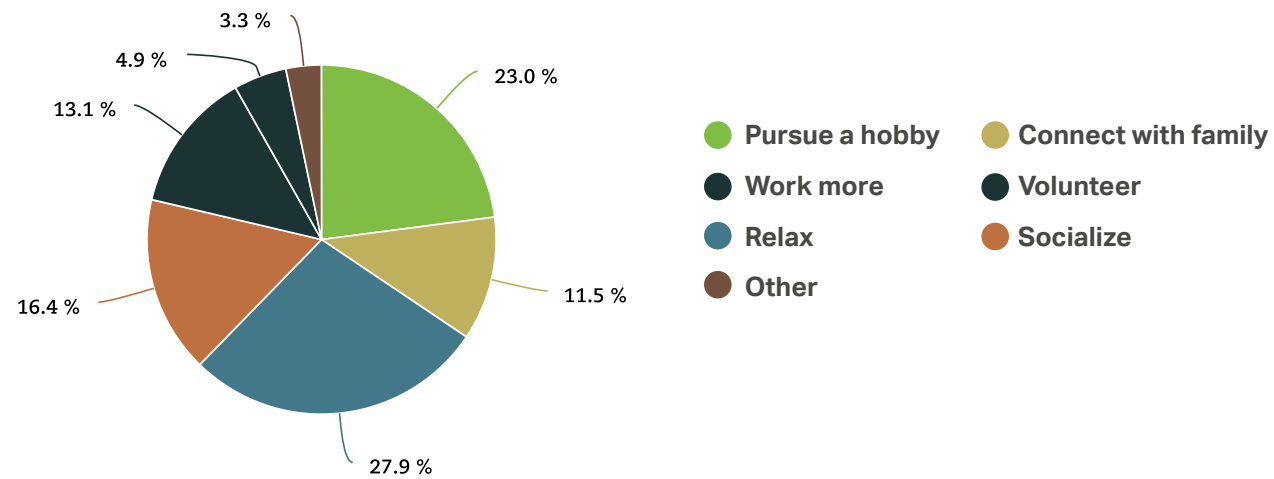
"How Much tells us how many stakeholders experienced the outcome, what degree of change they experienced, and how long they experienced the outcome for." (Impact Management Norms 2020)

We used the "How Much" dimension to examine the changes HDC is making. Focusing on how long and how profound the changes are and how many stakeholders experienced the change.

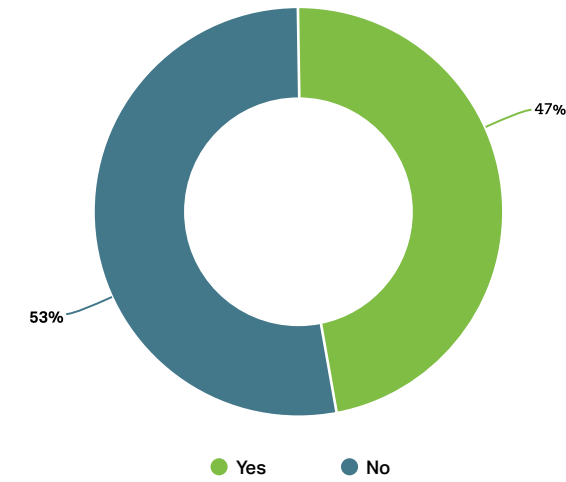
WHICH BUILDING AMENITIES ARE IMPORTANT TO YOU?



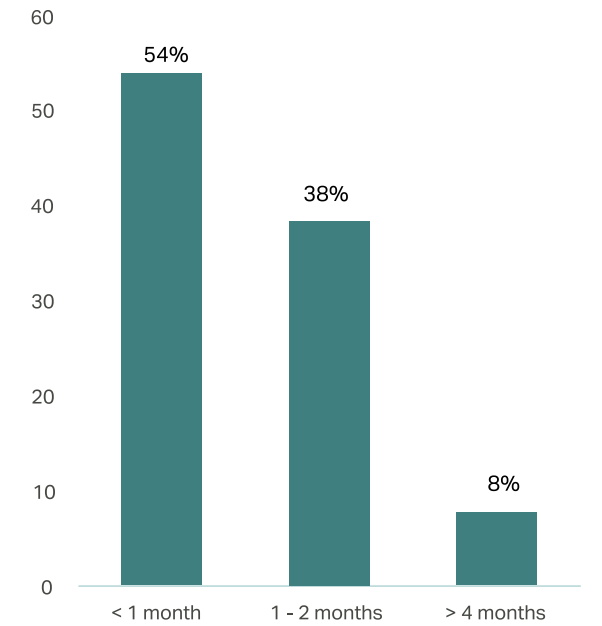
HOW DO OUR STAKEHOLDERS USE THE ADDITIONAL TIME SAVED?



MONEY SAVED AS A RESULT OF MOVING IN

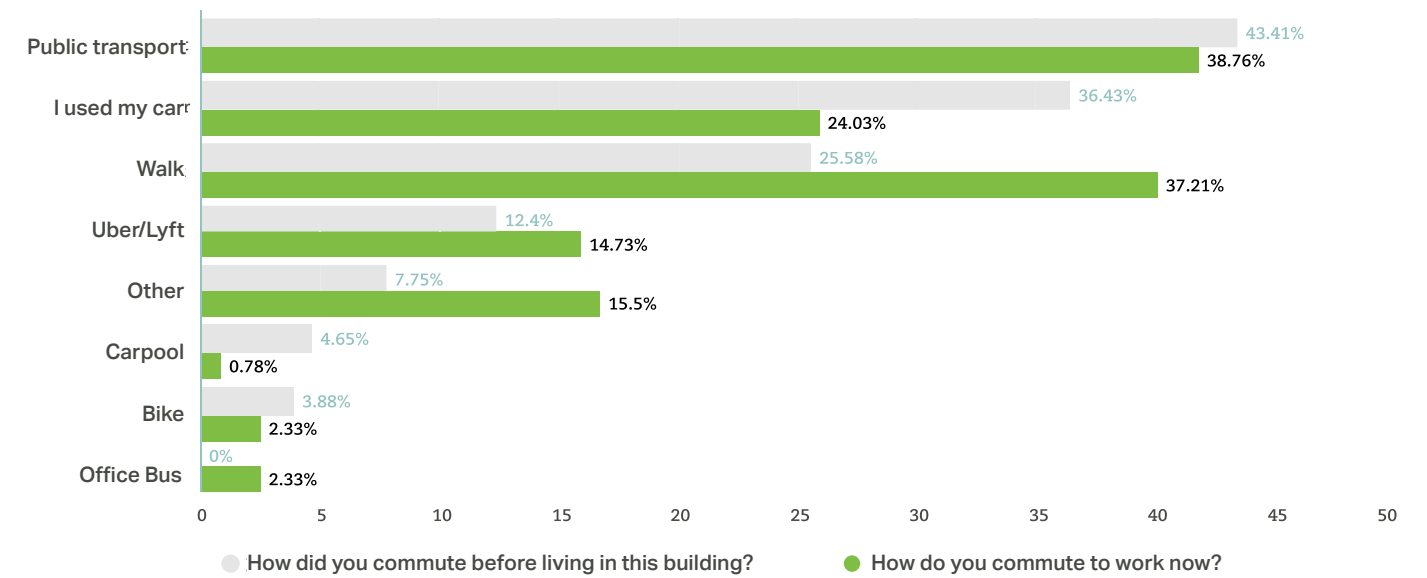


LENGTH OF TIME TO FIND AN APARTMENT



It took less than a month for 54% of our residents to find our properties.

HOW STAKEHOLDERS COMMUTED TO WORK — BEFORE AND AFTER MOVING IN

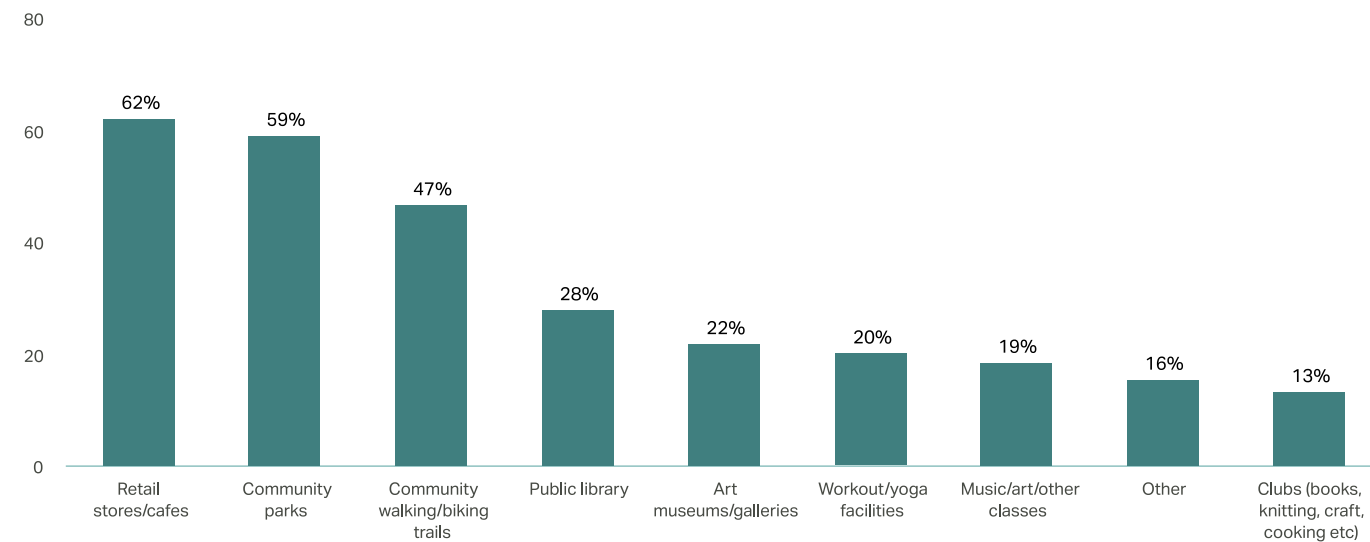


## Dimension 4: Contribution

**“Contribution** tells us whether an enterprise’s and/or investor’s efforts resulted in outcomes that were likely better than what would have occurred otherwise.” (Impact Management Norms 2020)

We determined that HDC contributed to residents’ ability to live independently and affordably. Our residents reported that they would have paid higher rent, stayed with family, or stayed at a less desirable place if HDC apartments were not available to them. In addition, our residents report shopping locally and enjoying community amenities frequently, contributing to the local economy.

**COMMUNITY AMENITIES USED BY THE RESIDENTS**



**RESIDENTS ALTERNATIVES TO RENTING WITH HDC**



## Dimension 5: Impact Risk

**“Risk** tells us the likelihood that impact will be different than expected.” (Impact Management Norms 2020)

We examined the risks that stakeholders (including investors) might face and explored mitigation techniques to help ensure the desired effects.

**We identified three significant risks.**

- 1. Evidence Risk:** There was insufficient impact data to know what impact occurred previously, which created high evidence risk. We are mitigating the risk by initiating an ongoing process to collect high-quality data.
- 2. External Risk:** While HDC owns developments, an external company manages them. The property management company’s practices affect stakeholders (our residents), creating an external risk. We are in the process of partnering with our property managers to co-create frequent impact learning to serve our stakeholders better. Additionally, planned regular stakeholder surveys allow HDC to spot emerging issues and take action.
- 3. Stakeholder Participation Risk:** If HDC fails to get sufficient feedback from residents, we face stakeholder participation risk. To offset this risk, we used incentives and collaborated with our property managers to create frequent co-branded email communications to boost participation. We received a 30% response rate.



# United Nations SDGs



The 2030 Agenda for Sustainable Development outlined 17 Sustainable Development Goals (SDGs) to help establish "peace and prosperity for people and the planet, now and into the future." These goals provide an impact framework to assess an entity's contribution towards "ending poverty and other deprivations," incorporating "strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change

and working to preserve our oceans and forests." (*The 17 goals / sustainable development*) Many organizations and enterprises use these SDGs as an impact framework. HDC aligns with targets in UN SDGs 9, 11, 12, and 13.

## SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



### How HDC Meets This Goal

1. Emphasizing human well-being, through health, safety, and wellness measures:
  - Utilizing non-toxic materials
  - Improving indoor air quality and ventilation
  - Providing individual HVAC units, protecting residents from the spread of disease
  - Allowing for generous natural light through oversized windows
  - Integrating as many private and shared outdoor spaces as possible
2. Building on sites that provide access to transit, essential services, employment, and community amenities
3. Increasing affordability for the residents

4. Encouraging Diversity and Inclusion by valuing and celebrating differences and ensuring that everyone feels safe and heard.
5. Increasing resiliency by:
  - Selecting sites strategically
  - Using effective insulation to ensure little exposure to drastic weather conditions
  - Ensuring passive survivability during emergency events through the use of resilient design
  - Incorporating stand-alone controls and systems that are easily understood and operated by residents

## SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable



### How HDC Meets This Goal

1. Aligning with city and state climate goals to reduce energy use and achieve carbon neutrality
2. Creating seven buildings with 473 apartments, housing 430 people
3. Creating affordable homes for medium and low income residents
4. Encouraging Diversity and Inclusion by valuing and celebrating differences



## SDG 12: Ensure sustainable consumption and production patterns



### How HDC Meets This Goal

1. Saving energy through integrated design, efficiency improvements such as heat recovery ventilation systems, and conservation measures
2. Conserving water with low-flow WaterSense labeled plumbing fixtures.
3. Reusing materials through adaptive reuse of existing buildings in urban centers.

## SDG 13: Take urgent action to combat climate change and its impacts



### How HDC Meets This Goal

1. Using bioclimatic architecture based on the local climate, reducing energy needs
2. Building with resilient and reinforced construction to resist natural disasters
3. Seismically retrofitting existing structures in adaptive reuse projects

## Global Impact Investment Network IRIS+



IRIS+ is a widely accepted impact accounting system. IRIS+ metrics increase impact by allowing investors to get a clear idea of how much impact an investment delivers. This report uses some of the contextualized IRIS+ metrics with additional impact evidence aligned with Impact Management Project's five dimensions.

### HDC's Business Aligns With the Following Iris+ Metrics

- PI2640 Individuals housed : 430
- PI2491 Number of housing units constructed : 473

## Urban Land Institute (ULI) Principles on Building Resilience



HDC endeavors to increase resilience in the face of climate change by aligning with the following from [Urban Land Institute's Principles on Building Resilience](#):

- Understanding vulnerabilities that increase risks
- Leveraging community assets.
- Identifying and investing in places and infrastructure with a high level of endurance
- Strategizing to mitigate climate-related risks.
- Designing with natural systems to help strengthen man-made systems and communities.
- Maximizing co-benefits with elements that enhance quality of life.
- Harnessing innovation and technology to improve response to crisis and strengthen resilience for the long term

# Next Steps

## Next Steps: Reflecting on our Impact Findings

Measuring impact is not enough. We need to use what we have learned to steer our actions.

### These are the actions HDC wil undertake:

1. Learn more about safety concerns. Are residents experiencing issues with a unit, building, or area? Are they related to specific events? Are the problems typical of the neighborhood?
2. Quantify reductions in greenhouse gas emissions based on our building's structure, siting and changes in our resident's behaviors.
3. Explore survey results for gender identification of residents, and determine whether HDC should take actions to ensure that gender-diverse HDC residents feel safe and included? Are the percentages of residents who identified as "other" or "prefer not to answer" more significant than is typical for their generational cohort?
4. Understand how we can contribute more to the health and wellbeing of our residents. Research effects of a living environment on wellbeing and engage stakeholders with questions about health and wellbeing.
5. Engage residents to see what types of community amenities they would like to see.
6. Explore how to encourage the adoption of local businesses.



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