

Strategies to Expand the Production of Senior Housing

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Agenda

- HPD Supportive and Senior Housing Loan Programs
- Past Senior Financing Models
- Current Budgetary Challenge
- Expanding Production of Supportive Housing
- Opportunities for Senior Housing

HPD Supportive and Senior Housing Programs

HPD's Division of Special Needs Housing provides low-interest 30+ year loans through 2 major programs:

- HPD Supportive Housing Loan Program (SHLP)
- HPD Senior Housing Program (SHP)

HPD Supportive and Senior Housing Programs

HPD Supportive Housing Loan Program (SHLP)

- Over 12,000 units of supportive housing created over 20 years.
- 500-600 units per year.
- 60% NYNY3 homeless, 40% community units, all under 60% AMI.
- \$60 million annually in HOME & City Capital.
- 350 PBV annually through HPD for the homeless.
- NYNY3 for services.

HPD Supportive and Senior Housing Programs

HPD Senior Housing Program (SHP)

- Newer program, average 250-300 units per year over last few years.
- ~\$5 million in HOME, “resoA”.
- ~\$20K-60K/du loan, largely gap financing new construction HUD 202s, and some tax credit and bond deals.
- 100% senior population.
- Relies on PRAC or PBV.
- No service contracts. Project manager/service coordinator may be incorporated into operating budget.

Past Senior Financing Models

HUD 202 New Construction

- 70-80 unit deals on average.
- Traditional HUD 202, with gap funding from HPD HOME or “resoA”.
- Tax-exempt bonds in construction, HUD take-out at permanent, no debt service. Access to 4% LIHTC.

Past Senior Financing Models

Other Senior New Construction

- 100+ unit deals on average.
- Tax-exempt bond deals, with debt service, NYCHA PBV contract up to 100% of units.
- 9% LIHTC/SLIC deals with private bank debt, with debt service, tax credit units under 60% AMI with S8, and 80%-100% AMI rents.
- Deals with DFTA Senior Center and community facility in the building.

Current Budgetary Challenge

Scarcity of Resources

- 40%+HOME cuts – primary source of development capital for SHLP and SHP.
- FY12 no HUD 202 new construction capital funding, just PRAC. FY13 TBD.
- Increasing competition for 9% tax credits.
- Shortage of Section 8 and other rental assistance.

Expanding Supportive Housing

HPD is committed to significantly expanding supportive housing production even in these tough times by:

- Collaborating with our City and State partners (HDC, HCR, NYCHA, MRT funds) to utilize our combined resources efficiently.
- Adopting financing models that incorporate hard debt, cuts HPD subsidy in half to spread to additional projects and units.
 - HDC/HFA bonds and 4% tax credits, with debt service for singles and families.
 - Meet NYNY3 goal.

Opportunities for Senior Housing

Incorporate seniors into the expanding Supportive Housing pipeline where possible.

- We've already begun to do this through collaboration with NYCHA to set-aside units for NYCHA seniors and residents in our SHLP projects (for NYCHA PBV and land).
- Mixed models of non-senior and seniors in SHLP projects.
 - 60/40 SHLP model.
 - Market (but can't set-aside) tax credit units at reduced rents to seniors.
 - Need Federal Rental Assistance, PBV, PRAC?
- Models to house homeless seniors.
- Possibilities for senior housing from Medicaid Reform.
 - Exploring deals with HHC, needs for their elderly and disabled, and how two agencies can collaborate together.