

Financing Supportive Housing for Families with HPD

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Two HPD programs produce NY/NYIII units

1) Supportive Housing Loan Program (SHLP)

- All units \leq 60% AMI
- 60% for NY/NY III homeless
- Only NYC program funding NY/NY III singles projects

2) Low Income Rental Program (LIRP)

- All units \leq 60% AMI
- 20% for homeless or 40% AMI
- Expected to produce NY/NY III family units

New York / New York III for families

- 3,125 NY/NY III units allocated to the City
- 775 for families – Populations D & G
- More than half still to be financed

Low Income Rental Program (LIRP)

- HPD new construction for families and singles
- LIRP subsidy loan of \$50,000 - \$70,000 / unit
- Paired with HDC LAMP
 - HDC first loan (debt service)
 - HDC second (subsidy loan)
 - 4% tax credit equity
 - Bonds funds construction

Low Income Rental Program (LIRP)

- Low income units underwritten at tax credit rents
- 20% of units - sponsor's choice:
 - Homeless referrals, or
 - Tenants at 40% AMI
- Half of LIRP developers opt for 40% AMI units

NY/NY III Units in LIRP Projects

- Need project-based rental assistance
- Pair with NY/NY III to improve services, rent subsidy (project income)
- Incentive to choose homeless, NY/NY III tenants rather than 40% AMI tenants
- LIRP developers will need service provider partners

Supportive Housing Loan Program (SHLP)

- HPD subsidy loans for supportive housing for homeless and disabled singles (NY/NY III)
 - 60% of units for homeless NY/NY III individuals
 - 40% for New Yorkers earning up to 60% AMI
- HPD subsidy loan of ~\$120,000 / unit
- Often paired with 9% tax credits
- Only City program creating permanent housing for NY/NY III singles

Keys for SHLP NY/NY III family projects

- Mix families and singles (studios and larger apts)
- 60% homeless
- Financing is largely LAMP-SHLP
 - SHLP loan should be ~half standard commitment
 - HDC first and second loans, bonds, 4% credits
- Project-based rental assistance for homeless units
- Competitive tax credit raise, TDC, M&O, DCR

Challenges

- Capital subsidy need / HOME cuts
- Need project-based rental assistance to pay debt service
- Sponsors capable of HDC bond deal
 - Debt service, guarantees
 - Partnerships
- NY/NY III: scale, LIRP developers' comfort level
- Sites, community support