





What To Do About SROs?

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About Us



Rockabill primarily serves the nonprofit affordable, supportive and transitional housing community by providing a variety of Consulting, Development and Construction related services.

With over 15 years of experience serving all areas of affordable and supportive housing development in New York, the Rockabill team utilizes their knowledge to bring innovative financing solutions, attention to detail, integrity and ability to execute and build projects on time and within budget. Rockabill has been involved in the development and financing of over 14,000 affordable housing units.



SRO Preservation: Challenges & Solutions

Challenges

- No SRO Preservation Program
- HPD Preservation doesn't "speak" supportive housing; limited/no dev fee
- Adding bathrooms/studios is \$\$\$, relocation very difficult
- Low rental income = can't underwrite private debt for rehab + need for social services funding to subsidize operations
- Low services funding = if services funds are used for operations, services suffer
- Very difficult to lease
- Impossible to convert existing SROs to supportive housing without adding bathrooms; Master Lease offers inadequate services funding

- Simple preservation and rehab: "take what you can get/do what you can"
- Energy efficiency improvements
- Add private bathrooms
- Convert to studios
- Can HPD create a new SRO conversion term sheet?
- Can 15/15 or other rich subsidy/service funding be applied to existing units?





New Senate Residence, 206 West 92nd St., NY



- SRO converted to supportive housing in 1988
- 137 units, shared kitchens/bathrooms
- DOHMH and DHS services funding
- Closing December 2023

Challenges:

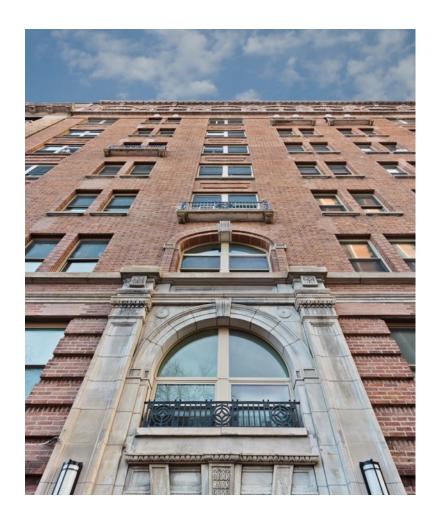
- High number of tenant-based vouchers
- No project-based subsidy
- Impossible to lease
- Cramped quarters/not enough service space

- Increased DOHMH contract!
- Section 610
- Can't reduce units, doing what we can: focus on improving service space
- HPD Y15 with Private Debt (TDC = \$160K/unit)





Capitol Hall, Upper West Side, NYC



- 202-room SRO developed in1988 under Section 8/SRO Mod Rehab Program
- Preserved with LIHTC 2014 (TDC = \$235K/unit)
- Everyone asks: can we copy Capitol Hall?

Unique Factors:

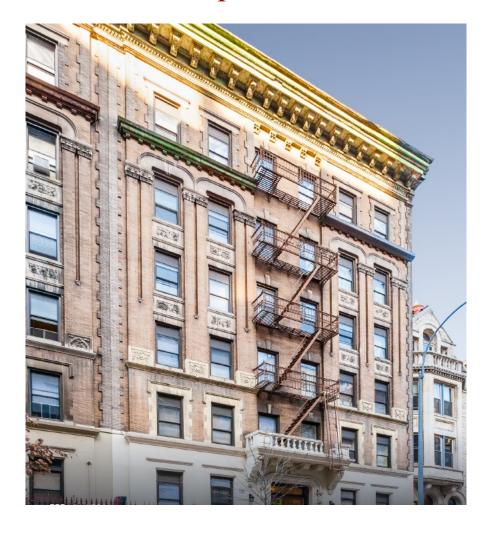
- 100% Project Based Section 8
- Little/no services funding
- Large building with plenty of space

- Added private and jack+jill bathrooms without reducing unit count
- Checkerboard relocation





Stephan Russo Residence, 235 West 107th St., NY



- 84 bed illegal hotel on UWS
- 69 units: 80% supportive
- LIHTC closing March 2023 (TDC = \$550K/unit)

Challenges:

- 30% Construction Price Escalation post COVID
- High hard costs due to 15/15 requirement for private bathrooms

- HRA 15-15 service funding
- Collegiate Funds not possible otherwise
- Section 610





St. Francis Residences I-III, Chelsea, NY



- SROs converted to supportive housing in 1980s
- 255 SRO units across 3 residences
- DOHMH and DHS services funding
- Very specific population; not opposed to SRO

Challenges:

- Low rents < 300!)
- No project-based subsidy
- Rehab needed
- Can't support private debt/no developer fee

- Increased DOHMH contract!
- 24 units HPD PBV
- HPD Green Housing Program & Electrification Pilot (TDC = \$88K/unit)





Columba Kavanaugh House, Harlem, NY



- SROs converted to supportive housing in 1980/90s
- 260 SRO units across 3 residences
- DOHMH and DHS services funding

<u>Challenges</u>:

- No project-based subsidy
- Rehab needed
- 25% vacant (!!)

Possible Solutions:

- Exploring possibility of converting one or more residences to private bathrooms or full studios
- Make high vacancy work to our advantage



<u>Unpopular Opinions</u>

- SRO stock shouldn't go to waste
- SROs have a place in the housing continuum
- Some unhoused people are not ready for a full apartment, but all deserve a home and a lease
- Permanent housing doesn't necessarily mean one apartment for life
- DSS should refine referral process
- SRO project-based subsidy should be able to convert to tenant-based so tenants don't get "stuck" after one referral

Contact:

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SRO Supportive Housing Sites

Lantern Community Services

Michelle Hess, Chief Compliance Officer Anish Patel, Compliance Manager



SRO H

- Located in the Upper West Side
- Opened in 2008
- Population served:
 - 60 SMI single adults (DOHMH funded)
 - 35 NYNY III Pop H single adults (HASA funded)
 - > 41 Community single adults
- ▶ DHS funding for all 136 units

SRO H

- Referral sources:
 - > DHS for SMI units
 - HASA for NYNY III
 Pop H units

- Rental assistance:
 - CoC Shelter Plus
 Care (15 units:10
 SMI; 5 NYNY III Pop
 H)
 - > HUD SRO Mod Rehab (60 units: 50 SMI; 10 NYNY III Pop H)

SRO H Amenities and Programming

- ► A laundry area (3 washers and 3 dryers)
- A community room with computers
- ▶ 24/7 front desk coverage

- Case Management
- Health and Wellness
- Education and Employment
- Nutrition and Culinary Arts
- Arts and Culture
- Leasing and Compliance

SRO H Units



Furniture:

- Twin bed
- 2 chairs
- Half refrigerator
- Microwave
- Hot plate
- Air conditioner

Starter kit:

- Bed and bath linens
- Cookware, dinnerware, and utensils

SRO H Current Vacancies

- ▶ 14 vacancies
 - 5 NYNY III Pop H units (4 HUD SRO Mod Rehab; 1 CoC Shelter Plus Care)
 - > 5 SMI units (5 HUD SRO Mod Rehab)
 - > 4 Community units
- ▶ 90% occupancy rate
- > 7 move ins, 6 move outs so far in 2023

SRO H Historical Vacancies

Year	Occupancy Rate	Average # of Units Filled	Average # of Vacancies	Move Ins	Move Outs
2019	88%	121	15	22	19
2020	92%	126	10	11	12
2021	87%	119	17	4	16
2022	86%	119	17	19	16



SRO R

- Located in the Upper West Side
- Opened in 2014
- Population served:
 - > 60 HSN II single adults (DOHMH funded)
 - > 14 NYNY III Pop A single adults (DOHMH funded)
 - > 10 NYNY III Pop A single adults (unfunded)
 - > 10 DHS Gen Pop single adults
 - > 29 Community single adults
- ▶ DHS funding for all 123 units

SRO R

- Referral sources:
 - >DHS for HSN II, NYNY III Pop A and Gen Pop units
- Rental assistance:
 - Plus Care (84 units: 60 HSN II; 24 NYNY III Pop A)

SRO R Amenities and Programming

- A laundry area (3 washers and 3 dryers)
- An outdoor area
- A community room
- A computer space
- ▶ 24/7 front desk coverage

- Case Management
- Health and Wellness
- Education and Employment
- Nutrition and Culinary Arts
- Arts and Culture
- Leasing and Compliance

SRO R Units

- ► Furniture
 - > Twin bed
 - > Table/chair
 - > Full refrigerator
 - Microwave
 - Electric stove top
 - Air conditioner

- Starter kit:
 - Bed and bath linens
 - Cookware, dinnerware, and utensils
 - > Toiletries

SRO R Current Vacancies

- ▶ 10 vacancies
 - > 8 HSN II units
 - ▶ 1 DHS Gen Pop unit
 - >1 Community unit
- > 92% occupancy rate
- > 5 move ins, 0 move outs so far in 2023

SRO R Historical Vacancies

Year	Occupancy Rate	Average # of Units Filled	Average # of Vacancies	Move Ins	Move Outs
2019	94%	117	6	15	14
2020	93%	116	7	6	9
2021	91%	112	11	9	13
2022	91%	112	11	9	13



SRO S

- Located in Hell's Kitchen
- Opened in 2018
- Population served:
 - 33 NYNY III Pop H single adults (HASA funded)
 - 6 DHS Gen Pop single adults
 - > 69 Community single adults

SRO S

- Referral sources:
 - HASA for NYNY
 III Pop H units
 - DHS for Gen
 Pop units

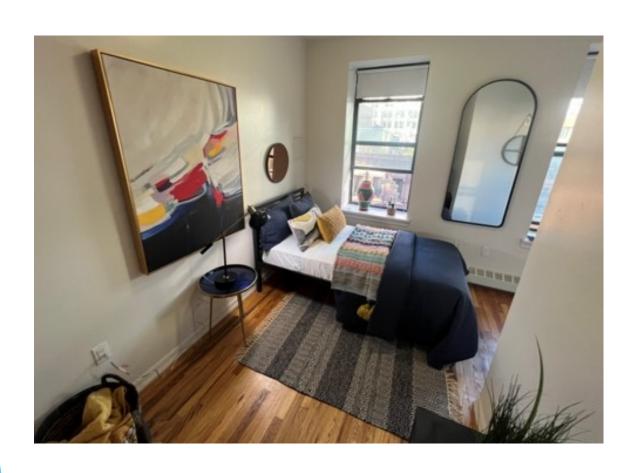
- Rental assistance:
 - Plus Care (39 units: 33 NYNY III Pop H; 6 DHS Gen Pop)

SRO S Amenities and Programming

- ▶ 24/7 laundry area
- Handicap lift and wheelchair accessible bathrooms
- A community room
- A community kitchen
- ▶ 24/7 front desk coverage

- Case Management
- Health and Wellness
- Education and Employment
- Nutrition and Culinary Arts
- Arts and Culture
- Leasing and Compliance

SRO S Units



Furniture:

- Twin bed
- Table/chair
- Bedside table
- Microwave
- > Half refrigerator
- Air conditioner
- Starter kit:
 - Bed and bath linens
 - Cookware, dinnerware, and utensils
 - Bonus items such as a reading lamp, storage ottoman, and floor coverings

SRO S Current Vacancies

- ▶ 16 vacancies
 - > 11 NYNY III Pop H units
 - > 5 Community units
- ▶ 85% occupancy rate (overall)
- > 72% occupancy rate (only program units)
- ▶ 6 move ins, 3 move outs so far in 2023

SRO S Historical Vacancies (Program Units Only)

Year	Occupancy Rate	Average # of Units Filled	Average # of Vacancies	Move Ins	Move Outs
2019	85%	34	5	2	7
2020	88%	35	4	11	7
2021	90%	36	3	3	8
2022	69%	27	12	2	10

SRO's Physical Limitations

- Not ideal living spaces for applicants with physical disabilities
- Clients who do move in may develop conditions over time that make navigating SRO units difficult
- A significant portion of the agency's Reasonable Accommodation requests originate from clients living in SRO units
- ► This can produce a knock-on effect when these clients transfer out leading to additional vacancies

Challenges in Filling Vacancies

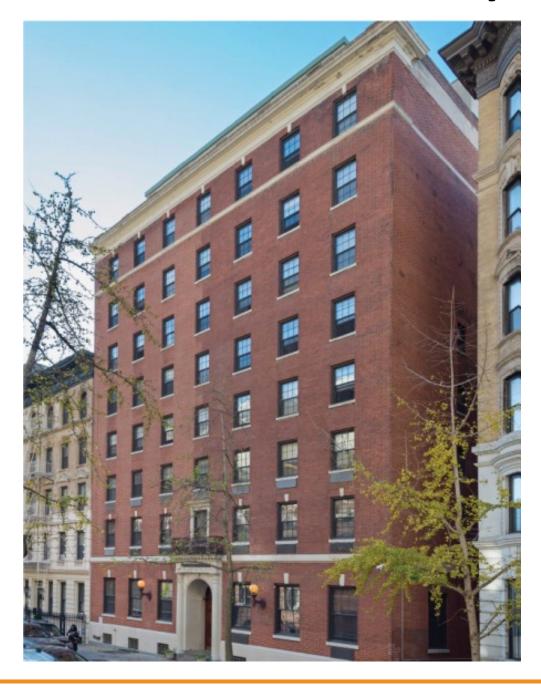
- Lack of eligible referrals
- Referred applicants have already been housed
- Referred applicants are repeats who have previously declined
- Unable to contact applicants
- ► No shows for interviews
- Applicants uninterested in shared bathrooms, limited kitchen facilities, and/or small unit sizes

Efforts and Incentives

- Staging vacant units to show the potential of an SRO
- Gift cards for attending interviews
- In person presentations at shelters
- Upgrading items in starter kits
- Providing additional items to increase appeal
- Food programming designed specifically for SRO's limited kitchen facilities
- Weekly onsite meals

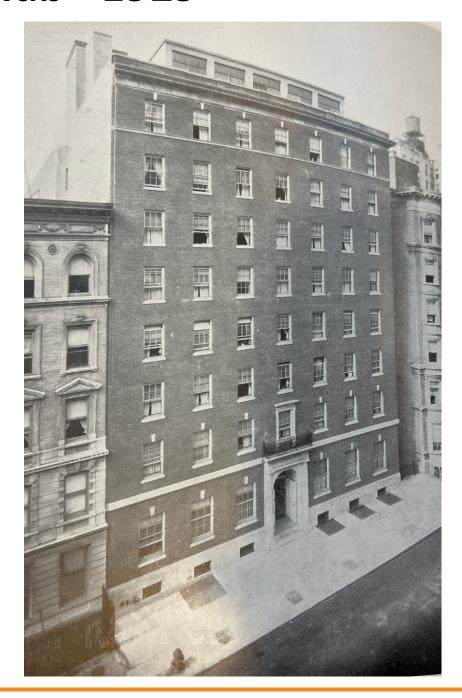
Questions?

The Three Arts Club of New York City



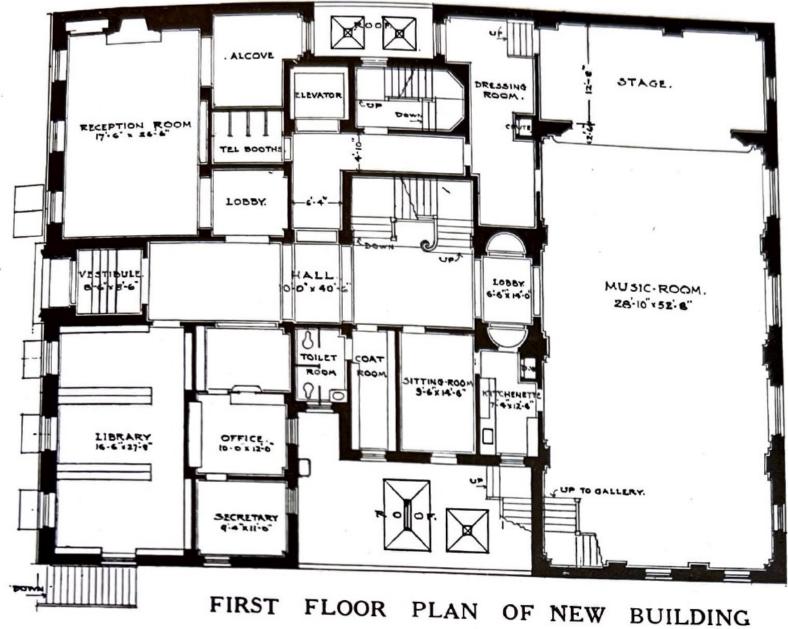


Three Arts Club - 1929



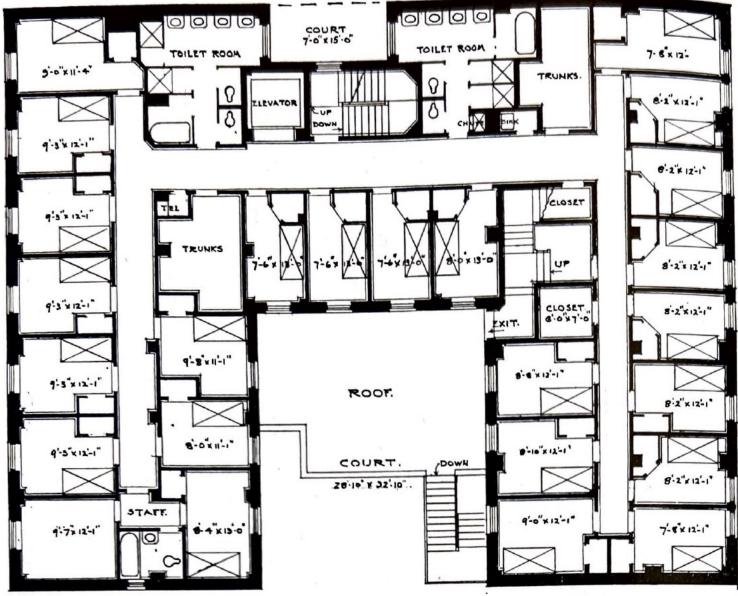


Three Arts Floor Plan – 1929 1st Floor





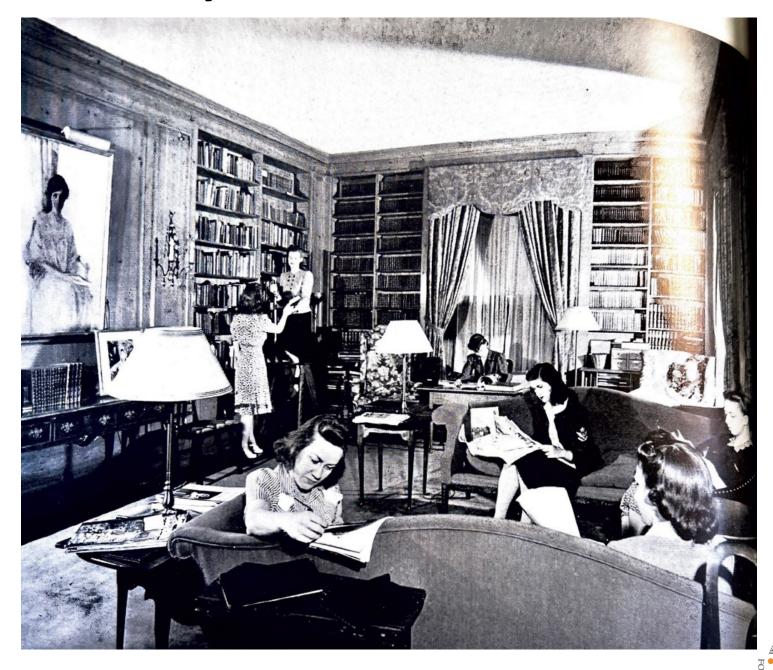
Three Arts Floor Plan – 1929 - 3rd Floor



THIRD FLOOR PLAN OF NEW BUILDING



Louise Anthony Vanderbilt Memorial Library



Three Arts Club – Dining Room



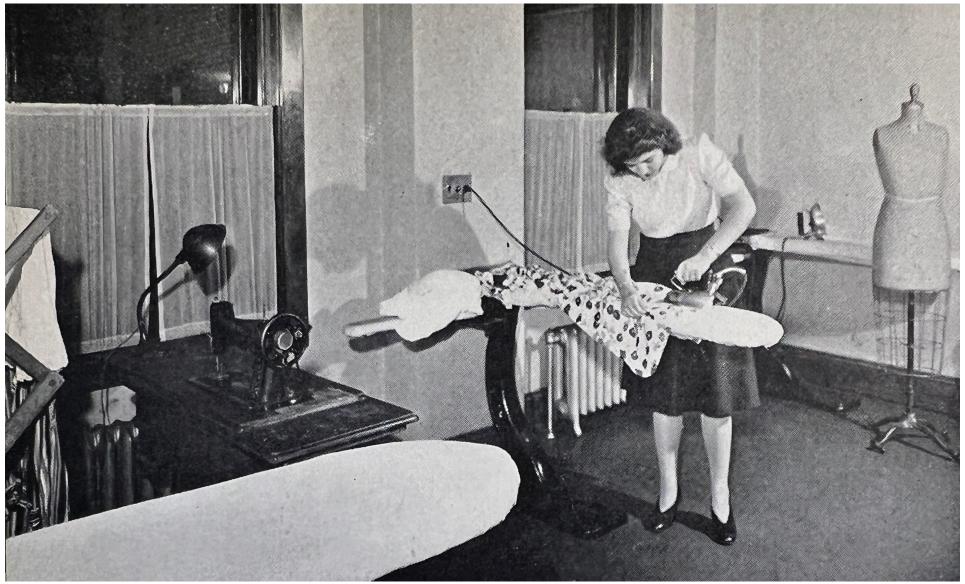


Three Arts Club - Bedroom





Three Arts Club – Laundry Room





Three Arts Club – Art Studio



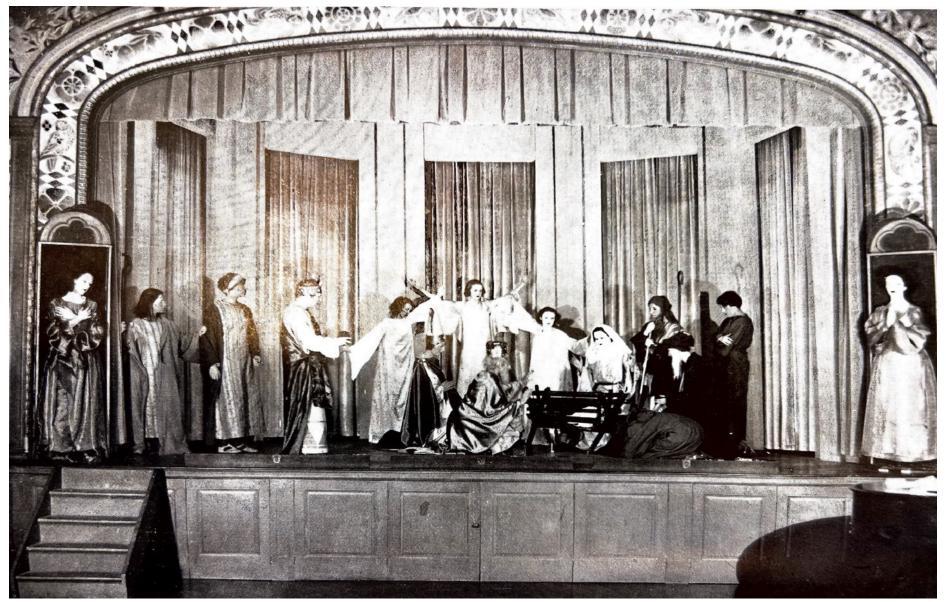


Three Arts Club - Roof



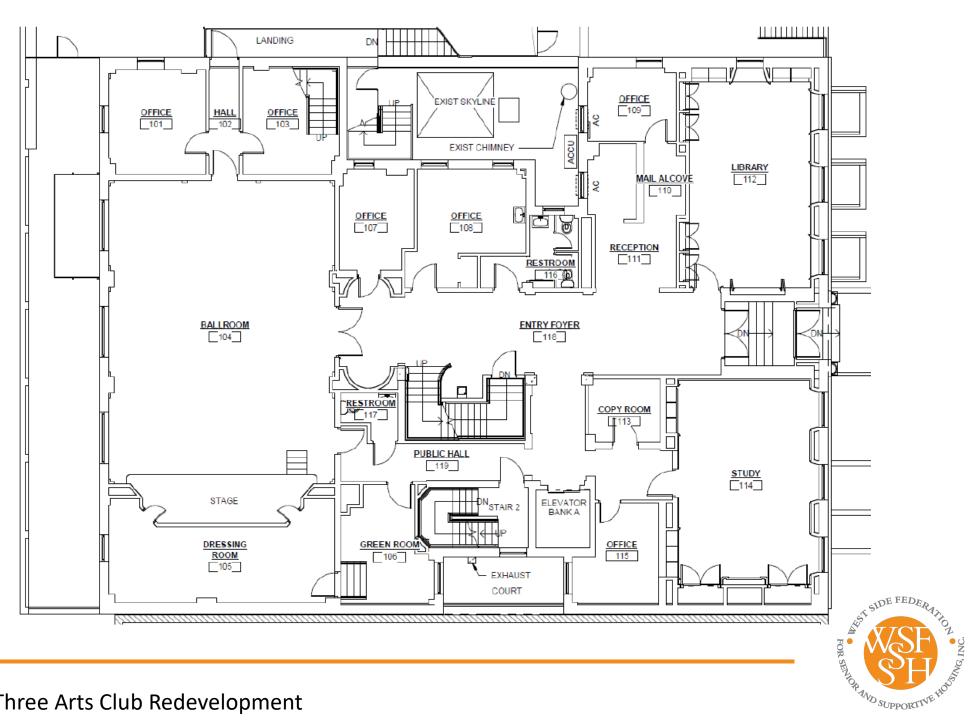


Three Arts Club – Little Theater

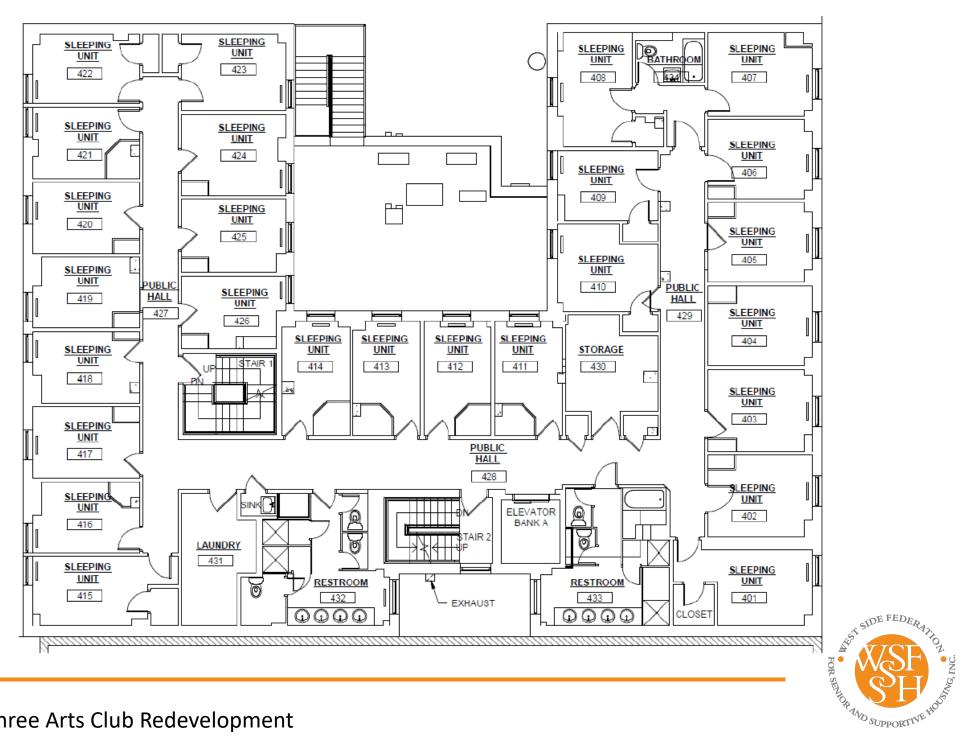




Three Arts Club – Existing First Floor



Three Arts Club – Existing Typical Floor



The Three Arts Club of New York City

UWS Seniors Evacuated To Hotels To Help Social Distancing: Report

Nearly 300 seniors who live in low-income housing at Euclid Hall will move to Midtown hotels to help prevent the spread of the coronavirus.



Posted Thu, Apr 2, 2020 at 12:37 pm ET



Patch News

Senior Residence Evacuated by People in Protective Gear, Witnesses Say

March 30, 2020 | 3:03 PM - Updated on June 5, 2022 | 11:38 PM in NEWS, POLITICS



West Side Rag



Three Arts Club - Private ½ Baths



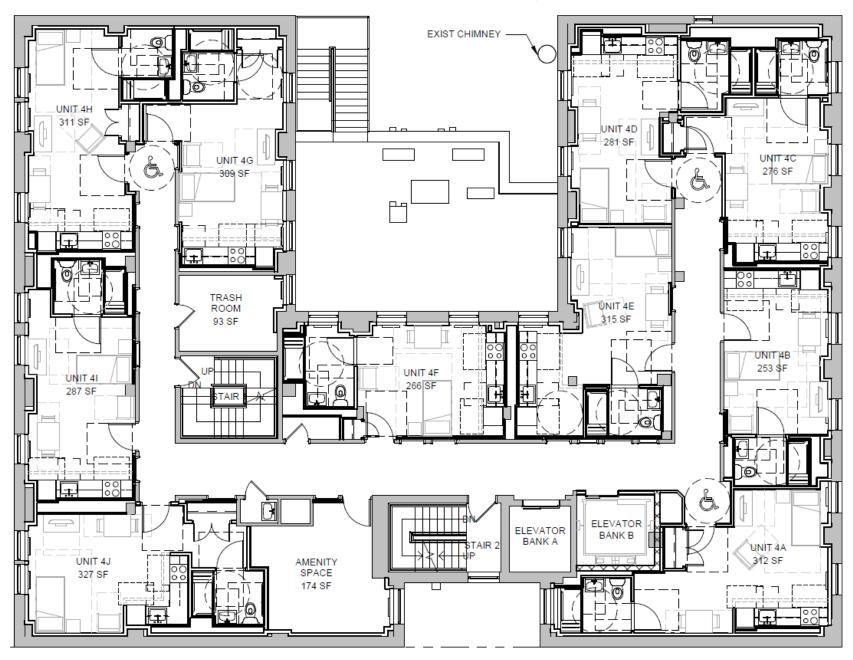
Three Arts Club - Shared Full Baths



Three Arts Club – Private Full Baths



Three Arts Club – Studio Apartments





Three Arts Club – Unit Count Comparisons

SCENARIO	Total Units*	Community Units (70%)	Homeless Units (30%)
As-Is	124	86	38
Private Half Bath	94	65	29
Shared Full Bath	94	65	29
Private Full Bath	66	46	20
Studio Apartments	61	42	19

^{*}Total units reduced by 2 units since now know only 10 units will fit on 3rd floor



Three Arts Club – Sources and Uses

Construction Sources		per DU	% of total
First Mortgage (Lender: Private TBD)	\$22,417,046	\$361,565	56.12%
Second Mortgage (Lender: HPD SARA)	\$7,750,000	\$125,000	19.40%
Third Mortgage (Lender: HHAC HHAP)	\$1,002,412	\$16,168	2.51%
Reso A	\$2,500,000	\$40,323	6.26%
Linda Rosenthal Grant	\$150,000	\$2,419	0.38%
Historic Tax Credit	\$1,544,280	\$24,908	3.87%
Deferred Developer's Fee	\$4,011,929	\$64,709	10.04%
Other source (Specify: Accrued Interest)	\$567,300	\$9,150	1.42%
Gap/(Surplus)	(\$0)	(\$0)	0.00%
TOTAL SOURCES	\$39,942,967	\$644,241	100.00%

Permanent Sources			
First Mortgage (Lender: Private TBD)	\$16,496,433	\$266,072	41.30%
Second Mortgage (Lender: HPD SARA)	\$7,750,000	\$125,000	19.40%
Third Mortgage (Lender: HHAC HHAP)	\$1,002,412	\$16,168	2.51%
Reso A	\$2,500,000	\$40,323	6.26%
Linda Rosenthal Grant	\$150,000	\$2,419	0.38%
Historic Tax Credit	\$6,177,121	\$99,631	15.46%
Deferred Developer's Fee	\$5,299,701	\$85,479	13.27%
Other source (Specify: Accrued Interest)	\$567,300	\$9,150	1.42%
Gap/(Surplus)	(\$0)	(\$0)	0.00%
TOTAL SOURCES	\$39,942,967	\$644,241	100.00%

Uses			
Acquisition Cost	\$0	\$0	0.00%
Construction Cost	\$27,615,244	\$445,407	69.14%
Soft Cost	\$7,870,024	\$126,936	19.70%
Developer's Fee	\$4,457,699	\$71,898	11.16%
TOTAL USES	\$39,942,967	\$644,241	100.00%



The Three Arts Club of New York City

Questions?

