



HomeStretch

*Co-Located and Co-Developed Shelter
and Supportive Housing*



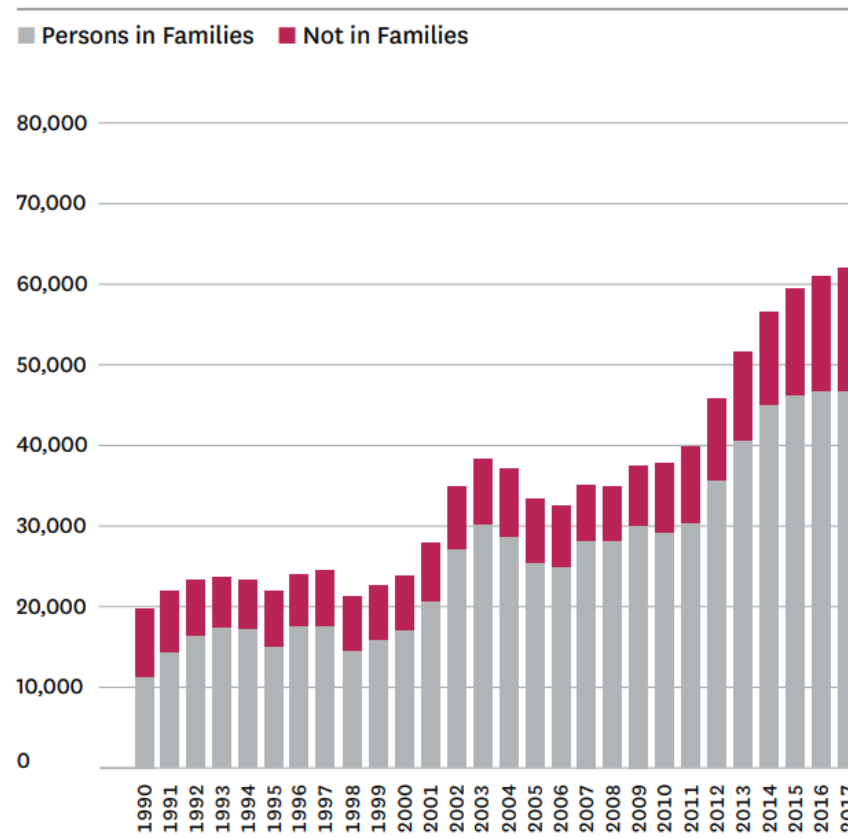
October 16, 2018

BACKGROUND

- All NYC homeless have a right to shelter since *Callahan v. Carey*, 1979.
- In 2017, 62,000 people (including 23,655 children) on average per month were in NYC homeless shelters.¹
- Between 1994 and 2014 the NYC shelter population rose by 115%, indicative of a worsening affordability crisis.
 - Between 2000 and 2014 median incomes increased by 19% while household incomes decreased by 6.3%.²
 - Between 1994 and 2012 the City lost approx. 150,000 rent regulated apartments.²

BACKGROUND

Average Monthly Homeless Shelter Population by Family Status, New York City¹



PROGRESS

NYC's Housing NY (2013)

- 10-Year plan to build 80,000 new affordable units and preserve 120,000 affordable units
- Set asides required for formerly homeless

NYC's HNY 2.0 (2017)

- Accelerates HNY goal and adds 100,000 affordable units to the target

NYC's Turning the Tide on Homelessness (2017)

- Goal to build 15,000 Supportive Housing units in 15 years
- Goal to modernize and consolidate shelters
- Established new project-based rental assistance subsidy

CHALLENGES

Shelter

- NYC's Department of Homeless Services does not have loan authority to build new shelters.
- Accessing financing for shelter construction.
- Many NYC shelters are outdated.

Supportive Housing

- Developing Supportive Housing units typically requires rental assistance.

OBJECTIVES

HomeStretch leverages NYC Dept. of Homeless Services (DHS) shelter subsidy and traditional affordable housing financing to co-develop and co-locate permanent supportive housing and shelter.

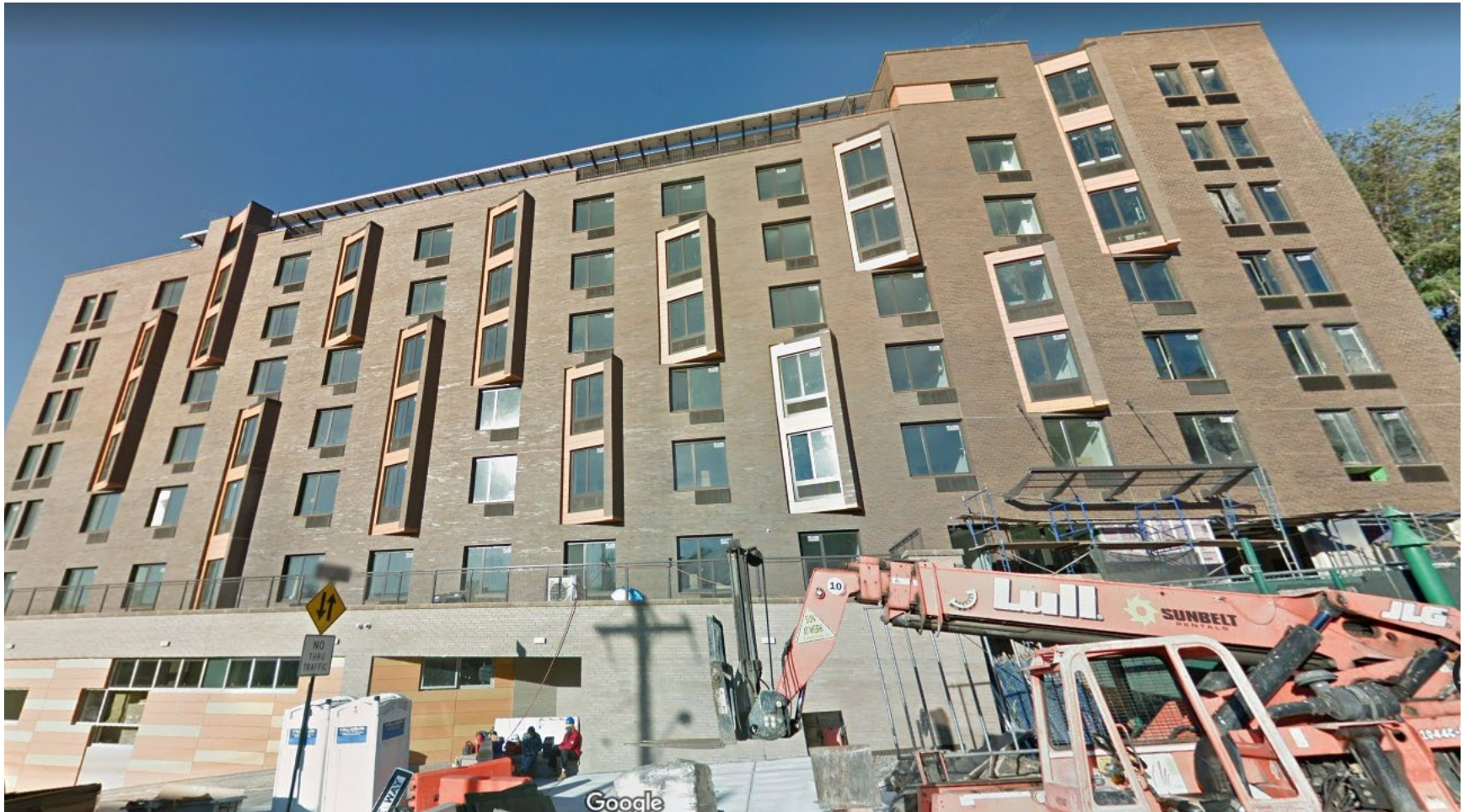
Through this new program structure, NYC is:

- Developing ELI units for the formerly homeless *without* rental assistance,
- Upgrading and consolidating shelters,
- Providing pathways from shelter to permanent housing,
- Advancing the Mayor's goals to build 15,000 new supportive housing units in 15 years.

PARTNERS

Development Partner	Role
NYC Dept. of Housing Preservation and Development (HPD)	Provides subsidy for Supportive Housing (SH)
NYC Department of Homeless Services	<ol style="list-style-type: none">(1) Contracts with Service Provider for operations and services(2) Contracts include funding for rent or to pay down debt service for building shelter
NYC Housing Development Corporation (HDC)	<ol style="list-style-type: none">(1) Provides tax exempt bond financing and subsidy for Supportive Housing(2) Provides support structuring deal
Sponsor	<ol style="list-style-type: none">(1) Develops rental and shelter components(2) Partners with SH service provider
Shelter Operator/Service Provider	(Can be the same as SH service provider)

1st PROJECT: 233 LANDING ROAD, BRONX



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Bowery Residents' Committee (BRC) | Construction began in 2015

Sponsor, Shelter Operator and Supportive Housing Service Provider

Shelter Component

- 200 beds; 39,500 sf; 1st and 2nd floors
- Financed with sponsor equity and private construction loan underwritten to 30-year DHS contract that includes “rent payment.”
- Rent payment covers debt service and provides ~\$400k in additional annual income to supportive housing component, subsidizing ELI units.



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Bowery Residents' Committee (BRC) | Construction began in 2015

Sponsor, Shelter Operator and Supportive Housing Service Provider

Supportive Housing Condo

- 135 units, all permanently affordable
 - 99 homeless units at 35% AMI
 - 12 homeless units at PA rent level
 - 7 units at 50% AMI
 - 17 units at 60% AMI
- 90,403 sf; floors 3 - 9
- Includes 3,900 sf community space
- Financed with HPD's Supportive Housing Loan Program (SHLP) and HDC's Extremely Low & Low-Income Affordability (ELLA) Program using tax exempt bonds and 4% LIHTCs
- Under 60-year regulatory agreement



1st PROJECT: 233 LANDING ROAD, BRONX

Shelter Sources

TDC: \$19.5 mm

Construction Sources	
Bank Construction Loan	\$16,315,870
Second Construction Loan	\$2,000,000
Sponsor Loan	\$1,150,000
Total	\$19,465,870
Permanent Sources	
Bank Permanent Loan	\$18,315,870
Sponsor Loan	\$1,150,000
Total	\$19,465,870

Supportive Housing Sources

TDC: \$43.5 mm

Construction Sources	
HDC Bonds	\$22,300,000
HDC Second Mortgage	\$10,592,092
HPD SHLP	\$2,720,000
Deferred Construction Interest	\$897,808
LIHTC Equity	\$1,781,696
Deferred Developer's Fee	\$5,160,000
Total	\$43,451,596
Permanent Sources	
HDC First Mortgage	\$1,225,000
HDC Second Mortgage	\$16,320,000
HPD SHLP	\$5,683,545
Deferred Construction Interest	\$897,808
NYSERDA Energy Award	\$163,200
LIHTC Equity	\$17,816,958
Sponsor Loan	\$150,000
Deferred Developer's Fee	\$1,195,085
Total	\$43,451,596

1st PROJECT: 233 LANDING ROAD, BRONX



WHAT'S NEXT?

- 1 additional project closed
- 1 project in the pipeline
- Improving how contracts are structured between parties/interagency collaboration
- 501(c)3 bonds for Shelter construction debt

QUESTIONS?

Anthony R. Richardson
Executive Vice President of Real Estate Development
NYC Housing Development Corporation
arichardson@nychdc.com

