



2019 Boston

ANNUAL CONFERENCE
& SHOWPLACE

Hospital Housing Partnership

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Benefits of a Hospitals/Housing Partnership

- Partnership offers hospitals an opportunity for neighborhood investment, housing for hospital staff, and frequent utilizers of hospital emergency departments. Hospitals are anchor institutions.
- Cost studies from across the country have found that supportive housing results in tenants' decreased use of hospitals and emergency rooms, resulting in significant savings to healthcare institutions.
- Housing with supportive services provides stability and has shown to improve the lives of tenants.

Challenges

- Need apartments for familiar faces of ED and Inpatient services.
- Need for healthy neighborhoods- both integration and access to healthcare.
- Lack of subsidy available for low-income housing.
- Hospitals have Community Benefit obligations, increasing attention on population/social determinants of health, and value based payments.

Frequent Users = Disproportionate Health Costs

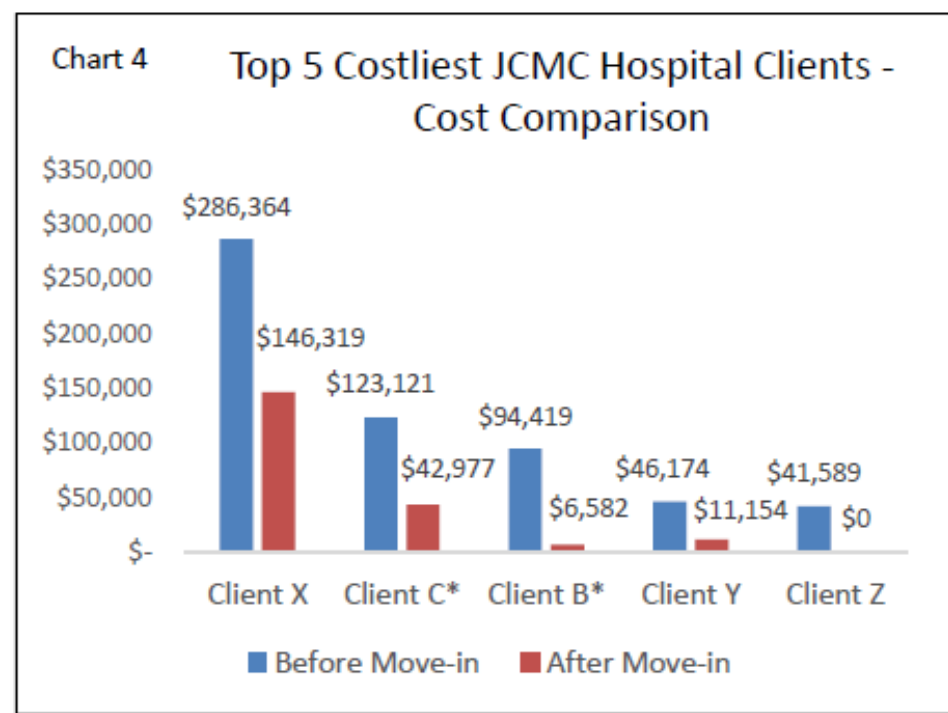
NJ Results of Housing First

Trenton:

In 2014, the Greater Trenton Housing First Program cited a 78% reduction in ER & inpatient costs for individuals housed through the program, reducing annual individual costs from \$25K to \$5K per year.

Jersey City:

Among the top 5 most expensive clients before move in, this group saw an overall 65% reduction in public institution costs during the 1st year of housing.



Housing is Healthcare Hospital Pilot

Develop Multifamily Housing with Housing First Pilot set-aside located near hospitals

- Partnership between NJHMFA and participating hospitals
- Funding contribution from NJHMFA and hospitals to develop housing
- The development could include a set-aside of units for frequent users of hospital emergency room services – Housing First Pilot



Jumpstarting the Hospital Partnership

September 2018



December 2018



July 2019

- NJHMFA's Board approves \$12 million investment in hospital partnership pilot
- Agency solicits letters of interest from hospitals statewide
- Agency receives 8 letters of interest from geographically diverse set of health systems/hospitals, initially moves forward with four to five projects in Paterson, Newark, and Camden
- First projects receive Declaration of Intent

Sample Project Financing

Sample Project Description

- 100% Affordable or Mixed-Income
- 60 units with 10 units set aside for Frequent Users

Sample Capital Stack

Tax Credit Equity	\$4,839,009
HMFA Tax-Exempt Financing	\$1,166,902
Special Needs Housing Trust Fund	\$1,000,000
HMFA Program Subsidy (example)	\$3,250,000
Hospital Contribution (example)	\$3,250,000
Deferred Developer Fee	\$1,275,000

Total Development Costs **\$14,780,911**



Designing St. Joseph's Capital Stack

**Special Needs Housing Trust
Fund - \$1 million**

**St. Joseph's Matching Subsidy
Contribution - \$3 million**

**NJHMFA Hospital Partnership
Subsidy Loan - \$3 million**

**Private Equity Generated by 4%
LIHTC - \$7.6 million**

**NJHMFA Construction and
Permanent Financing – \$10.9
million**



**Land donated by St.
Joseph's Medical
Center**

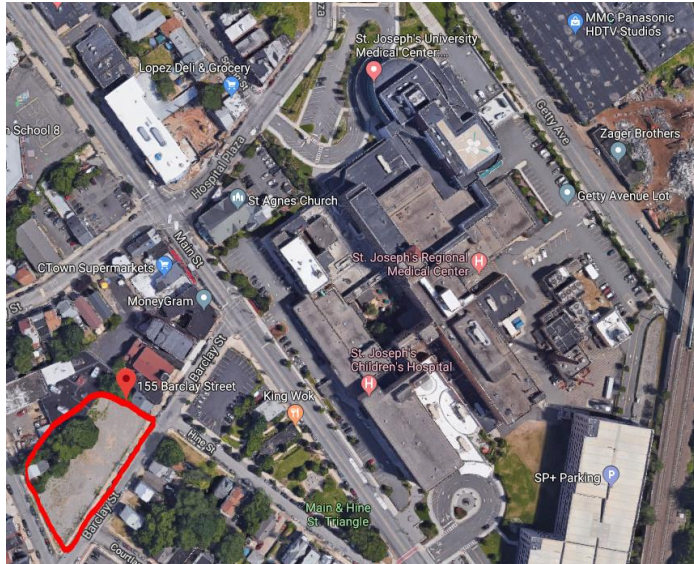
and

**10 project-based
Housing First
vouchers from DCA
to ensure continuing
affordability for
special needs units**

Finance/HFA benefits

- Two loans:
 - Construction & Permanent
 - Pass-through loan for the hospital's "subsidy"
- Hospitals typically have great ratings.
- And More: flexible loans, creation of mixed use, new partners.

NJHMFA Partnership with St. Joseph's Health - Paterson



- 60 unit housing development one block from St. Joseph's Medical Center on a hospital-owned vacant lot that is "shovel-ready," in an OZ, and close to bus and train service
- 1-3 bedroom apartments affordable to families and hospital employees
- NJ Community Dev. Corp. as developer

- 10-unit set-aside for special needs population, frequent ER utilizers
- Development will also include a 15,000 sq ft community meeting space open to the public
- Expected completion: spring 2021



Thinking Beyond One-Off Developments: Neighborhood “Healthy Homes” Initiatives

We want to collaborate with hospitals to create new affordable development, but we don’t want to leave existing neighborhoods behind.

To this end, we are currently planning:

- 1) expansion to fund rehabilitation efforts in neighborhoods surrounding hospital developments through partnerships with on-the-ground NGOs and CDCs
- 2) Funding fit-ups of first-floors in new developments for medical facilities to serve the local community



Public Private Partnership

- Joint recognition of housing as healthcare
- Limited resources, shared benefit
- Hospitals serve as anchor institutions in their communities
- Outcomes and savings= good public policy

Moving Forward

**How will we meet the needs of
the future?**



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