

Housing for Seniors



AFFORDABLE HOUSING CONFERENCE
HOME MATTERS
 IN FLORIDA



Preservation of Affordable Housing for Seniors

Aaron Gornstein, President and CEO

presentation to

**Florida Housing Coalition
Senior Housing Workshop**

About Preservation of Affordable Housing (POAH)



POAH is a national nonprofit organization that owns and manages 11,000 apartments at 120+ communities in 11 states and DC.

We employ three strategies:

1. **Preservation** of existing at-risk affordable housing
2. **Production** of new affordable housing
3. Comprehensive **community revitalization**

POAH's Preservation Approach



- **Preserve First!** It's cheaper, greener, less disruptive than replacing lost units.
- **Intervene Early:** As affordability period nears its end, costs rise
- **Soft Debt is Leverage:** Public lenders can control outcomes through soft debt terms
- **Deliver Seller Value:** Pres bids must be competitive on price and timing
- **4% LIHTC:** Maximize LIHTC basis to minimize competitive \$ need



Dom Polski, Chicopee MA

POAH's Approach to Resident Services

Five outcome areas:

employment, education, financial stability, health, and community engagement.

Engage entire site teams who work closely with our Community Impact Coordinators and local partners.

Enter into **partnerships with community-based organizations** to deliver services.

Collect and analyze data to improve our impact. We collect three kinds of data: demographics, resident perceptions, and program data



New Horizons, Miami, FL

Preservation Example:

Trinity Towers, Melbourne FL



- 3 senior communities built 1969-1982; **510 apartments total**
- Owner, Trinity Episcopal Church, wanted good long-term stewardship - but **needed a partner** to address capital needs and management
- **POAH acquired in 2013 & took over management** while structuring LIHTC transactions



Trinity Towers West, Melbourne FL

Preservation Example:

Trinity Towers, Melbourne FL

- POAH completed three LIHTC renovations (one 9%, two 4%) from 2015-2017
- Rehab performed with residents in-place; no displacement
- Significant resident services & supports during rehab & ongoing
- Seller note payments at closings and ongoing from operations



FY18 Section 202 NOFA (Capital Advance & PRAC)

- **First new 202 units since FY10**
- **\$50M** for appx 30 awards, so ~\$1.7M average award (Cap Advance + PRAC yr1)
- **Keys:** Readiness, leveraging, supports for aging in place
- **Outlook:**
 - \$60M NOFA in 2020 (FY18 approp.)
 - \$51M FY19 appropriation (NOFA TBD)
 - \$140M in House THUD bill



Bartlett Yard (Proposed), Boston MA

MA Service-Enriched Housing Study

- Large scale study: how does intensity of support services impact health utilization / costs
- 13 housing providers (incl POAH); 40 properties; 5,000 residents
- UMass Medical, LeadingAge linking & analyzing HUD/ Medicare/ Medicaid/ LTSS data
- Hope to document the impact of stable housing + supportive services on health outcomes



Health Sector Investment



- RWJ Foundation national initiative **Accelerating Investments for Healthy Communities (AIHC)** – funding 6 local teams
- **Boston Medical Center team:** POAH, other housers, funders, advocates, and public actors
- Goal is increased production through **new, replicable model for hospital/ health system capital investments**
- **Engagement & interest from other local health actors** (Partners, Children's, Brigham, others)

Improving Community Health by Strengthening Community Investment

Roles for Hospitals and Health Systems



Robin Hacke, Executive Director, Center for Community Investment
Katie Grace Deane, Assistant Director, Initiative for Responsible Investment

Preface by Donald Schwarz, MD, MPH, MBA, Vice President, Program,
Robert Wood Johnson Foundation





National Church Residences
EXCELLENCE THAT TRANSFORMS LIVES

National Church Residences

Michelle Norris, Executive Vice President

Our Scope

We are our nation's largest not-for-profit provider of affordable senior housing.

340 communities in 25 states and Puerto Rico.

2,800 staff members nationally.

Our Scope

Retirement Living

Affordable Housing

Skilled Nursing Homes

Assisted Living Services

Home Services

Hospice

OUR VISION ...

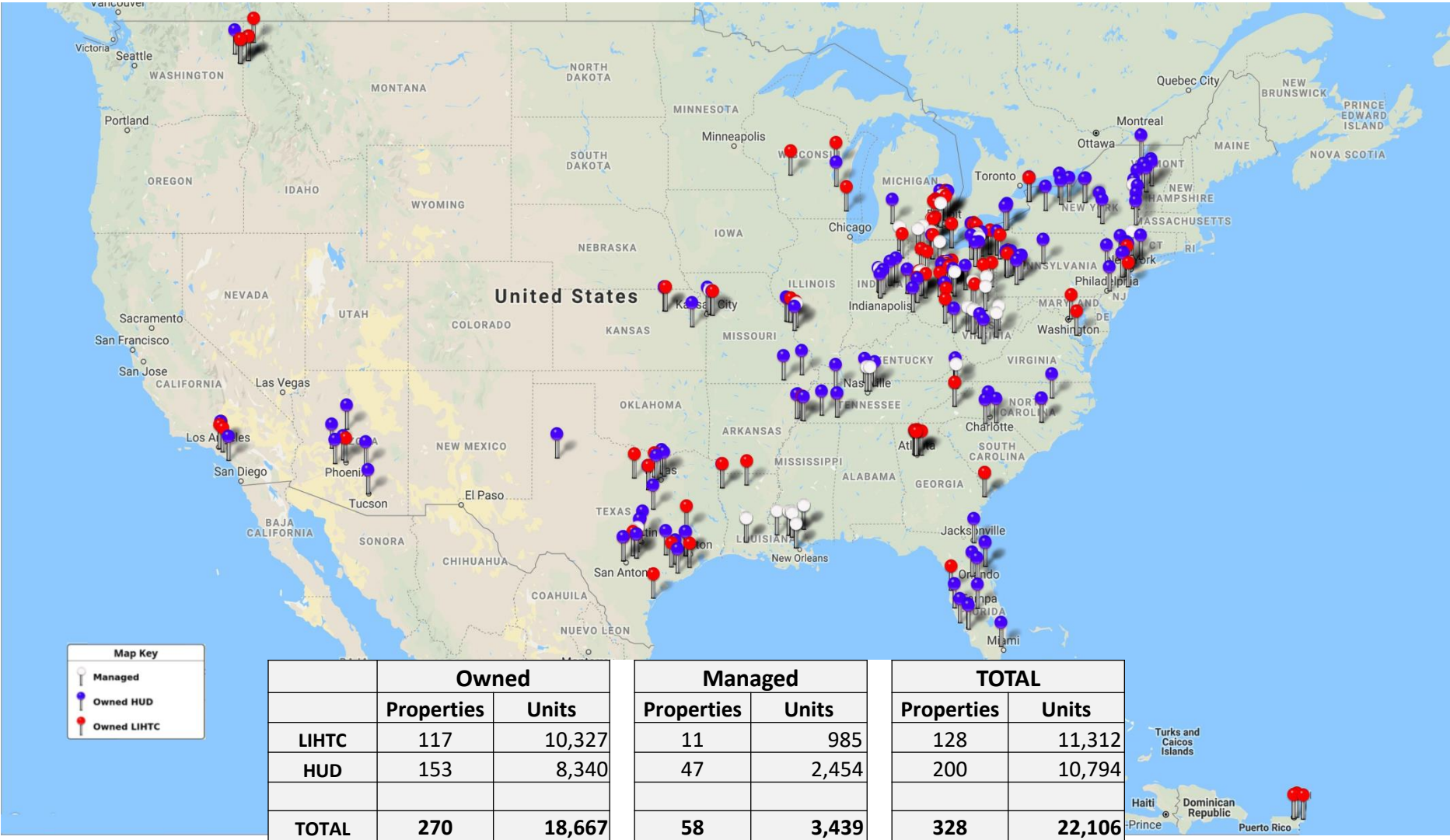
To advance better
living for all
seniors,
enabling them to
stay home for life.



National Church Residences



National Church Residences Portfolio



National Church Residences Florida Portfolio



PRESERVATION – WHAT DOES IT LOOK LIKE?

- Goal of preserving property or contract?
- What tools are available for each program?
- How long is the preservation strategy for?
- Is the solution a single-step or a multi-step execution?
- Or... is this just too complicated!



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National Church Residences A “Y-15” Effort

Before



Landings of St. Andrews ... “A Y15 Solution”

After



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Sources and Uses

Units 196

Cost Cert

Sources

| | Amount | Per unit |
|---------------------------------|---------------------|------------------|
| 1st Mortgage-Bank of America | \$4,000,000 | \$20,408 |
| 2nd Mortgage-FHFC SAIL Loan | \$2,000,000 | \$10,204 |
| Assumed Mortgage-FHFC SAIL Loan | \$1,990,000 | \$10,153 |
| Sponsor Note | \$750,000 | \$3,827 |
| GP Capital | \$100 | \$1 |
| TD Charitable Foundation Grant | \$100,000 | \$510 |
| Deferred Developer Fee | \$2,520,053 | \$12,857 |
| Seller Note | \$281,054 | \$1,434 |
| Cash from Operations | \$702,680 | \$3,585 |
| Aquired Reserves | \$105,210 | \$537 |
| LIHTC Equity | \$15,445,737 | \$78,805 |
| Total Sources | \$27,894,834 | \$142,321 |

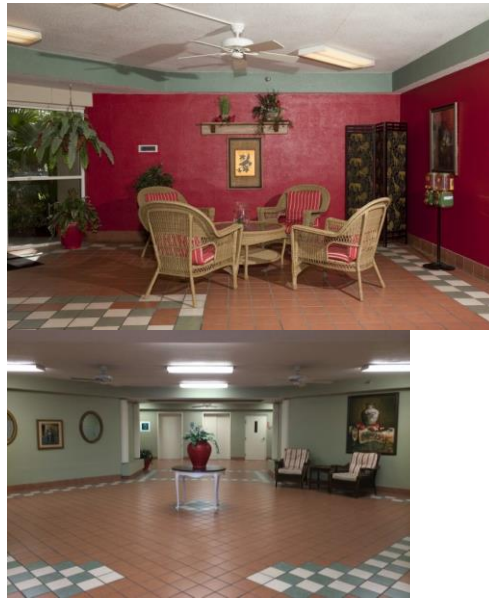
Uses

| | Amount | Per unit |
|--|---------------------|------------------|
| Acquisition Costs | \$6,394,450 | \$32,625 |
| Construction Costs | \$14,237,570 | \$72,641 |
| Professional Fees, Financing Costs, Soft Costs | \$4,906,000 | \$7,085 |
| Total Financing Costs | \$1,321,588 | \$6,743 |
| Total Tax Credit and Syndication Costs | \$329,430 | \$1,681 |
| Relocation | \$371,389 | \$1,895 |
| Total Start Up Costs, Reserves and Escrows | \$334,407 | \$1,706 |
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WORK SCOPE

- \$14,000,000 construction cost
- 50 of 196 units fully redone, remainder received many updates
- New windows, roof, HVAC and building envelope
- Expansion of air conditioning
- New wellness/service coordination suite
- Common area transformation (fitness, dance, training/media)

Before



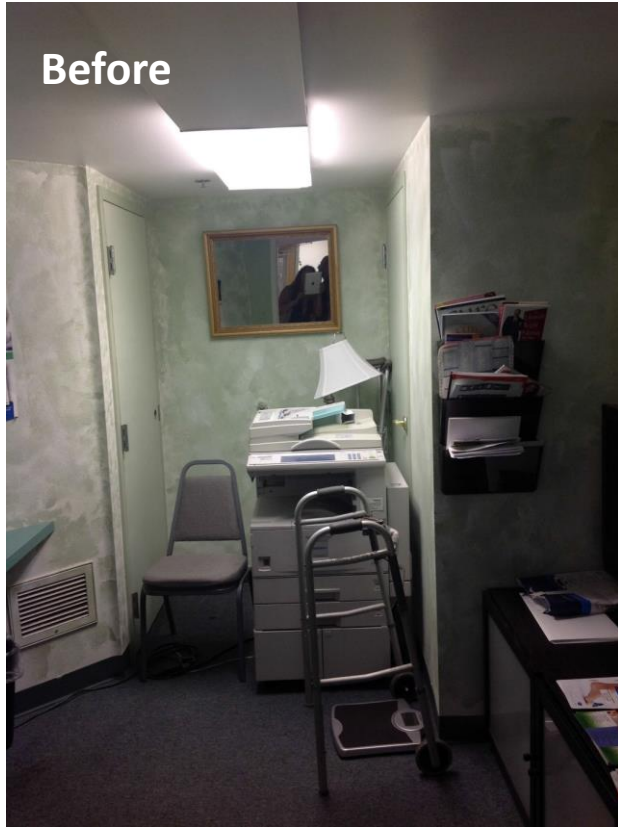

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**Ground Floor
Front Entrance and
Mail Area**

After

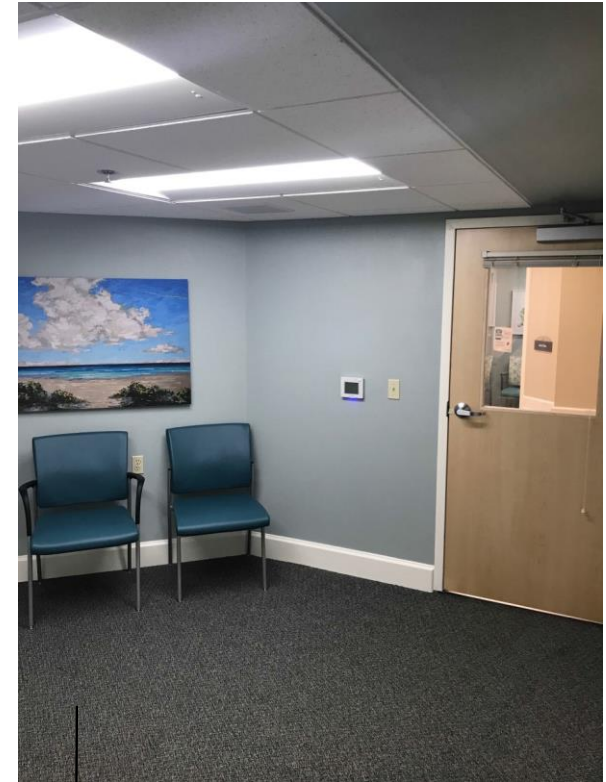


Before



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Medical Suite



After





Before



National Church Residences **Third Floor Community Room**

Residents have used this space for senior aerobics, line dancing, and large community gatherings. Keeping the dance floor and adding the kitchenette should enhance the use of this space! Adding the Bingo board to this room will allow more residents to play.



After





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Before



Third Floor
Community
Room



After





**Bingo Area
(Relocated from the
2nd floor to the 3rd.)**





Before



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Fourth and Fifth Floor Lobby



After



Sources and Uses

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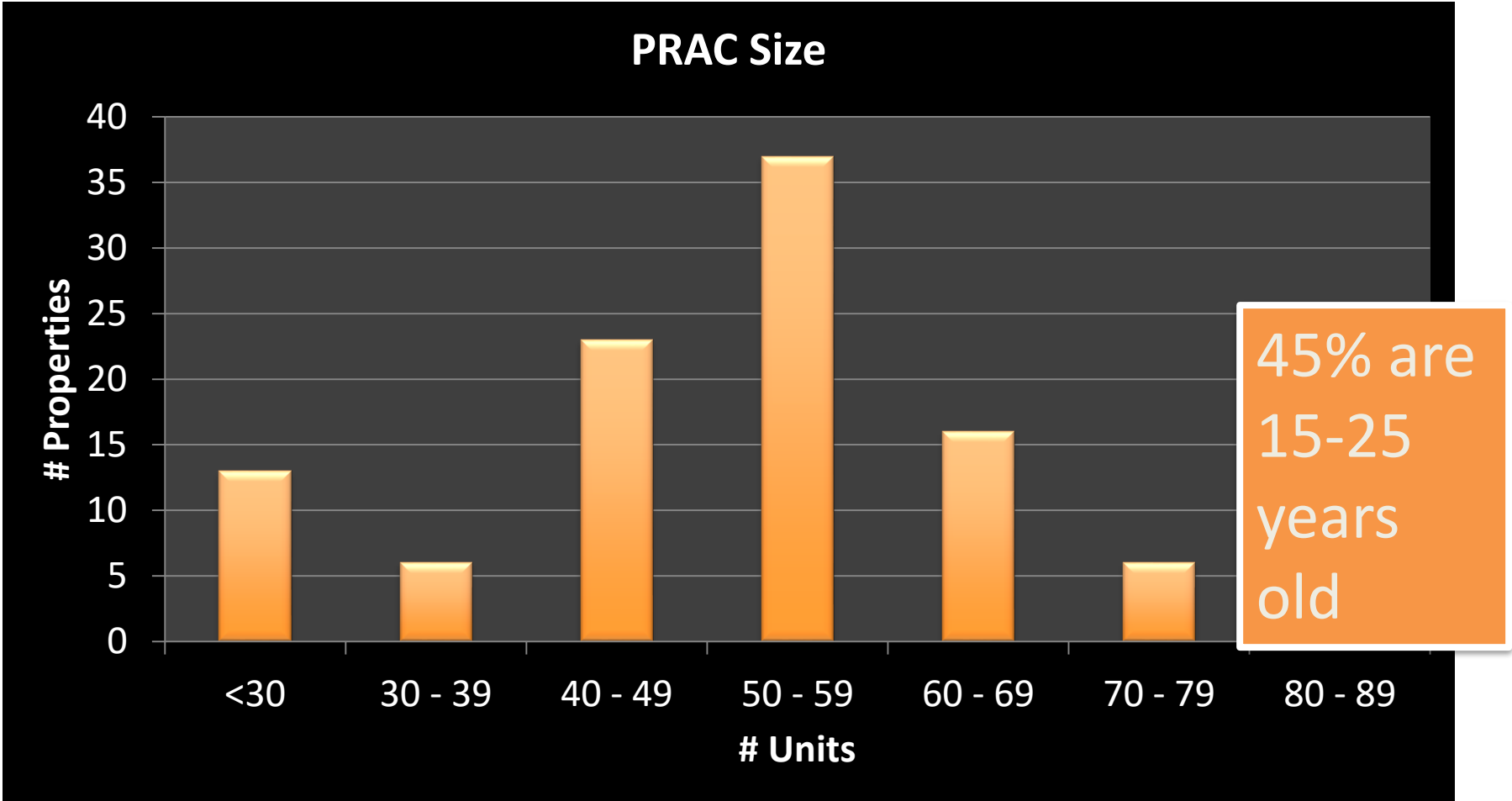


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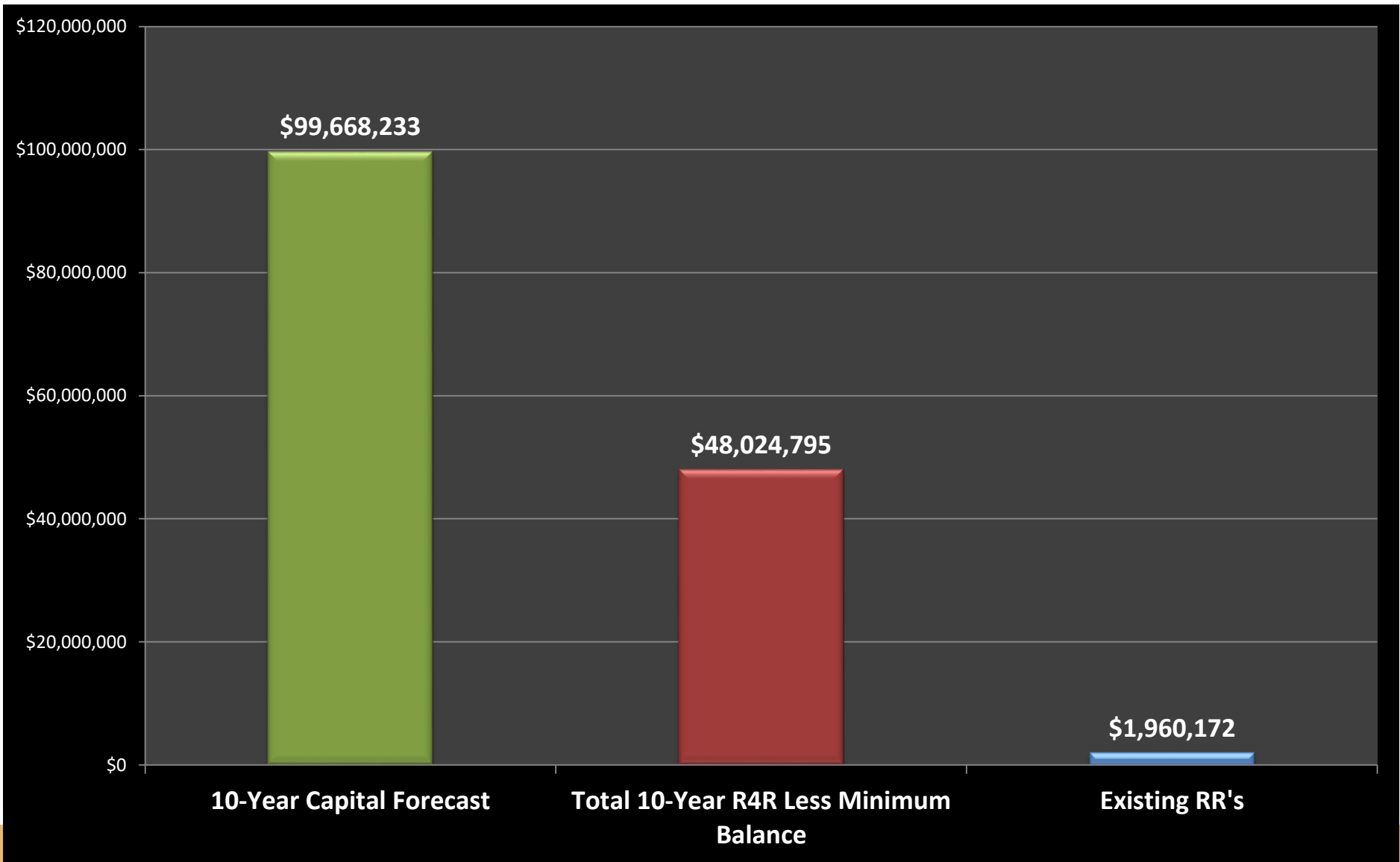
National Church Residences PRAC Portfolio



PRAC Size



Capital Needs Gaps Covered by R4R & RR's





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THE WALL STREET JOURNAL.

HUD to Allow Private Investment in Senior Housing Portfolio

Without more money from Congress, HUD senior housing operators turn to investors

By Will Parker

Aug. 1, 2019 12:55 pm ET

The U.S. Department of Housing and Urban Development is close to finalizing a major reform of its extensive senior housing portfolio, allowing nonprofit owners of 125,000 apartments to tap private

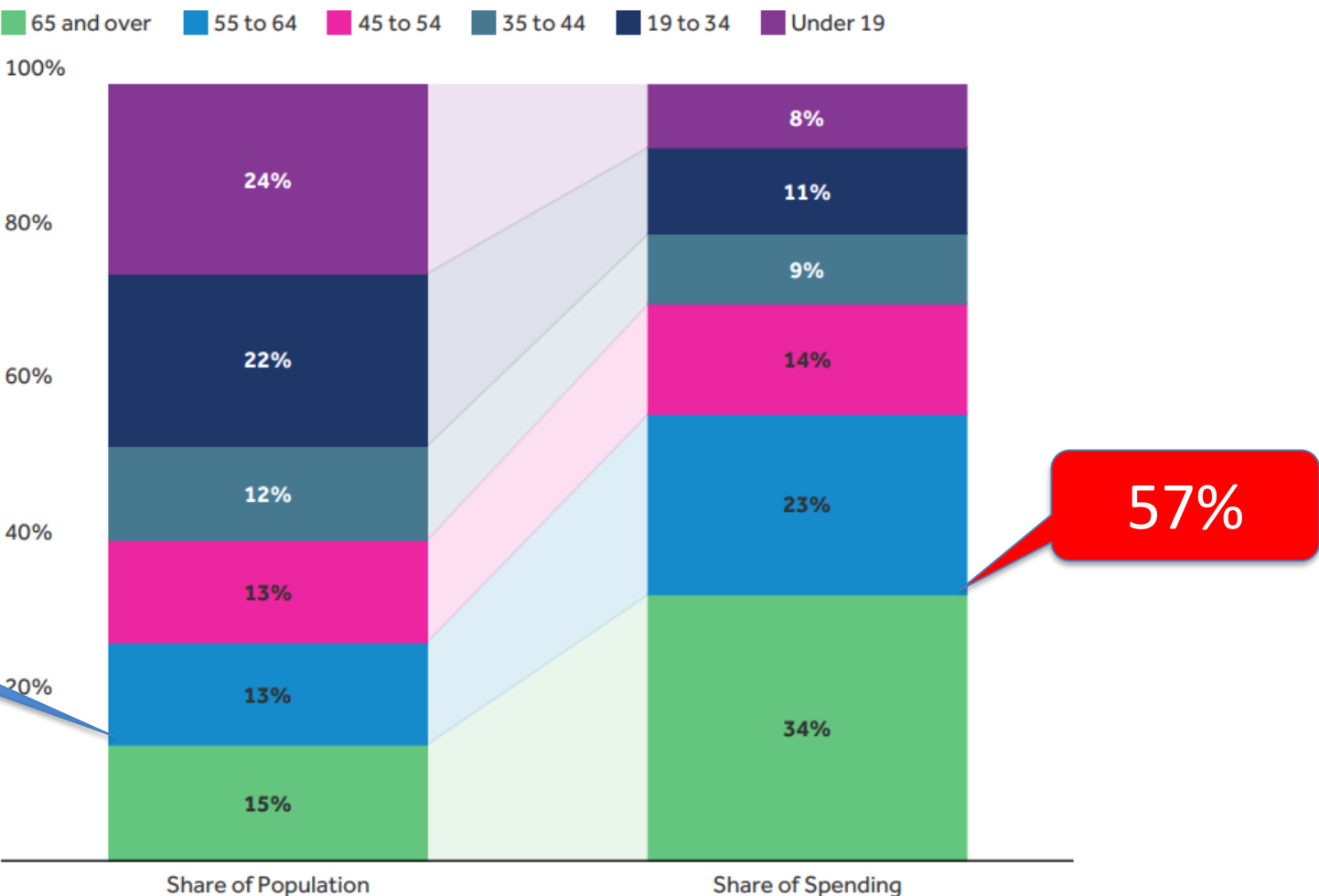


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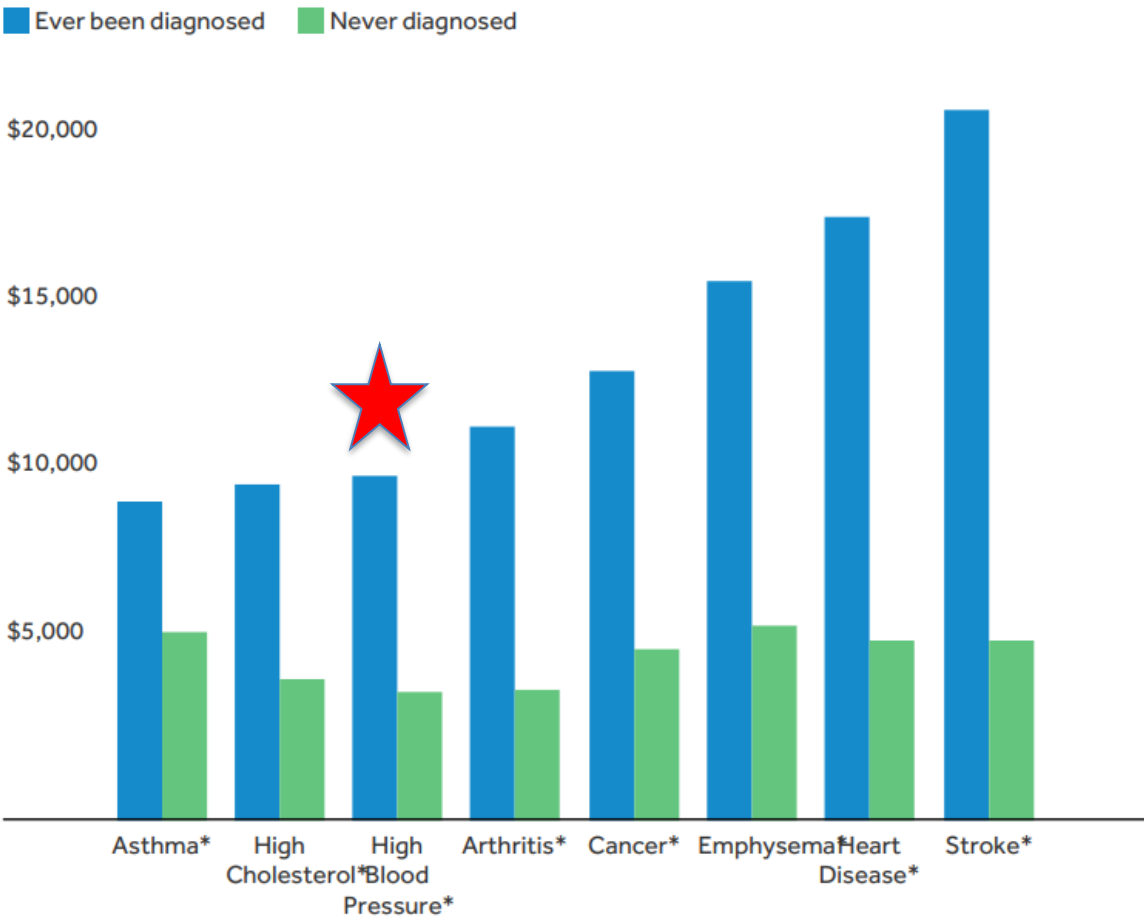
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Senior Housing and Technology

Share of total health spending by age group, 2015; Share of population, 2015



Per capita health spending based on diagnosis status, 2015



* Indicates that, for the disease category, the difference in estimates for Ever been diagnosed and Never diagnosed is statistically significant ($p < .05$). For all diagnoses shown, with the exception of asthma, diagnosis status was asked only of respondents age 18 or older. All respondents were asked about their asthma diagnosis status.

Source: Kaiser Family Foundation analysis of Medical Expenditure Panel Survey, Agency for Healthcare Research and Quality, U.S. Department of Health and Human Services • [Get the data](#) • [PNG](#)

Big Growth Through Technology and Innovation



- ☐ Smart homes
- ☐ Smart cities
- ☐ Smart phones
- ☐ Smart pills

Gerontechnology

Gerontechnologists



The technology of today will become a suite of tools
for tomorrow's aging in place market.





Today at 9:52 AM

Clean Map™

Wi-Fi® Map



#SharkCat
+
#SharkBaby



#SharkCat





"Alexa, call Mom."

HOWEVER....



The Digital Divide for Low-Income Senior Renters

Nearly 70% of very low-income senior renters do not have a computer and 74% do not have home Internet access.



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- Preservation and new construction of senior housing is critical and needs many champions
- Preservation is multi-faceted and multi-programmed
- Technology (similar to energy) should be integrated
- We can all play a part!



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Thank you!

Michelle Norris, Executive Vice President
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