



Housing as a Pathway to Justice: Funding for Supportive Housing



Today's Presenters



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Agenda

I. Development & Predevelopment Overview

- ❑ Development Timeline
- ❑ Predevelopment Timeline

II. Key stakeholders in supportive housing

- ❑ Key partners for supportive housing providers
- ❑ What makes a deal successful?

III. Common Service Funding

- ❑ Predevelopment & Acquisition
- ❑ Construction & Permanent Capital Sources
- ❑ Supportive Service & Operating Subsidies

IV. Supportive Housing Case Study *(Colin Murphy, Strada Ventures)*

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CSH**

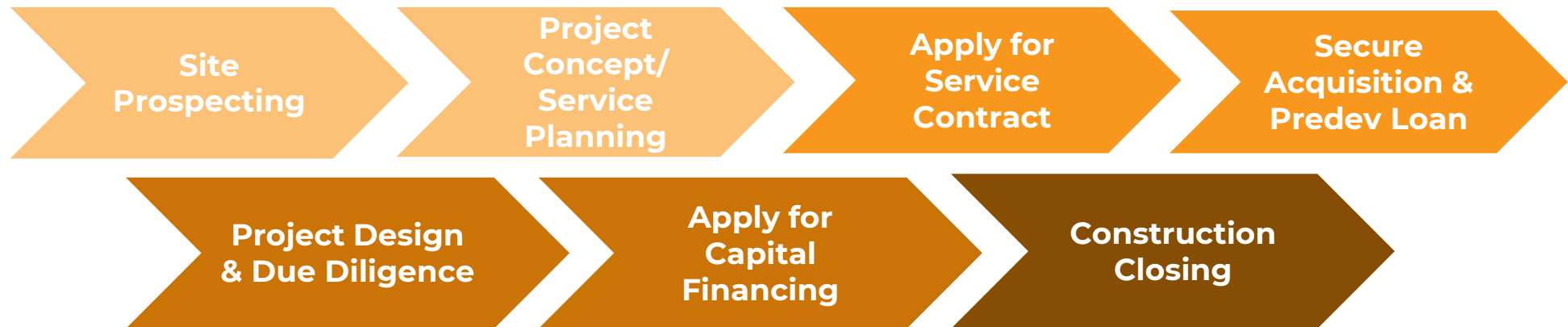


Development Timeline

PREDEVELOPMENT:



DURING PREDEVELOPMENT:



Key Stakeholders: What Makes a Deal Successful?

PREDEVELOPMENT:

- ❑ **Champions in the Community:** Elected Officials, Religious Organizations & Other Non-Profits/Residents
- ❑ **Experienced Development Partners:** Joint Venture Partner, Development Consultant
- ❑ **Supportive Public Agencies:** Contracting agency and referrals, capital financing
- ❑ **Strong/Innovative Design Team:** Architects, engineers, environmental design consultants

CONSTRUCTION:

- ❑ **Diligent/Experienced Construction Team:** General contractors and owners representatives

OPERATIONS:

- ❑ **Experienced Service Providers:** Primary contracting agency, local referral agencies and community partners
- ❑ **Operations Experts:** Property Manager, leasing agents & maintenance staff

Predevelopment & Acquisition: Sources & Considerations

Stage of project associated with the greatest risk

- ❑ **Typical requirements:** Project underwriting, predevelopment budget, environmental due diligence, appraisal, organizational financials & credit report, soft commitment letters, proof of site control, project timeline

Sources of financing:

- ❑ **CDFIs:** CSH, Leviticus, Enterprise, LIIF, LISC, Community Capital of New York (CCNY)
- ❑ **Additional Loan Funds:** Developers contact originating lenders (CSH, Enterprise, LISC, LIIF) to access funding:
 - New York City Acquisition Fund: Acquisition and predevelopment capital
 - Downpayment Assistance Fund: Unsecured predevelopment for supportive housing

Predevelopment & Acquisition: Which product works for you?

- ❑ **Interest rates:** Fixed or variable? Accrued or paid interest?
- ❑ **Additional fees:** appraisal cost, origination fee, legal fee
- ❑ **Maximum loan amount:** LTV & unsecured lending limits
- ❑ **Organization financial requirements:** Liquidity, guarantee, and additional security requirements
- ❑ **Repayment terms:** Maturity dates, extension fees & process
- ❑ **Other benefits:** technical assistance, programmatic support, grant financing



LOAN PRODUCTS

CSH loans support new construction, renovation and preservation of affordable housing projects that include supportive housing. CSH lends to nonprofit, for-profit and public agency borrowers, and joint ventures comprised of these types of entities, with a track record in developing supportive and/or affordable housing. The following lending products and terms are subject to change based on specifics of the financing needs of the project supported.

CSH publishes its interest rates on the 1st of the month in this document. Borrowers' interest rate will be locked at the then-prevailing rate at the time of submission of a full application (as determined by CSH), subject to the loan being fully approved by CSH within 60 days of receipt of application and closed within 90 days of full approval. For loans not meeting this timeline, the interest rate will be reset at the then-prevailing rate.

	Project Initiation	Predevelopment	Acquisition	Mini-Perm	Bridge
Use of Funds	Early predevelopment and acquisition costs	Mid to late predevelopment	Acquisition and predevelopment	Project costs including rehab and refinancing of existing debt	Project costs prior to receipt of permanent financing
Typical Range	\$50,000 - \$100,000	\$150,000 to \$2 million	\$150,000 to \$15 million	\$150,000 to \$1 million	\$150,000 to \$1 million
Interest Rate	0-3% for 24 months	6.75%, fixed	6.75%, fixed	6.75%, fixed	6.75%, fixed
Typical Term	3 years	3 years	3 years	7 years	2 years
Repayment	Subsequent CSH loan	Construction financing	Construction financing	Amortizing with balance paid at maturity	Receipt of funds bridged
Maximum LTV	Unsecured	130% (not including cap interest); None for <\$500,000	100% for property; 130% for predev (not including cap interest)	100%	100% for property; 130% for predev (not including cap interest)
Fees	None	1.5% origination; legal	1.5% origination; legal	1.5% origination; legal	1.5% origination; legal
Security	None	Real estate, if available	Real estate	Real estate	Real estate, if available

For more information:

loans@csh.org or

Find your [local lending expert on our website](#).

CSH

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Construction & Perm: Sources

New York City Housing Preservation & Development (HPD) & Housing Development Corporation (HDC)

- 4% & 9% Tax Credits (LIHTC) & Syndicator
- Supportive Housing Loan Program (SHLP)
- Senior Affordable Rental Apartments Program (SARA)
- Extremely Low- and Low-Income Affordability Program (ELLA)
- HPD Homeless Housing Strategic Initiatives

New York State Housing & Community Renewal (HCR) & Housing Finance Agency (HFA)

- 4% & 9% Tax Credits (LIHTC) & Syndicator
- Supportive Housing Opportunity Program (SHOP)
- Senior Housing Program (SENR)

Additional Financing

- Office of Temporary and Disability Assistance (OTDA): Homeless Housing Assistance Program (HHAP)
- Federal Home Loan Bank
- Elected official discretionary funding awards
- Private Construction Loans & First Mortgages

Capital Financing Guides

- The Network Funding Guide: [Funding Guide | Supportive Housing Network of New York \(shnny.org\)](https://shnny.org/funding-guide)
- CSH: [NewEraofSupportiveHousingNY.pdf \(csh.org\)](https://csh.org/NewEraofSupportiveHousingNY.pdf)
- Furman Center: [Directory of NYC Housing Programs – NYU Furman Center](https://furmancenter.org/directory-of-nyc-housing-programs)

NYC/NYS Service Subsidy: Justice-Involved Supportive Housing (JISH)

The Justice Involved Supportive Housing (JISH 2.0) Program provides service and operating funding for providers of scattered site and congregate housing for homeless individuals with behavioral health needs who have histories of cycling through the criminal justice system.

- Available for congregate or scattered-site housing
- Contract term: 9 years
- NYC Department of Health & Mental Hygiene (DOHMH) is the procurement agency
- Contractor must have a minimum of five (5) years in the past eight (8) years of successful service provision to this population in New York City.
- Scattered Site: \$28,432 per unit per year, including operating/rental expenses
- Congregate: \$17,500 per unit per year for services, with HPD provided project-based rental assistance for operating/rental subsidy

NYC/NYS Service Subsidy: NYC 15/15

The New York City 15/15 Supportive Housing Initiative aims to fund and develop 15,000 new units of supportive housing in New York City over the next 15 years.

- Finances scattered-site and newly constructed congregate housing
- Lead procurement agency is HRA, referrals through HRA/CAPS
- Prequalification/applications accepted on rolling basis
- Only available in New York City
- Contract Term: 5 years
- Must have 5+ years experience managing other HRA/City contracts
- Up to \$35K in dedicated services funding per unit per year (depending on population)
- Special populations include Homeless Individuals and Families, Persons with Disabilities, Persons with Substance Abuse Disorders
- Additional project-based rental assistance available through HPD once award letter for services is obtained

NYC/NYS Service Subsidy: Empire State Supportive Housing Initiative (ESSHI)

Administered by the NYS Office of Mental Health (OMH), ESSHI is an interagency program which aims to advance New York State's five-year goal of developing more than 6,000 units of supportive housing

- Finances new construction of congregate housing
- Application round opens once a year
- Statewide availability
- Contract Term: 5 years
- Up to \$25K for rental subsidy AND services
- Populations include individuals with SUD/SMI, persons living with HIV/AIDS, young adults, frail/elderly seniors, chronically homeless individuals and families (as defined by HUD), etc., and they must be homeless (through various contracting agencies)
- Referrals managed by CUCS and CAPS

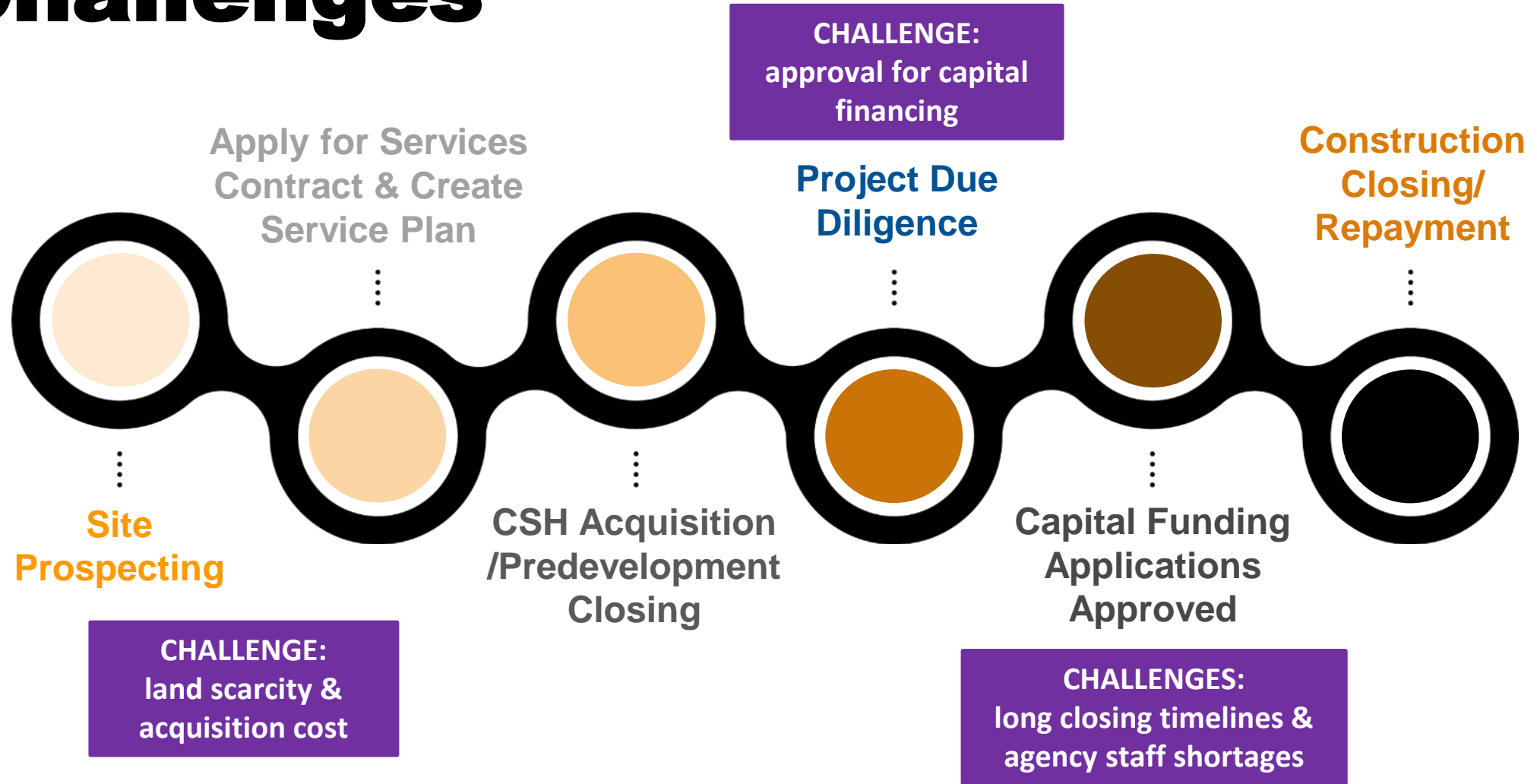
NYC/NYS Service Subsidy: Additional Service & Operating Subsidies

“Light-touch services”: Typically \$5K per unit per year. Not considered supportive housing, but “services enriched” housing.

Referrals do not need a mental health or chronic homelessness diagnosis to qualify.
Programs include:

- ❑ HRA Master Lease Program: also covers a portion of operating and maintenance expenses associated with community facility, and rents for homeless units)
- ❑ HRA Senior Affordable Rental Apartments Program (SARA): For seniors residing in shelter. Typically paired with HPD SARA capital funding and project-based rental subsidy.

NYC/NYS Timeline: Challenges



SUPPORTIVE HOUSING CASE STUDIES

COLIN MURPHY,
STRADA VENTURES LLC



SUPPORTIVE HOUSING CASE STUDIES

CASE STUDY #1 – HPD 9% LIHTC DEAL

Predevelopment Sources

- CSH Predev Loan

Construction Sources

- Private Bank Loan
- HPD SHLP Subsidy
- HPD 9% LIHTC Equity

Permanent Sources

- Private Bank Loan
- HPD SHLP Subsidy
- HPD 9% LIHTC Equity

Operating Sources

- NYC 15/15 Rental Assistance
- NYC 15/15 Services



SUPPORTIVE HOUSING CASE STUDIES

CASE STUDY #2 – HCR/HPD 4% LIHTC DEAL

Predevelopment Sources

- LISC Predev Loan

Construction Sources

- HFA Bond Proceeds
- HCR SHOP Subsidy
- HPD SHLP Subsidy
- HFA 4% LIHTC Equity

Permanent Sources

- HFA Bond Proceeds
- HCR SHOP Subsidy
- HPD SHLP Subsidy
- HFA 4% LIHTC Equity

Operating Sources

- ESSHI (SMI)



SUPPORTIVE HOUSING CASE STUDIES

CASE STUDY #3 – HPD/HDC 4% LIHTC

Predevelopment Sources

- Enterprise NYCAF Loan



Construction Sources

- HDC Bond Proceeds
- HDC ELLA Subsidy
- HPD SHLP Loan
- OTDA HHAP
- HPD 4% LIHTC Equity

Permanent Sources

- HDC Bond Proceeds
- HDC ELLA Subsidy
- HPD SHLP Loan
- OTDA HHAP
- HPD 4% LIHTC Equity
- FHLB Grant

Operating Sources

- NYC 15/15 Rental Assistance
- Section 8 PBVs
- NYNY III
- NYC 15/15 Services



THANK YOU

For more information please contact, karuna.mehta@csh.org

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