

Key Considerations in Developing LGBT-Friendly Service Enriched Affordable Housing

PRESENTED BY
KELLY W. KENT

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Services & Advocacy
for Gay, Lesbian, Bisexual
& Transgender Elders

Services & Advocacy for GLBT Elders (SAGE) is the country's largest and oldest organization dedicated to improving the lives of lesbian, gay, bisexual and transgender (LGBT) older adults. Our mission is to lead in addressing issues related to lesbian, gay, bisexual and transgender (LGBT) aging.



Homes should be our havens – shelters safe enough to be ourselves as LGBT people. Especially as we age.

Challenges

Economic
Insecurity

Housing
Discrimination

Lack of Legal
Protections

Racial &
Gender
Disparities

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National LGBT Elder Housing Initiative



- Building Housing
- Training Providers
- Changing Policy
- Educating Consumers
- Expanding Services

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Presentation Objectives



Presentation Objectives

- To better understand the demographics facing local communities
- To understand the additional implications for LGBT aging older adults
- A basic overview of the development process
- Key considerations for your organization when thinking about potential service-enriched housing development for LGBT aging older adults.



Understanding the Issue



Aging Demographics

- It is estimated that there are currently 2.5 million LGBT older adults 50+ in the United States.
- That is roughly the size of the City of Chicago
- By the year 2040, this number could reach 7 million LGBT older adults.



Aging Demographics

- Today, 1/3 of households 50+ pay more than 1/3 of their monthly income for rent/mortgage.
- By 2024, it is projected that an estimated 4.7 million low income households 50+ will have annual incomes less than \$29,999.
- Cost burdened households are at risk of not paying for needed medications, transportation and food.



LGBT Specific Implications

- 2014 report by the Equal Rights Center found that 48% of older same sex couples applying for senior housing were subjected to discrimination.
- Mainstream affordable housing and assisted living/nursing homes have often not received training for staff in cultural competence of the LGBT community.



LGBT Specific Implications

- Despite continued advocacy, housing discrimination continues to be an issue for LGBT aging older adults.
- The LGBT community often struggles with affordability in older age due to history of discrimination and economic marginalization.

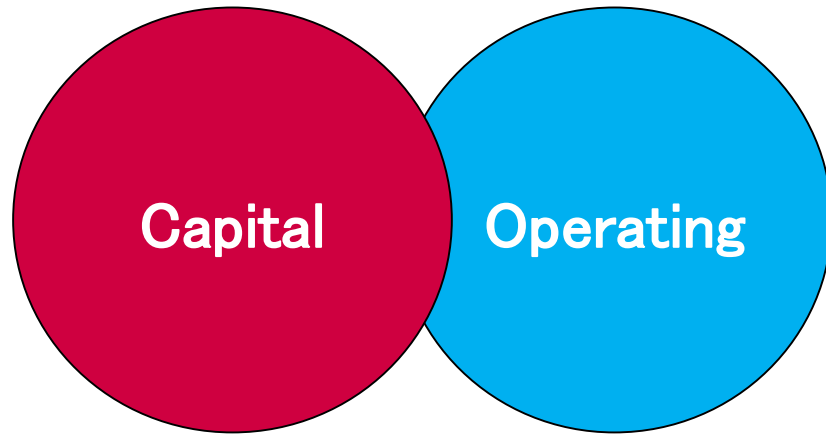


The Solution

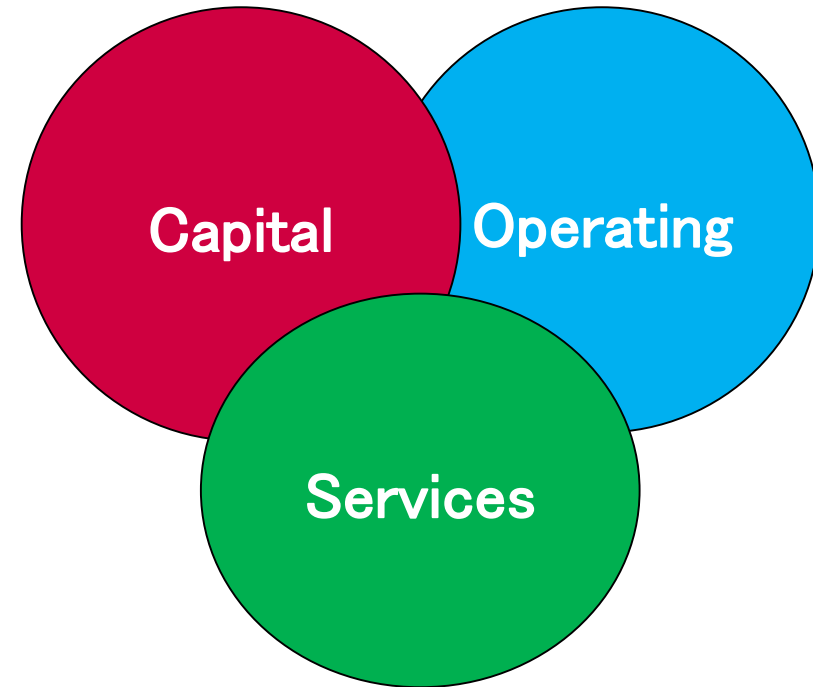
- LGBT-welcoming multi-family developments.
 1. Provides Culturally competent services
 2. Welcoming community of peers and allies
 3. Affordability is taken into consideration
- Aging-in-place best practices provide alternatives for communities unable to galvanize political will or that do not have economies of scale.
- Cultural Competency training for staff of all affordable housing, assisted living/nursing homes serving LGBT



Service Enriched Housing



Affordable



Service Enriched Housing

The Development Process



Development Process – 5 Phases

There are several phases within the predevelopment and development process of service-enriched housing. They include:

1. Concept
2. Feasibility Analysis
3. Financing
4. Construction
5. Lease-up and Operation



Phase One - Concept



Phase One - Concept

Foundation - identify partners, solidify your vision and create a plan.

Key Questions

Who will live there?

How many units?

Rental or sales?

What is the need?

Where will you build it?



Phase One – Concept (Continued)

Assembling your team will be important. It is recommended that you identify a non-profit developer to work with in partnership. Three key members are Developer, Property Manager and Service Provider.

Development Team Members Summary

- Nonprofit sponsor/developer
 - Architect/engineer
 - Construction Manager/General Contractor
 - Accountant
 - Lawyer
 - Project Manager
 - Marketing and public relations personnel
 - Lender and other funders
- Property Manager
- Supportive Service Partner



Phase One – Concept (Continued)

- Providers can play any one of these roles and in some cases organizations choose to play all of the roles.
- However, development is a time intensive and can be a laborious process.
- It is recommended that if you have not developed a property previously, partnering with an experienced developer can save time, money and capacity.
- “Do what you do well”



Phase Two – Feasibility Analysis



Phase Two – Feasibility Analysis

- This phase will assess the concept from multiple perspectives including the physical site requirements, financial feasibility (cost), market analysis (need), and organizationally (capacity to complete and operate)



Phase Two – Feasibility Analysis

Results at end of Phase Two

- Physical analysis/schematics
- Financial Analysis/Development budget
- Operating pro forma
- Preliminary market study
- Organizational analysis
- Site control



Physical analysis/schematics

- Environmental Assessment of potential site
- Architectural schematics
- Appropriate street and utility access
- Zoning ordinances, easements and requirements
- Community Opposition/Support



Financial Analysis/Development and Operating budgets

Questions Answered

What are the total development costs to build?

How much rent will the building generate?

What will it cost to operate the building on a monthly basis?

Based on the answers you will need to identify subsidies to help fill the gap in cost vs. revenue.



Preliminary market study

The market study will provide you the data to determine 1) need 2) amenities 3) how market your project.

Questions to Answer

- What demand is there for an LGBT welcoming development?
- Do the proposed rents, location, access to transportation and services match the needs of future tenants?
- Collect comparable rental data for developments in the surrounding area to ensure you are competitive.



Organizational analysis

This step will be important in determining roles and responsibilities of each project partner.

Questions to Answer

Who will lead the development process?

Who will own the development?

Who will provide property/asset management?

Who will provide services (onsite or linked in the community)?

What will be the terms of the partnership agreement?

How will the relationship evolve as the building ages?

Do the partners have capacity to undertake the project?

Do the partners share the same mission around the project and who it serves?



Site control

This will take place once all other feasibility analyses have occurred and resulted in favorable outcomes. Types of site control include:

- Deed of ownership
- Contract to purchase site contingent of financing
- Long term ground lease (you do not own the land)
- Partnership agreement between third party owner of property and developer/property and service providers.



Phase Three – Financing



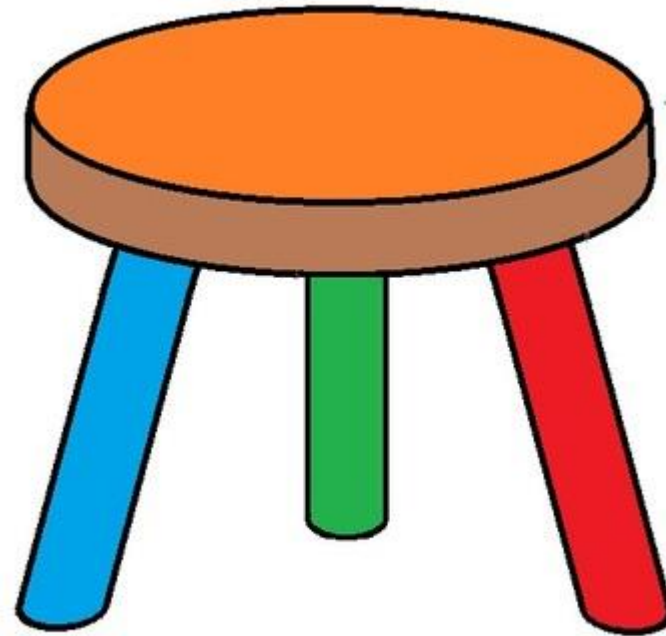
Phase Three - Financing



Financing

Thinking of service enriched housing as a three legged stool.

1. Development
2. Property Management
3. Services



Phase Three - Financing

Three Types of Financing

- Development Financing – Money to build the project
- Operating Financing – Subsidies to help cover the costs of operating the building
- Services Financing – monies to assist in providing targeted services to tenants living in the building.



Development Financing

The development financing consists of the monies secured to build the project. Some of the various types of financing include:

- Predevelopment Loan (typically lower interest)
- Equity (Low Income Housing Tax Credit Program) – through your state Housing Finance Agency and can finance up to 60% of total development costs.
- Construction Loans (also referred to as “bridge loans”)
- Permanent Loans



Operating Financing

This is the monies secured to operate the building once you complete development. Types of funding and sources include:

- Capitalized/Operating Reserve (typically drawn down off of the developer's fee and used for ongoing preservation of the asset)
- Operating subsidies to make the units more affordable to lower income tenants. Sources include:
 - Section 8 Housing Choice Voucher (Project based)
 - Housing Opportunities for Persons with HIV/AIDS (HOPWA)
 - Specialized city funding sources (designated by localities for affordable housing)
 - Specialized state funding sources (trust fund set asides, HOME, etc)



Services Financing

These are the financing sources identified for ongoing service provision to tenants living onsite. The menu of services and financing sources will vary based on the types of services you provide to tenants.

Examples Include but not limited to:

- Onsite Service Coordinator (HUD funded)
- Area Agency on Aging (AAA) services
- Medicaid (state specific)
- Case Management - Medicaid/Medicare billable funded services (where applicable)
- Grant funded services – through local Department or Area Agency on Aging
- Other supportive housing funding like Money Follows the Person (MFP) – for people with disabilities



Phase Four - Construction



Phase Four - Construction



Phase Four - Construction

- Once Financing is complete, the developer and project manager will work with the architect to bid out the project to contractors.
- After a contractor is selected (sometimes multiple bids required), permits are applied for to your local government and once granted construction can begin.



Phase Four - Construction

During the Construction phase the property manager and service provider will be working on the following:

- Affirmative Marketing
- Tenant Outreach
- Property Management and Service Coordination (ongoing)
- Asset management plan (property manager)
- Identification of additional services financing
- Linkages and MOUs with community based service providers



Phase Five – Lease Up and Operations



Phase Five – Lease-up and Operation



Phase Five – Lease-up and Operation

- The property manager and service provider will almost exclusively be responsible for this phase.
- Work should begin on the deliverables here as early as during the financing phase but definitely be well underway during construction.



Phase Five – Lease-up and Operation

- Deliverables Include:
 - Marketing plans
 - Lease agreements
 - Property management plan
 - Supportive services plans
 - ongoing communications plan between property manager and service provider



Phase Five – Lease-up and Operation

- Ongoing coordination between property management and service provision should be a top priority (recommended weekly team meetings)
- Property Manager will need to get annual budget approved by governing body (including maintenance, landscaping, etc)
- Service provider will need to assemble its supportive service plan and care coordination for tenants. This can include linkages to services throughout the community and establishing MOUs with the providers of these services.



Phase Five – Lease-up and Operation

The marketing plan (especially in an LGBT-welcoming project) should take into account specific factors including:

- Fair Housing Law
- LGBT centric programming and services
- Process for backfilling vacancies around tenancy (ongoing)
- Community outreach/Affirmative Marketing



Phase Five – Lease-up and Operation

Affirmative Marketing

Establish a system for documenting activities and maintaining records of such AFH activities. At minimum, the provider must maintain documentation pertaining to:

- The special outreach activities undertaken to attract groups that are least likely to apply and also the general public that applies for the housing;
- How the groups considered least likely to apply were identified;
- Race and ethnicity of all persons applying for the housing; and
- Race and ethnicity of all individuals who visited the project in person.
- A copy of training materials used to train project management/staff on Federal, State local civil rights laws and fair housing laws;



Key Considerations



Key considerations

1. Choosing Partners – housing partners and developers exist throughout each state and ensuring you are selecting partners that align with your mission is key.



Key considerations

Questions to Consider

What are their existing relationships with landlords or housing authorities?

What is their experience in working with service providers?

What is their experience in working with the target population?

What is their experience in responding to tenant feedback? Do they incorporate feedback loops like resident councils?

Do they have experience in working with a diverse team?

Honoring that diversity?

Do they have a good reputation of working with experts and incorporating best practices?



Key considerations

1. Target Population and Scale
2. Property Management/Service Coordination
3. Referral and gaps in training
4. Communication/information sharing
5. Goal setting
6. Data Collection and Outcomes focused
7. Tenant Recourse/Protections



I just need
the main ideas



In Summary

In Summary

- Service Enriched housing is a multi-phase and lengthy process (often 2-3 years but sometimes as many as 5 years).
- Financing for development, operating and services needs to be structured and coordinated across the partnership team.
- Ensuring you partner with organizations with a shared mission will be key to success.
- Ongoing communication is critical to avoid challenges.
- Marketing of an LGBT-welcoming development needs additional detail paid to recruitment, tenant selection and ongoing vacancies.



Questions & Follow Up

Kelly Kent

Director, National Housing Initiative

kkent@sageusa.org

816-832-7526

