

CONVERTING AN ESSHI AWARD INTO A PROJECT: Overcoming Community Opposition

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CSD Housing, LLC

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- ▶ Is ESSHI right for our Agency?
- ▶ Finding and securing a site
- ▶ Due Diligence
- ▶ Zoning & Planning
- ▶ Tax considerations
- ▶ Responding to
Community Opposition



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Should we pursue an ESSHI Award?

Know your MISSION

- ▶ Who do we serve?
- ▶ Will Housing enhance our mission/services?



Should we pursue an ESSHI Award?

Know your TEAM

- ▶ Internal capacity/support/expertise
 - ▶ Leadership, Management, Staff
- ▶ External or other NFP Partners
- ▶ Capital requirements
- ▶ Capacity to sign Guaranties
 - ▶ Financials

External Partners

- Development Partners
- Financial Consultant
- Legal
- Accounting
- Design
- Construction

Service Provider Partners

- Based on community needs
- Supportive Populations
- Shared Resources



Should we pursue an ESSHI Award?

Know your COMMUNITY

- ▶ Is there a housing need?
- ▶ Is there community support?
 - ▶ zoning/planning discussion to follow
- ▶ Access to relevant data
 - ▶ CoC, Market Study, Section 8, and/or SPOA
- ▶ Multiple Populations within the Community

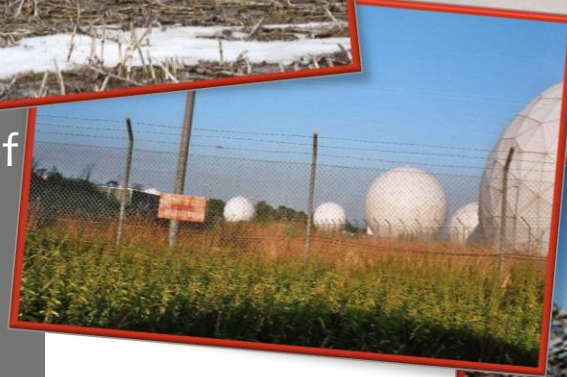


Do we need a site first?

No, but...

What would a good site look like?

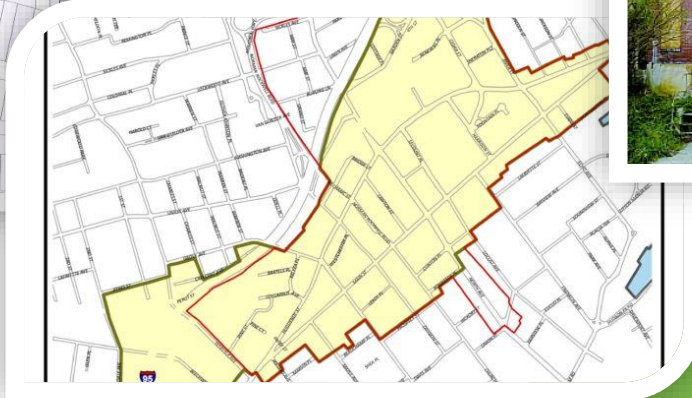
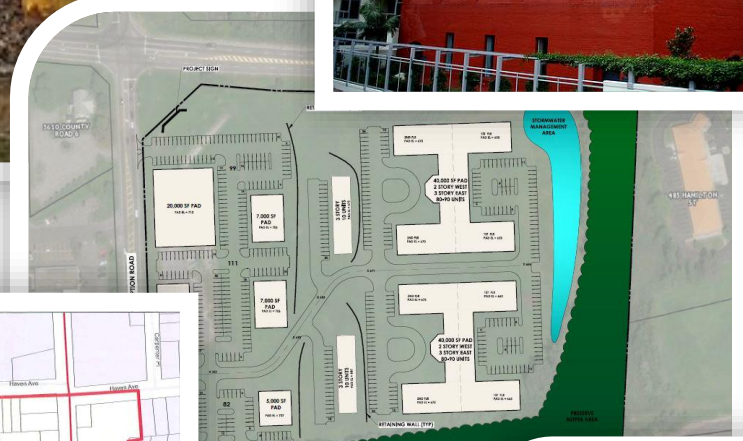
- ▶ Does it feel like home? Will residents feel like part of a residential community?
- ▶ Proximity to services, shopping, public transportation
- ▶ Proximity to water, sewer, gas, electric
- ▶ Access/constructability
 - ▶ emergency vehicle access
 - ▶ environmental issues
 - ▶ proper zoning



Do we need a site first?

Does your community have viable sites generally?

- ▶ Multi-Family Zoning
- ▶ Need for Adaptive Re-use
- ▶ Multi-use Districts
- ▶ Zoning Overlay Districts



Property Acquisition: Contract Considerations

- ▶ Purchase Price
 - ▶ Subject to negotiation with Seller
 - ▶ Supported by the appraisal
 - ▶ “Affordable” in the context of the pro forma
- ▶ Earnest Money Deposit
 - ▶ How much?
 - ▶ Does it become non-refundable at some point?
 - ▶ When?
 - ▶ Should it always be refundable to Purchaser?



Property Acquisition: Contract Considerations

- ▶ Contingencies: What are they and what do they mean?
 - ▶ Physical Due Diligence
 - ▶ Environmental Phase I/Phase II
 - ▶ Geotechnical (soils, drainage, load bearing capacity)
 - ▶ Approvals
 - ▶ Municipal
 - ▶ Funding Sources
 - ▶ Seller approval



Property Acquisition: Contract Considerations

- ▶ Timing
 - ▶ Coincide with capital funding awards and approvals
 - ▶ Seller considerations
 - ▶ Extensions: additional deposits /extension fees
- ▶ Closing: Within certain time period following satisfaction of contingencies.



Property Acquisition: Contract Considerations

▶ Seller's Representations and Warranties

- ▶ (1) Ownership/Authority to enter into PSA and to Sell
- ▶ (2) No other agreements to sell or lease
- ▶ (3) No tenants in possession or other rights of occupancy
- ▶ (4) Access to public right-of-way/utilities
- ▶ (5) Environmental matters
- ▶ (6) Seller certification as to Reps and Warranties



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Property Acquisition: Contract Considerations

- ▶ Title Searches/Survey/Municipal Searches
 - ▶ Which party provides/pays
- ▶ Title Objections
 - ▶ Provisions for Purchaser's right to raise objections and to terminate if Seller refuses or is unable to cure
- ▶ Brokers: Are there any? Who pays commission?
- ▶ Default: Seller/Purchaser/Remedies

THE UNITED STATES OF AMERICA.

To all to whom these presents shall come, Greeting:

Daniel Snyder, of Stephenson County, Illinois
GENERAL LAND OFFICE of the United States, a Certificate of the Register of the Land Office at Dixon

ment has been made by the said *Daniel Snyder*
of Congress of the 24th of April, 1820, entitled "An Act making further provision for the sale of the Public Lands," for the

thirty two, in Township twenty eight of
to sale at Dixon, Illinois, containing

urned to the General Land Office by the Surveyor General, which said tract

A, in consideration of the premises, and in conformity with the several acts of
TO GIVE AND GRANT, unto the said *Daniel Snyder*
TO HOLD the same, together with all the rights, privileges, immunities, and app

Y TESTIMONY WHEREOF, I *James*
caused these letters to be made PATENT, and the SEAL of the GENERAL LAND

OF WASHINGTON, the *first* day of *Sept*
ty five and of the INDEPENDENCE OF THE UNITED STA

By the President:

P. H. Loughlin RECOR

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Property Acquisition: Financial Considerations

- ▶ What are your sources of Capital Financing:
 - ▶ 4% vs. 9% LIHTC
 - ▶ Gap Funding?
 - ▶ Is your project Financially Viable?
 - ▶ Is all due diligence complete/risks known?



You found a site. What comes next?

Zoning

Municipal Entitlements

SEQRA

Community Opposition



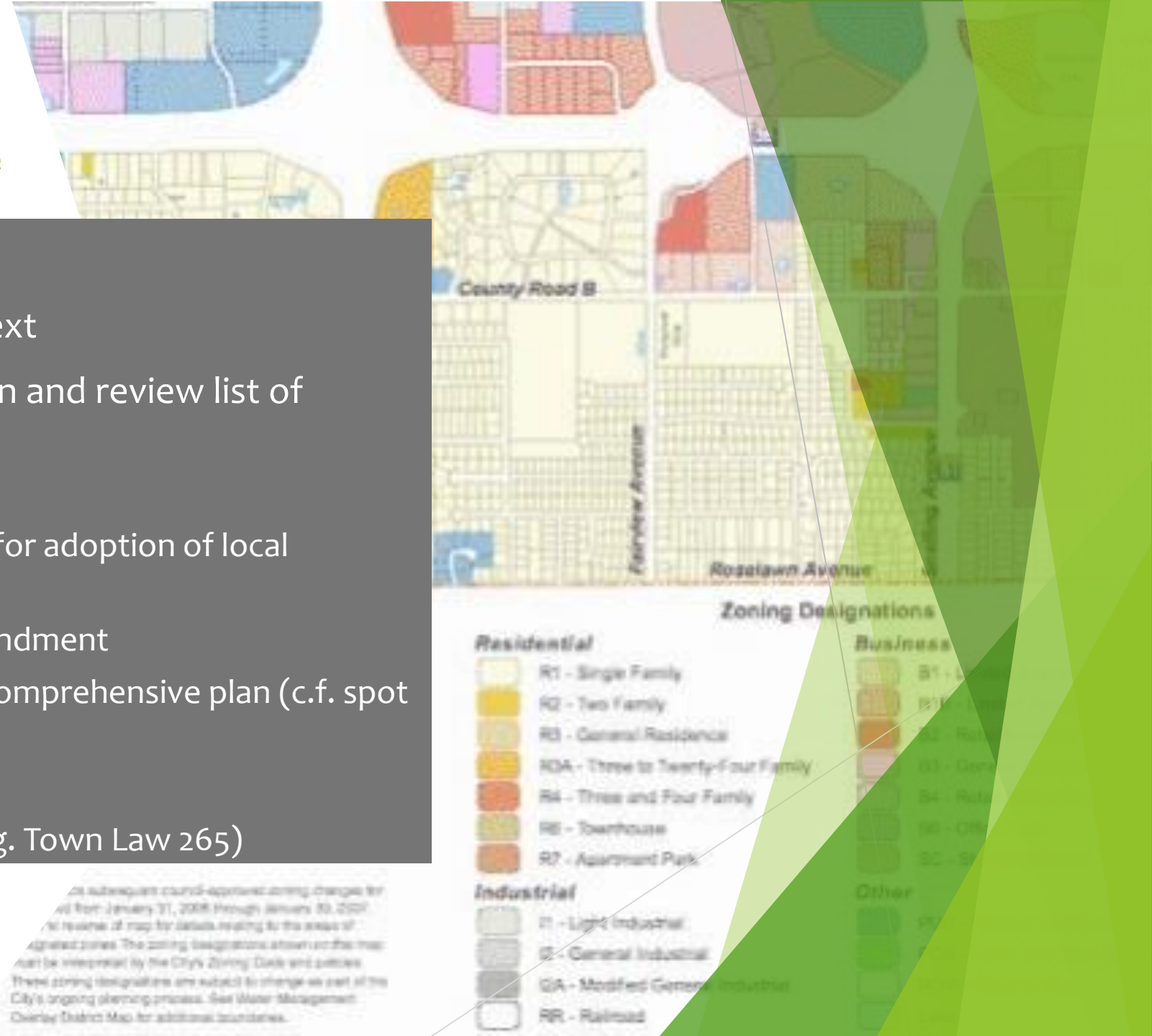
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Zoning Compliance

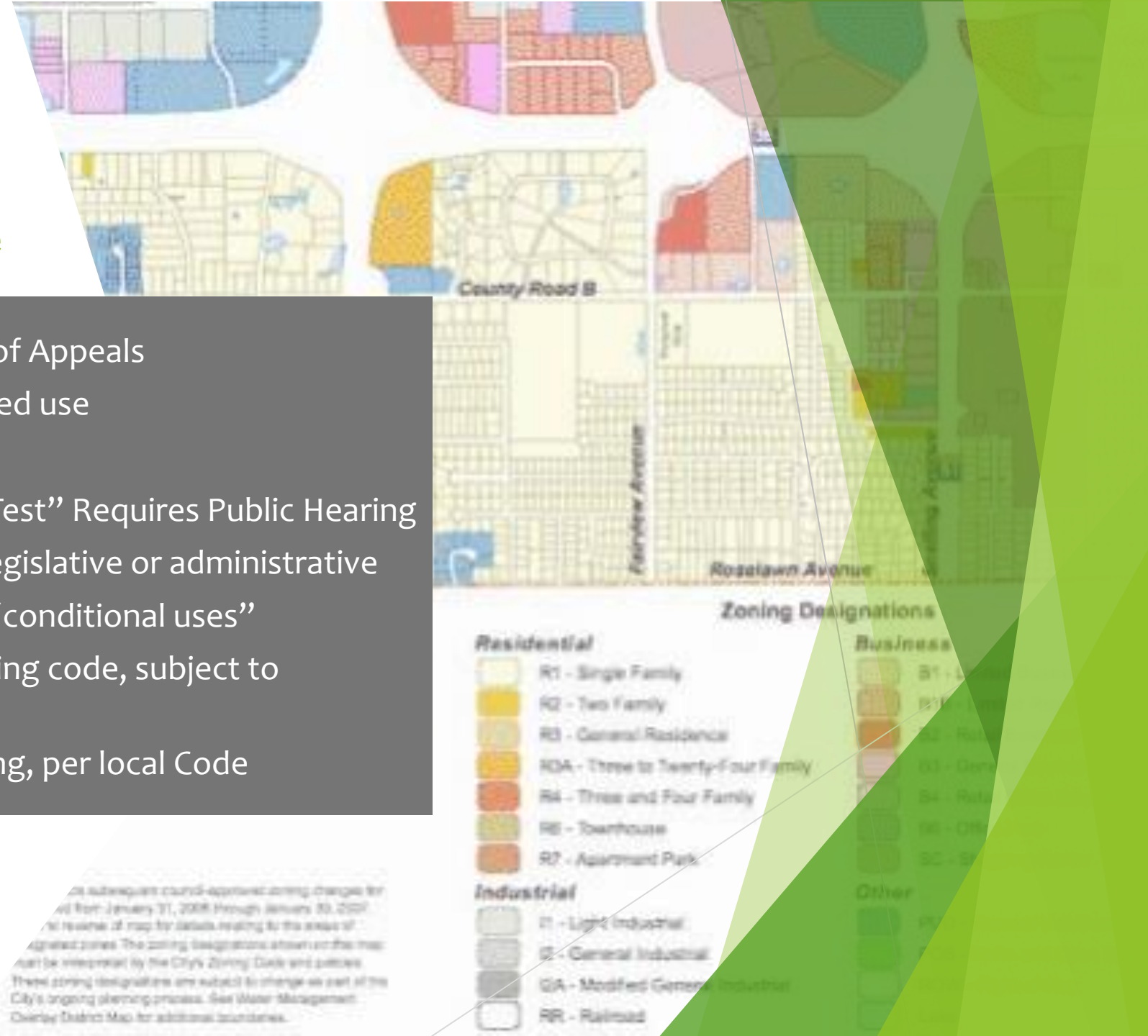
▶ Is the use permitted?

- ▶ Review the Zoning Map and Text
- ▶ Determine Zoning Classification and review list of permitted uses
 - ▶ Rezoning – Legislative Act
 - ▶ Requires public hearing for adoption of local law/ordinance
 - ▶ Zoning Text & Map Amendment
 - ▶ Conformance with the comprehensive plan (c.f. spot zoning)
 - ▶ Legislative prerogative
 - ▶ Protest Petition (e.g. Town Law 265)



Zoning Compliance

- ▶ Use Variance - Zoning Board of Appeals
 - ▶ Permission for a prohibited use
 - ▶ Very difficult standard
 - ▶ “Unnecessary Hardship Test” Requires Public Hearing
- ▶ Special Use Permit – Can be legislative or administrative
 - ▶ “special exceptions” or “conditional uses”
 - ▶ Permitted under the zoning code, subject to additional requirements
 - ▶ May require public hearing, per local Code



Other Land Use Controls

- ▶ Subdivision Approval – Administrative Review
 - ▶ Dividing parcel into a number of lots for development
 - ▶ May require public hearing, per local Code
- ▶ Site Plan Approval – Administrative (Planning Board)
 - ▶ Shows arrangement, layout and design of proposed use of a single parcel of land
 - ▶ May require public hearing, per local Code



Administrative Review vs. ZBA

▶ Architectural

- ▶ To prevent excessive uniformity, dissimilarity or inappropriateness of design
- ▶ Could be part of site plan or conducted by a separate administrative Board
- ▶ May require public hearing, per local Code

▶ Historic Preservation

- ▶ Protect and enhance the historic landmarks/districts
- ▶ Additional review may be required if located within a designated historic district
- ▶ May require public hearing, per local Code

▶ Area Variance – Zoning Board of Appeals

- ▶ Use of land not allowed by dimensional or physical requirements
 - ▶ Height
 - ▶ Setback
 - ▶ Density
 - ▶ Parking
- ▶ Balancing of interest test
 - ▶ requires public hearing



State Environmental Quality Review Act (SEQRA)

All agencies must determine whether discretionary actions to be undertaken, funded or approved may have a **significant adverse impact** on the **environment** and, if so, how to mitigate potential impacts

- ▶ Identify the Action
 - ▶ Type I
 - ▶ Type II
 - ▶ Unlisted
- ▶ Lead Agency Solicitation
 - ▶ Coordinated Review
 - ▶ Type 1 or Unlisted (Optional)
- ▶ Analyze/Take a “hard look”
 - ▶ Thoroughly review any potentially significant adverse environmental impacts



State Environmental Quality Review Act (SEQRA)

- ▶ Provide a “reasoned elaboration”
 - ▶ Negative Declaration
 - ▶ Conditioned Negative Declaration
 - ▶ Positive Declaration
 - ▶ Environmental Impact Statement
 - ▶ Scoping
 - ▶ DEIS
 - ▶ FEIS
 - ▶ Findings



Moratoria - Legislative Act

- ▶ Requires public hearing for adoption of local law/ordinance
- ▶ Justified by a valid public purposes
- ▶ Maintains Status Quo
 - ▶ Halts development, temporarily
- ▶ “Reasonable Time”



Real Property Tax Considerations

- ▶ Projects are not tax exempt as of right
- ▶ Must cover taxes in operating budget
- ▶ PILOT vs. 581-A
 - ▶ What is a PILOT
 - ▶ Permissive (Town, County or IDA)
 - ▶ Lasts 10 years or more
 - ▶ Factors to Consider
 - ▶ Community opposition
 - ▶ Schools, Utilities, Emergency Services
 - ▶ Current property taxes



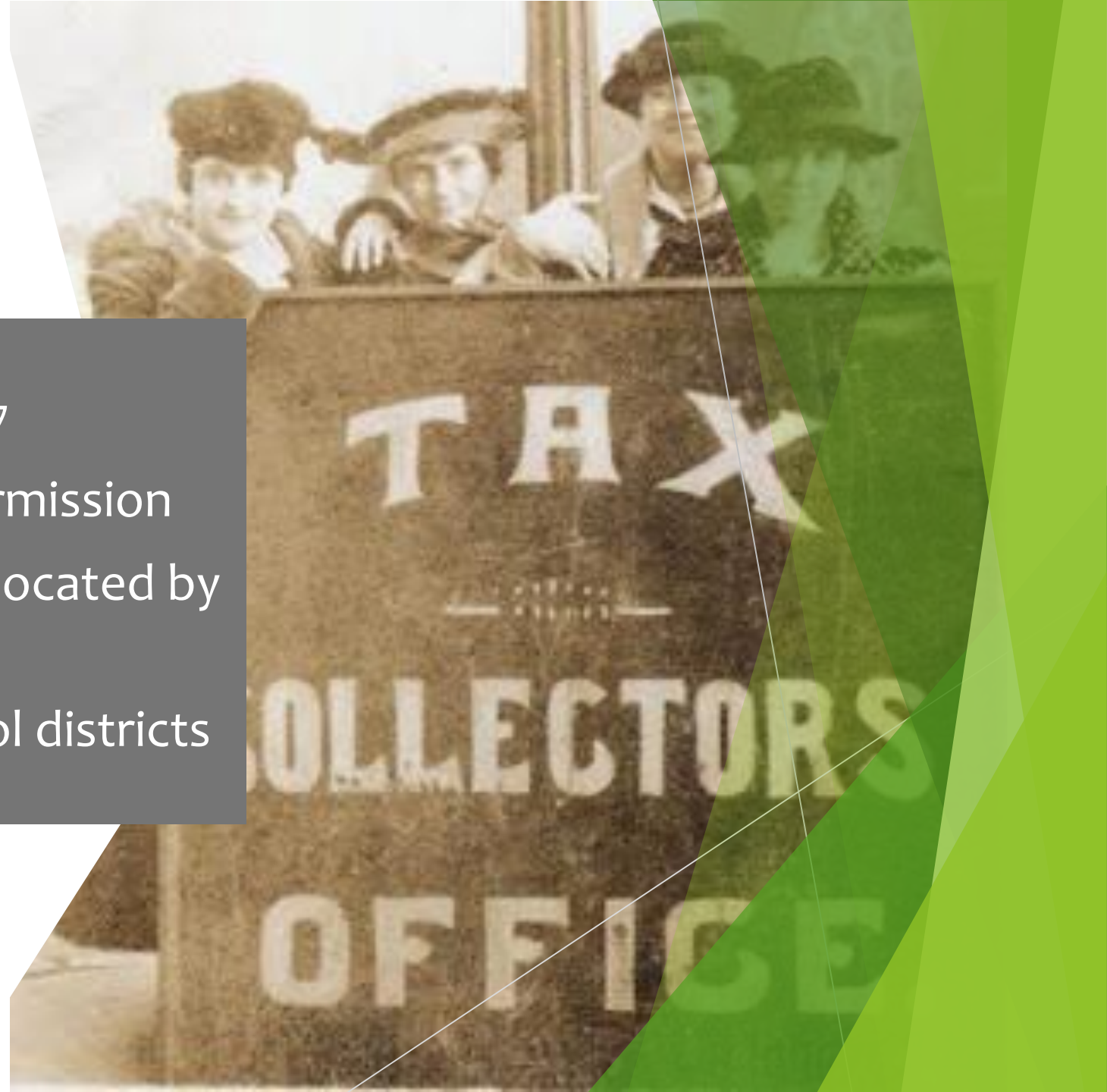
Real Property Tax Considerations

- ▶ What is 581-a
 - ▶ As of Right, but renewed annually
 - ▶ Appraised Value based on the “Income Approach”
 - ▶ Does 581-a work with operating budget?
 - ▶ Can you leverage 581-a calculation to get a PILOT



Property Tax Exemption Option

- ▶ Public Housing Finance Law 577
- ▶ Full or partial exemption by permission
- ▶ Alternative tax arrangement allocated by jurisdiction
- ▶ No opt out provisions for school districts



Community Opposition

- ▶ NIMBY or Specific Objections
- ▶ Negotiate vs. Fight
 - ▶ As of right or permissive
 - ▶ Funder support (blatant discrimination)
 - ▶ Time and Cost
 - ▶ Site Control
 - ▶ What can you offer?
 - ▶ Sidewalks
 - ▶ Taxes
 - ▶ Public Space



Community Education

- ▶ Community outreach comes FIRST
- ▶ Vocal supporters
- ▶ Look and feel of Development

THE TRUTH ABOUT SUPPORTIVE & AFFORDABLE HOUSING

WHO CAN LIVE THERE



Income eligible individuals and families



Veterans with Disabilities



Survivors of Domestic Violence



Individuals with mental health, substance use, or other disability.



Chronically Homeless Individuals and Young Adults



Frail Elderly needing support services to "Age in Place."



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Economic Impact on Local Community

LOCAL ECONOMIC IMPACT

Apartment residents spend a significant portion of after-tax earnings on **housing, food, and transportation**—followed by **utilities, fuels, and public services; apparel and services; and entertainment.**



Roughly **70%** of the dollars residents spent on those items stayed within the local economy.

Fuller, Stephen S. "The Trillion Dollar Apartment Industry," National Multi-Housing Council (February 2013)

ECONOMIC BENEFIT OF 100 APARTMENTS

in NY-17th Congressional District

Residents



\$4.09m generated annually for the local economy.
Supports **37** jobs.

Construction



\$15.36m economic contribution to the state economy.
Supports **107** jobs.

Operations



\$760K generated annually in economic contribution.
Supports **5** jobs.

weareapartments.org



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Go to WeAreApartments.org and choose your Congressional District

Understanding Community Misconceptions

- ▶ Impact on property values
- ▶ Furman Center for Real Estate & Urban Policy
 - ▶ largest-scale examination of the impacts of approximately 7,500 units of supportive housing created in New York City between 1985 – 2003
 - ▶ In the five years after completion, prices of nearby properties experience strong and steady growth, appreciating more than comparable properties in the same neighborhood but further than 1,000 feet from the supportive housing.

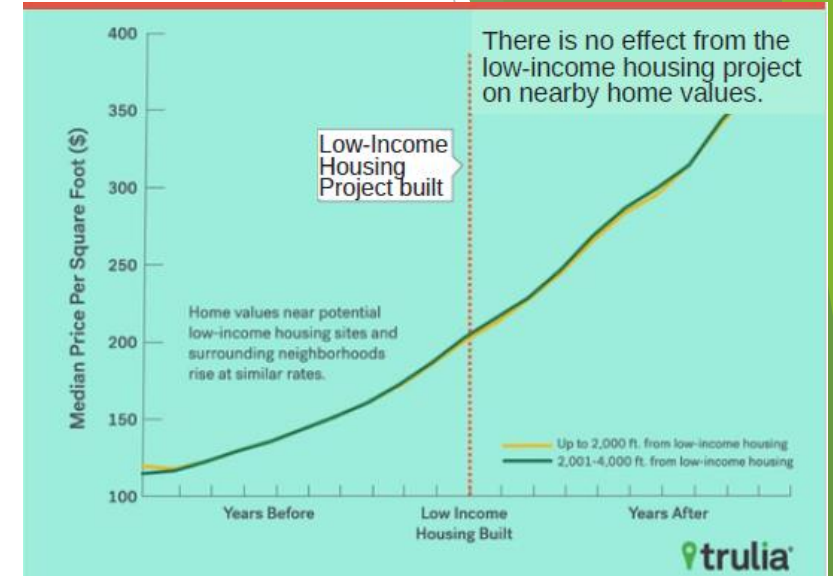
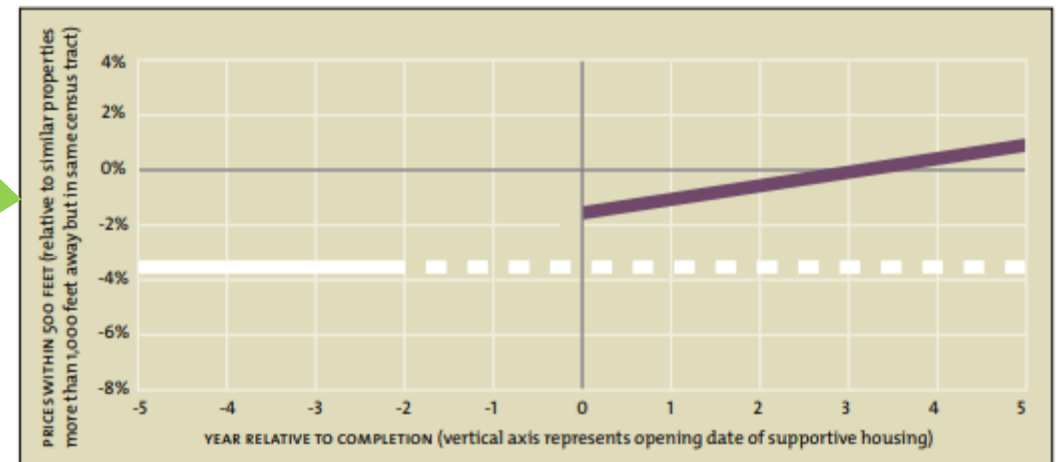


Figure D: Sales Prices of Properties Within 500 Feet of Supportive Housing Relative to Comparison Group, by Year Relative to Completion (For Median Size Development of 48 Units)

In this figure, the dotted line represents what we estimate would have happened to the prices of nearby properties had there been no new supportive housing development; the solid purple line represents the results of our analysis, which show steady growth in the value of nearby properties.

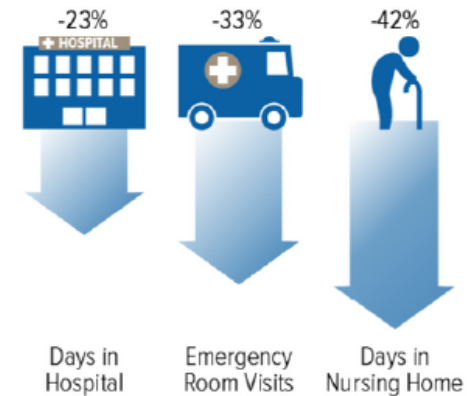
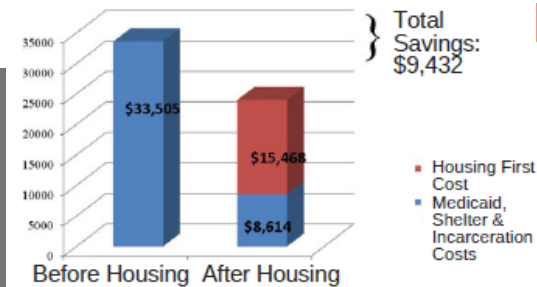


Understanding Community Misconceptions

► Impact on Emergency Services

- many studies available; find one that's in line with your project
 - Study of Homeless SMI demonstrated 95% reduction of postintervention public service costs (Culhane, Metraux, and Hadley, 2002)
 - Study of Homeless SUD/High Medicaid Users showed 53% cost reduction (Larimer et al., 2009)

Annual Savings per Person



- 70%** ↓ Reduction in Hospital Bills
- 79%** ↓ Reduction in number of hospitalizations
- 78%** ↓ Reduction in arrests
- 84%** ↓ Reduction in days in jail
- 25%** ↑ Increase in Tenant's average monthly income

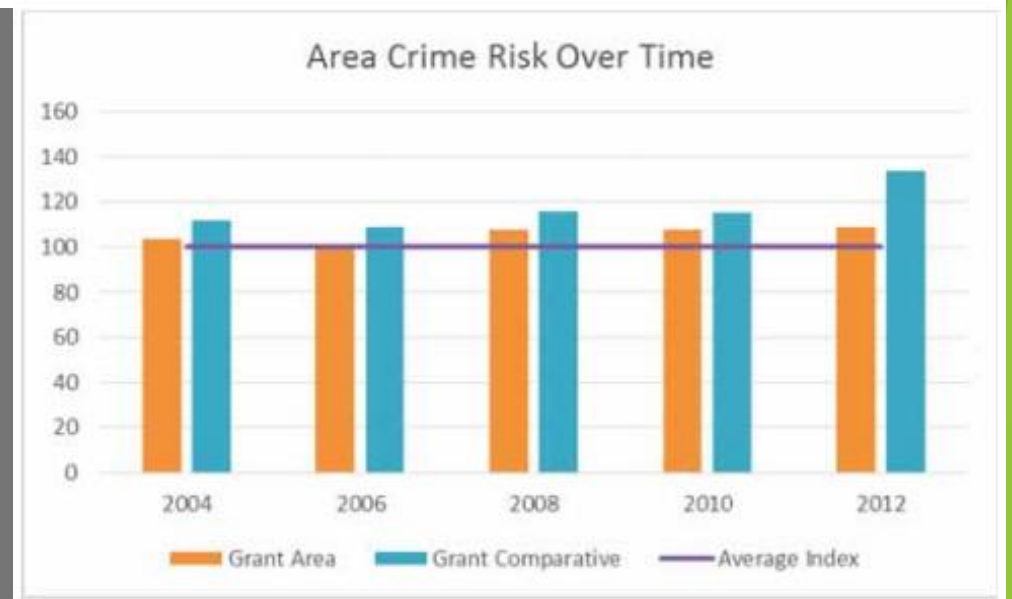
Note: Intensive services include help finding housing, working with a landlord, physical and behavioral health care, assistance finding employment, and others.
 Source: Anirban Basu, et al., "Comparative Cost Analysis of Housing and Case Management Program for Chronically Ill Homeless Adults Compared to Usual Care," *Health Services Research*, February 2012, Vol. 47, No. 1, Part II, pp. 523-543.

*Thomas, M. Lori, et al. "Moore Place Permanent Supportive Housing Evaluation Study, Year 1 Report." University of North Carolina at Charlotte, Department of Social Work. (February 14, 2014).

Understanding Community Misconceptions

► Impact on Neighborhoods

- Residences go largely unnoticed or have a net positive impact
- No noticeable impact on neighborhood character
- Crime incidents increased across the board, but at a lower rate in Study Area



Permanent Supportive Housing Impact Analysis, by Arch City Development and Urban Decision Group.

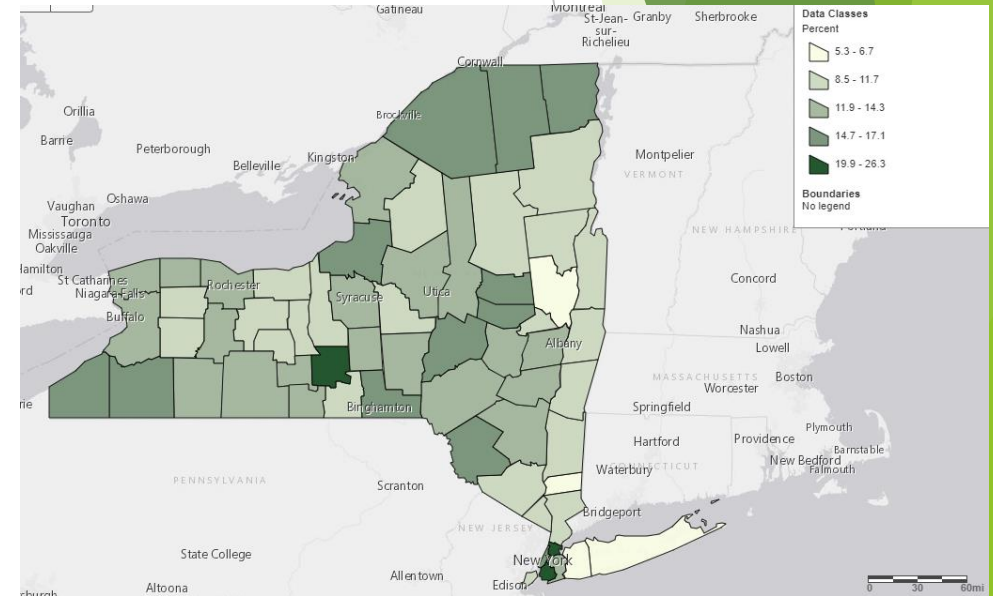


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Understanding Community Misconceptions

- ▶ These are YOUR neighbors
 - ▶ Residents already in community
 - ▶ 7.5 million NY Households
 - ▶ 13.7% (18 years and over) had income below poverty level
 - ▶ 44.5% are cost burdened (housing costs greater than 30% of income)
 - ▶ 46.4% of all occupied housing units are rentals
 - ▶ 68.4% of all housing stock was built before 1970

Percentage of people (18+) with income below poverty level



2012-2016 American Community Survey 5-Year Estimates

Thank you!



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