



**Saint Joseph's
Medical Center**

St. Vincent's Hospital Westchester Division

**4TH ANNUAL HUDSON VALLEY
AFFORDABLE HOUSING SUMMIT**

HEALTH AS A CATALYST FOR HOUSING:

HOSPITALS AS HOUSING PROVIDER

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Today's presentation will:

- **Focus on our hospital's experience, as one of the few, if not the only, hospital system in NYS to develop and operate both supportive and affordable housing.**
- **Describe our hospital - and why we decided to develop housing**
- **Discuss the benefits we considered – and the concerns we had when deciding to develop housing**
- **Describe resources that are available to help hospitals that are interested in developing and operating supportive and affordable housing**
- **Lastly, I'll describe some of our housing projects**

Introduction

- Saint Joseph's Medical Center is a 194-bed acute care hospital serving Westchester and NYC since 1888.
- In addition to medical/surgical care, SJMC offers behavioral health service through its St. Vincent's Hospital, Westchester Division (SVW). St. Vincent's is one of the largest, most comprehensive behavioral health providers in Westchester County.
- The SJMC/SVW system employs over 2,000 staff and serves more than 55,000 individuals annually.
- Our Department of Residential Services operates over 1,300 units of housing throughout Westchester County and New York City. Our housing models cover the full continuum from licensed transitional community residences to permanent housing (single-site buildings - as well as scattered-site apartments).
- The special needs populations we serve include persons with mental illness, substance use disorders, formerly homeless, HIV/AIDS, etc,
- Our affordable housing serves both individuals and families.

How and why we embarked on this journey:

- Our hospital's decision to develop/operate housing was based on our recognition that access to safe, quality, affordable housing and the supports necessary to maintain that housing – is one of the best ways to keep people healthy.
- That decision was back in 2003
- Prior to 2003 we were operating small transitional licensed community residences and scattered site apartments. However, we found that scattered site housing does not provide the level of support that some tenants need to maintain their housing. In order to fill that housing gap we decided to pursue developing single-site supportive housing.
- But first - convincing our Board of Directors

Hospitals as Housing Provider – Some of the benefits we identified included:

- **Shared Mission** – Supportive/affordable housing is clearly reflective of the hospital’s mission to promote the health, wellbeing and dignity to the community it serves –it’s a natural extension of the concept of “population health”.
- **Impact on hospital budget**
- **Financial Sustainability**
- **Possible expansion of hospital’s patient referral base**

Hospitals as Housing Provider – Benefits (continued):

- **Creation of discharge opportunities for high need undomiciled persons**
- **Possible Re-use of surplus properties**
- **Additional revenues from Developer's Fees**

Hospitals as Housing Provider – Benefits (continued):

- **Community Relations**

- **Hospitals are anchors in the community- they are generally trusted and respected**
- **It's important to “listen” to the housing needs of the community.**
- **The project will further enhance community relations by:**
 - **Attractive, environmentally sound building**
 - **Providing common area/meeting rooms for use by community groups.**
 - **Offering affordable housing opportunities for the local community and for income-eligible hospital staff**
 - **Providing local hiring/employment for staff positions**
 - **Providing support to local businesses**

Hospitals as Housing Provider - Potential Challenges or Concerns

There were several areas that presented very steep learning curves for our hospital's Board of Directors – including:

- **Complexity of capital financing** – coordinating multiple financing components.
- **Understanding the complexities of the Low-Income Housing Tax Credit Program (LIHTC)** including legal structure of limited partnerships (investors) as well as compliance requirements for a period of 15 years.
- **Concerns about taking on the role of “landlord” and “property manager”**

RESOURCES - Getting help to get started...

Resources are available to help hospital systems who are interested in developing and operating supportive and affordable housing:

- Housing Consultants will who assist with pre-development and development budgets. They solicit, negotiate and analyze LIHTC offers from corporate investors, negotiate terms and conditions with banks for financing, and can prepare/submit capital funding applications, etc
- Attorneys who specialize in housing development corporate structures (HDFC, GP/LP, etc)
- Corporation for Supportive Housing (Pre-Development loans and guidance on financing)
- Owner's Representatives (on-site construction experts)
- Property Management companies (if you choose not to do property management yourself contract with a PM company)
- For-Profit Developer Partnerships

CURRENT PROJECT (in development – completion December 2021):

School Street Apartments – Yonkers, New York:

- **80-unit mixed supportive/affordable housing.**
- **Including 48 studio supportive housing apartments for individuals living with mental illness, and 32 studio, one and two bedroom affordable housing apartments for individuals and families**
- **Building will offer rooftop garden with play area for children, laundry facilities, fitness center, large community room for community use, library/computer center, offices and conference room.**
- **On-Site Assistance: For tenants who need assistance and support, we offer employment assistance, education linkages, coordination of health and mental health care, assistance with budgeting and money management, among other supports.**

Capital development cost of \$40 million. Sources of capital NYS OMH, NYS HHAP, NYS HCR, NYS HFA, The Richman Group (LIHTC), Bank of America. Source of operating funding for special needs units will be NYS OMH.

SCHOOL STREET APARTMENTS – YONKERS, NY



Projects in operation:

- **Immaculata Hall – Opened in 2005** - Jamaica, Queens, NYC, 100 studio apartments of mixed supportive/affordable housing. It provides 80 apartments for persons living with mental illness and 20 affordable housing apartments. Capital Development cost of \$14 million.
- **Bishop Sullivan Residence – Opened in 2006** – Crown Heights, Brooklyn, NYC, It provides 78 studio apartments for supportive housing. All units for special needs populations. Capital Development cost of \$11 million.

Sources of capital financing included NYC HPD; NYS HHAP; Federal Home Loan Bank Affordable Housing Loan; The Richman Group (LIHTC); Corporation for Supportive Housing provided Bishop Sullivan Residence with a pre-development loan to purchase the property, retain the architect, attorney, and other pre-development costs.

Sources of operating funding for special needs population include NYC DOHMH, NYC DHS, NYC HIV/AIDS Services; HUD Shelter Plus Care



Bishop Joseph M. Sullivan
Residence



In closing – there’s never been a better time for hospitals to develop and operate housing.

To recap some of the reasons for hospitals to consider:

- **The enormous need for affordable housing and supportive housing**
- **The shared mission of promoting health, wellbeing and dignity to the community**
- **The emphasis on housing as a major Social Determinant of Health which results in improved population health.**
- **Financial benefits and financial sustainability of the projects**
- **NYS’s investment in providing funding/financing for capital development and operations. For example, funding for over 6,000 units of supportive housing through the “Empire Supportive Housing Initiative (ESSHI)” is now available.**

If you need any additional information, please feel free to contact me at mditommaso@svwsjmc.org