

Nonprofit Housing Developers Help Elderly to Age in Place

In New York City the poverty rate among the elderly is almost double that of the national average, and the number of seniors in the 75+ and 85+ age groups is expected to continue to grow. Add the baby boomers, who begin to turn 60 in 2006, and there is a significant aging population that needs attention. Lawyers Alliance for New York has two program priority areas that especially benefit low-income seniors: Affordable Housing and Homeless Services, and Elder Services.

Studies show that 80% of seniors want to “age in place” by living in the homes and communities to which they are accustomed. In New York City this preference is not easily fulfilled given escalating real estate costs.

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The nonprofit sector has helped to alleviate this situation by participating in a U.S. Department of Housing and Urban Development (HUD) program known as “Supportive Housing for the Elderly,” or Section 202. In existence since 1959, Section 202 provides capital advances to nonprofit organizations for property acquisition, site improvement, conversion, demolition, relocation, and other expenses associated with supportive housing for the elderly. Over time, the loan structure of Section 202 has evolved, and today it offers increasingly beneficial financial arrangements for nonprofits. Lawyers Alliance is ready to provide legal assistance to dozens of organizations working on Section 202 projects in the City.

Refinancing Section 202 Housing

Lawyers Alliance can assist organizations that developed Section 202 housing under less advantageous terms to refinance their loans, so that more money will be available for their programs.

Work completed for **Goddard Riverside Community Center's (Goddard Riverside)** Phelps House in Manhattan exemplifies how our attorneys can help. Because Goddard Riverside received Section 202 monies for Phelps House in the 1980s, it was required to repay a high interest rate loan. Lawyers Alliance Senior Staff Attorney **Hedwig O'Hara** represented Goddard Riverside

and its affiliates in the refinancing of the project through, among other things, the syndication of low-income housing tax credits to MMA Phelps House, LLC. According to Director of Housing **Jerry Mascuch**, by refinancing the debt, Goddard Riverside will be able to generate a revenue stream from the cost savings of almost \$60,000 a year that can be used to pay for enhanced social services to the elderly residents. In addition, the refinancing will provide a one-time sum of about \$6 million, which will be used for major capital improvements.

Developing Section 202 Housing

Lawyers Alliance also works with affordable housing clients to develop Section 202 housing.

One unique nonprofit in the elder housing arena is **Progress of Peoples Development Corp. (POP)**, which has been converting under-utilized property formerly owned by churches into housing for low-income seniors for more than three decades. Lawyers Alliance has assisted POP with permanent loan closings through HUD for three residences in Brooklyn. In addition, Lawyers Alliance has been assisting the St. Teresa of Avila Senior Housing Development Fund Corporation, an affiliate of POP, on the capital grant closing for a 63-unit elderly housing project in Brooklyn, and will shepherd the project through the permanent loan closing. These four residences will provide more than 200 units of affordable housing for seniors.

Leasing Property for Elder Housing

Using church property to provide seniors with an option for affordable housing has also been the goal of **Richmond Senior Services (Richmond)**, a nonprofit organization that provides services to the elderly in Staten Island. Pro bono Attorney **James Powell**, with co-counsel support from Lawyers Alliance Senior Staff Attorney **Linda Manley** and Staff Attorney **Salvatore Gogliormella**, helped Richmond negotiate the terms of a lease for a property owned by the First Presbyterian Church of Staten Island. Lawyers Alliance also advised Richmond on zoning laws and other regulations governing shared living arrangements and the use of common space by residents.

From developing and refinancing affordable housing, to assisting with contracts, leases, employment and other business law questions, Lawyers Alliance can help nonprofits continue their critical work to help the City's elderly “age in place” more comfortably. Please contact Ms. O'Hara at (212) 219-1800 ext. 226 or Ms. Manley at ext. 239 for more information. ■