

# Homes for America, Inc.

**Homes**  
for America  
non-profit housing  
development

# Homes for America, Inc.

- Nonprofit Developer, Owner and Service Provider in the Mid-Atlantic states of Delaware, Maryland, Pennsylvania and Virginia
- 5,500 units in 70 communities
- Portfolio of family, senior and special needs housing

# Long Term Affordability without Rent Subsidies

It takes more than soft debt.

# Key approaches:

- Maximize equity and minimize debt - identify sites in Difficult Development Areas (DDA) or Qualified Census Tracts (QCT) or opportunity areas if the State basis boost is provided
- Work in jurisdictions that provide deep payments in lieu of real estate taxes (PILOTS)
- Maximize green / energy conserving features to realize long term operating efficiencies
- Create nonprofit controlled (not partnership controlled) reserves as a long term resource to hedge rising operating costs

# Our Key Principles

- Not all units will be affordable to ELI households
- The benefits from our key approaches will not necessarily be spread equally among all units
- Goal of 20% of units in every property affordable to ELI households with 10% of the ELI units very deeply affordable (15% of AMI)
- Where possible 30-50% of units affordable to households with income between 31%-40% AMI, with balance some mix of affordable up to 60% of AMI

# More Key Principles

- In strong markets include some market rate (up to 25% of units) to provide more subsidy to lower income households. Must be true high market, not market rents at or near 60% AMI rents.
- Tenants with vouchers are rented the 50-60% AMI or market rate units and units internally subsidized through the deal structure are reserved for those without vouchers or other rent subsidies

# Hudson Townhomes – 48 two, three & four bedroom homes; placed in service summer 2013



# Example of PILOT Impact at Hudson

- PILOT payment \$200 per unit per year credit/reduction of real estate tax based on assessment
- Impact if credit applied equally to all units:  $\$200 / 12$  months = \$17 per month less rent on every unit
- Impact if benefit applied to the 10 ELI units:  $\$200 \times 48$  units = \$9,600 annual subsidy / 10 ELI units / 12 months = \$80 per month less rent



# Hudson TH Results

- Tenant Income ranges:
    - 2 Below \$10,000
    - 6 \$10,000 - \$14,999
    - 13 \$15,000 - \$19,999
    - 12 \$20,000 - \$24,999
    - 9 \$25,000 - \$35,600
  - Zero Residents with HC Vouchers
  - HH demographics:
    - 88% single female headed household
    - 3 persons average HH size (compares to portfolio average of 2.2 persons for all general occupancy properties)
- AMI for County:  
\$60,100

# Glenburn House - 15 Years Later



# Glenburn House – The Platform

- 24 one and two bedroom apartments for seniors
- Maximum income / rent levels - 50% AMI, set asides 50% of units for ELI
- PILOT – total County tax \$50 per unit per year
- Location – QCT (same QCT as Hudson TH)
- Financing – LIHTC Equity, HOME funds with \$100,000 amortizing, \$600,000 balance payable from surplus cash
- Placed in service 1999

# The Results – 15 years later

- Tenant Income Ranges:

- 4 Below \$10,000
  - 8 \$10,000 to \$14,999
  - 4 \$15,000 to \$19,999
  - 8 \$20,000 to \$27,646
- AMI for County  
\$60,100

- 6 Residents with HC Vouchers

• Today's Rents:	No Voucher	HC Voucher
• 1 Bedroom	\$430	\$600
• 2 Bedroom	\$499	\$609