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September 29, 2023

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Via email and Federal Express

Town of Brookhaven
 Industrial Development Agency
 c/o Town of Brookhaven Division of Economic Development
 One Independence Hill
 Farmingville, NY 11738
 Attn: Lisa Mulligan, CEO

Re: Form Application for Financial Assistance

Dear Ms. Mulligan:

Please accept this revised cover letter and the enclosed updated and revised Form Application for Financial Assistance (“Application”) in place of the cover letter and Application submitted to you on August 3, 2022. Also enclosed is the Nelson Pope Voorhis Feasibility Study prepared for both WellLife Network Inc. (“WellLife”) and your agency, as well as an updated Sources and Uses Schedule.

WellLife is a 501(c)3 human service organization, whose mission is to empower individuals and families with diverse needs to realize their full potential for achieving meaningful goals, guided by principles of independence, wellness, safety and recovery. A leader in creating an array of recovery-based housing, WellLife provides service-enriched community residences and apartments to provide independent living arrangements with ongoing supports. WellLife currently provides housing services in more than 1,000 beds throughout NYC and Long Island.

WellLife Organizational Information

WellLife, established more than 40 years ago, has assisted more than one million people in achieving greater independence. WellLife is one of the region’s largest and most diversified voluntary, not-for-profit health and human services organizations. WellLife’s extensive network of providers for behavioral health, family and children, developmental disabilities, rehabilitation & vocational training, residential/community education and health awareness services, assists more than 25,000 individuals and families each year. WellLife has been a leader in creating an array of recovery-based housing, from service-



enriched community residences and apartments to independent community living and mixed-use affordable housing developments with supports. WellLife works closely with business, government, and voluntary and philanthropic communities to develop innovative services to meet community needs. WellLife programs are licensed and approved for service by several governmental agencies, including the U.S. Dept. of Health, NYS Office of Mental Health, Office for People with Developmental Disabilities, Office of Addiction Services and Supports, and the NYC Dept. of Health and Mental Hygiene. WellLife programs are designed to help each person achieve their health and life's goals by providing high quality, value-based and cost-efficient services that meet the ever-changing needs of our community. WellLife is committed to being the provider of choice, known for life-changing and outcome-driven services. The integrated delivery network operated by WellLife assists our most vulnerable participants to successfully negotiate the complex health care environment in order to obtain and utilize all the supports they need, when they need them.

Since the early 1980s, WellLife has been providing to the most vulnerable New Yorker a continuum of residential services, health home care coordination, services for the developmentally disabled, addiction recovery services, children/family services, peer services, advocacy, outreach, and education to individuals recovering from disabling conditions in NYC/Long Island. WellLife has been meeting the growing challenges confronted by people living with developmental disabilities, mental illness and co-occurring substance use disorders.

Medford Gardens Overview

Medford Gardens will be a newly constructed, age-restricted, (55+), 67-unit, mixed-use apartment development in Medford. WellLife is proposing a 3-story apartment building that will provide safe, secure, and affordable housing to individuals who are 55 years or older. This mixed-use residence will house individuals with disabilities (described in further under housing support services paragraphs) in the supportive housing units and individuals who meet income eligibility in the community/affordable units. Individuals that meet supportive housing criteria will be referred by the Long Island Continuum of Care, Coordinated Entry System that is directed by the Long Island Coalition for the Homeless.

The project will require partial clearing of the approximately 7-acre site on Horseblock Road. The development will include an on-site sewage treatment plant, connected walking paths, outdoor recreation space, landscaped gardens, and parking. It will be a fully electric development. WellLife is partnering with energy consultants to create an energy efficient building for the residents to enjoy.

WellLife, in advancement of the State's supportive housing goal, is proposing to develop 33 units of permanent supportive housing at Medford Gardens for individuals who are

over 55 and have a disabling condition, which represents 49% of the residential units in the development. Of the 33 units, seventeen apartments will be identified for individuals with a serious mental illness (“SMI”) and sixteen apartments will be set aside for chronically homeless individuals. There will be one two-bedroom apartment designated for a 24/7 onsite superintendent. The 33 apartments will have support services provided by WellLife staff located onsite and in the nearby community. WellLife was awarded an Empire State Supportive Housing Initiative (“ESSHI”) grant, as well as a Homeless Housing and Assistance Program (“HHAP”) grant, to provide housing and support services for individuals with physical and/or mental disabilities in the community, who meet the ESSHI definition of homeless, and who are over 55+ and have a disabling condition.

The main entrance to the development will be off Horseblock Rd. The supportive housing building lobby will consist of a concierge desk, mailboxes and seating areas and will connect directly to the staff offices and community room. A fitness room will also be provided, and laundry facilities will be located on each floor. Bulk and bicycle storage are provided for the tenant’s use. All amenities will be accessible by elevator. There will be 24/7 front desk coverage in addition to the onsite, live-in, superintendent.

Housing Support Services

WellLife’s services are designed to help residents to maximize their potential. Access to safe, quality, affordable housing, that provides the supports necessary for independent living constitutes one of the most basic and powerful social determinants of health. Individuals in need of supportive housing are often trapped in a cycle of crisis and housing instability that our supportive housing model is designed to address. WellLife will effectively serve individuals by providing individualized, recovery-oriented services by trained trauma informed staff. This approach includes frontloading services upon admission and gradually reducing services as individuals become more independent and integrate into their communities. Services will be person-centered, flexible, and directed toward helping ALL residents maintain physical and emotional health, participate in treatment and rehabilitative services, assist with educational and employment goals, sustain healthy relationships, and, over-all, improve their quality of life and that of the greater community (addressed in community impact below).

All services will be informed by evidence-based practices and trauma-informed care, promoting wellness and recovery, and is consistent with WellLife’s commitment to disparities elimination and cultural competence. Individuals with mental health disabilities have a complex set of identified housing and service needs. WellLife operates over 1000 units of supportive housing on Long Island and in NYC and has extensive experience providing community housing services to individuals with mental health challenges, many residents arrive with individualized needs that require tailored services to assist them during their transition to their new home.

WellLife will provide an array of long-term housing assistance and support services to people living with SMI. By stabilizing housing and addressing basic needs, WellLife staff will focus on reducing housing instability and connect and retain clients in medical care. WellLife will provide safe, affordable, and permanent housing and supportive services for individuals with SMI on site and via linkages in the community. Supportive services focus on issues related to ongoing access to primary care, behavioral health needs, chronic health conditions, nutrition and overall wellness to ensure people living with SMI maintain stable housing and enjoy improved quality of life. Tenancy preservation services assist with maintaining permanent housing for people living with SMI and who have experienced homelessness through counseling, information and skills-building activities, and referral services.

WellLife's supportive housing services are designed to help ALL residents establish functional, satisfying lives, of their choice to the greatest extent possible. The primary purposes of the services provided are to develop independence, wellness self-management, and the pursuit of important relationships, careers, and other opportunities. Due to the needs of the target population, services will focus on retaining housing, focusing on complex co-morbid medical issues, co-occurring disorders, integration into the community and the development of healthy coping skills. WellLife Network will support individuals and families address their social determinants of health that include but are not limited to the achievement of greater independence and self-sufficiency through stable housing with rental subsidies, vocational training, and employment counseling. WellLife vocational staff will assess the local community for tenant employment opportunities in local businesses, assisting to address the workforce shortage across the county.

Medford Gardens staffing pattern will include seven (7) newly created, full-time, onsite staff members. These seven staff members will have desks and shared office space located in the new building.

- Direct service professionals (DSP): 4 (full time) DSPs assist residents with day-to-day needs and manage access of visitors and guests to the building. DSPs are onsite 24/7, scheduled in shifts, day, evening and overnight. DSPs coordinate with housing case managers, building maintenance staff and external service providers.
- Housing Case Managers: 2 (full time) are assigned a case load of residents that assist with life skill development, coordinate with medical and behavioral health teams, assist with benefits and entitlements, provide supportive counseling and general day to day assistance as needed.
- Program Director: provides supervision and oversight for the entire program.

- Part-time and per-diem staff will be utilized to provide coverage for time off, sick days, vacations and holidays.

There will be additional WellLife staff assisting the residents of Medford Gardens from the intake division, property management division, clinical services division, general services and entitlements. These staff will not have offices at Medford Gardens, but will provide services to the residents as needed, as a visitor at Medford Gardens, or at our Coram Community Center located at 3600 Route 112.

WellLife's Suffolk County construction partner, BELFOR, approximates 120 construction jobs will be created during the building phase.

Affordable, Income Eligible Housing

The proposed project targets a mixed (55 and over) population of affordable housing serving a wide band of incomes from 30% to 60% of AMI. Individuals will be eligible to apply for an apartment during the open application process approximately 3 months before construction completion. WellLife will partner with Long Island Housing Partnership or Community Development Corporation of Long Island to conduct the affordable housing lottery. WellLife will partner with CGMR Compliance Partners LLC to certify tenants' income and assets to ensure housing tax credit compliance prior to residency.

The Low-Income Housing Tax Credit (LIHTC) subsidizes a portion of the acquisition, construction, and rehabilitation of affordable rental housing for low- and moderate-income tenants. The LIHTC was enacted as part of the 1986 Tax Reform Act. Since the mid-1990s, the LIHTC program has supported the construction or rehabilitation of about 110,000 affordable rental units each year. The federal government issues tax credits to state and territorial governments. State housing agencies then award the credits to private developers of affordable rental housing projects through a competitive process. Developers generally sell the credits to private investors to obtain funding. Once the housing project is placed in service (essentially, made available to tenants), investors can claim the LIHTC over a 10-year period.

Rental Costs

\$1,200 Supportive/Subsidized units, renter pays 30% of their income (33 units)

40% AMI (8 units) - \$975/month, eligible individuals can earn up to \$40,700

50% AMI (8 units) - \$1,218/month, eligible individuals can earn up to \$50,900

60% AMI (17 units) - \$1,460/month, eligible individuals can earn up to \$61,100

The Fair Market Rate (FMR) of one-bedroom rental apartments in Suffolk County \$2,000 per month.

Medford Gardens Ownership Structure

The Project site is owned by Medford Gardens Housing Development Fund Corp ("HDFC"). The HDFC will hold fee title to the project and will act as the nominee for Medford Gardens, LLC, a to-be-formed New York limited liability company, which in turn will be the beneficial owner of the Project pursuant to the terms of a Nominee Agreement between the HDFC and Medford Gardens, LLC. The Medford Gardens, LLC general partner will be Medford Gardens MM, LLC, a to-be-formed New York limited liability company. The applicant, WellLife Network Inc., will also be the sole shareholder of Medford Gardens, LLC. The applicant will also act as the service provider and manager for the project. Please see the Medford Gardens Organizational Structure attached as Exhibit A hereto.

Local Community Impact

In Suffolk County, according to the Long Island Housing Data Profiles, published by Regional Plan Association (RPA.org) in 2020, 54.8% of renters in Medford were considered rent-burdened, spending more than 30% of their income on housing costs. Over the last two decades, Long Island incomes have failed to keep up with housing costs, for both owners and renters. When adjusted for inflation, the median income for Long Island has fallen slightly since 2000, while median housing costs have increased by 24%. Furthermore, housing needs differ with age, with younger and older adults typically requiring smaller housing units than families. Long Island's housing stock is helping drive a demographic shift toward older households. With a lack of appropriate housing for younger adults and difficulties in attracting new businesses, the percentage of Long Island's population over 65 is increasing rapidly, while its share of younger households is shrinking. Medford Gardens creates opportunities for older, low-income residents to downsize their living space and create housing opportunities for younger individuals and families in the community.

The positive community impact of Medford Gardens and the most obvious economic benefit of affordable housing is the increase in discretionary spending. For low-income and disabled individuals rent is the biggest and most important expense each month. When income loss threatens the ability to meet rent payments, the likelihood of spending money on anything other than the most basic needs harms the local economy. When affordable housing residents can make their rent payments, they're able to spend more on local purchases and go beyond the bare necessities to buy healthy food, have better access to healthcare, and spend more at nearby businesses.

Affordable housing results in fewer evictions for communities. The threat of evictions is a significant concern for workers making just enough to pay their rent every month. The repercussions of evictions of low-income individuals can likely have long-lasting effects that impact generations in a family. Evictions spark a cycle of instability for individuals

and often take years to recover from. This has a ripple effect in their communities and harms a community's social and economic wellbeing. Thus, housing stability is at the heart of affordable housing, it is designed to prevent evictions and provide support and renters who are at risk of eviction.

Housing is an important social determinant of health. Safe, secure, affordable housing is a component that drastically influences a person's physical and mental well-being. Poverty severely limits people's options, which is why poverty is linked to a vast range of health problems, both acute and chronic in nature. Individuals with access to quality affordable housing options, are far less likely to face environmental threats, and far more likely to have enough income for healthy food options and routine medical care which lowers the risk of severe chronic health problems. The more people can spend on adequate healthcare and fresh food, the better and healthier the local economy becomes.

Medford Gardens Development Team

The development team for Medford Gardens includes:

- Lead Developer: WellLife Network Inc.
- Local Consultant: Kelly Development, Mike Kelly & Barbara O'Brien
- Housing Consultant: CSD Housing LLC.
- Architect: H2M Architects and Engineers
- Contractor: BELFOR
- Site Plan Engineering: Labcrew Engineering
- STP Engineering: Nelson & Pope Engineering
- Land Use Attorney: Joe Buzzell, Buzzell, Blanda & Visconti
- HDFC Formation: Danielle Katz, Barclay Damon

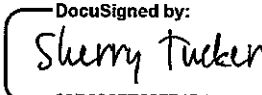
The proposed Medford Gardens project will primarily be funded by low-income housing tax credits which require the building to be owned by a for-profit entity. As such, Medford Gardens, LLC will be formed for this PILOT application. WellLife Network, Inc. ("WellLife") will ultimately control all activity at the building as the managing member as discussed throughout this document. Please see attached organizational chart for additional information on HDFC formation and ownership.

Town of Brookhaven
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WellLife Network is submitting this application in connection with our New York State funding application which requires a PILOT. Please contact me with any questions or comments. Thank you.

Sincerely,

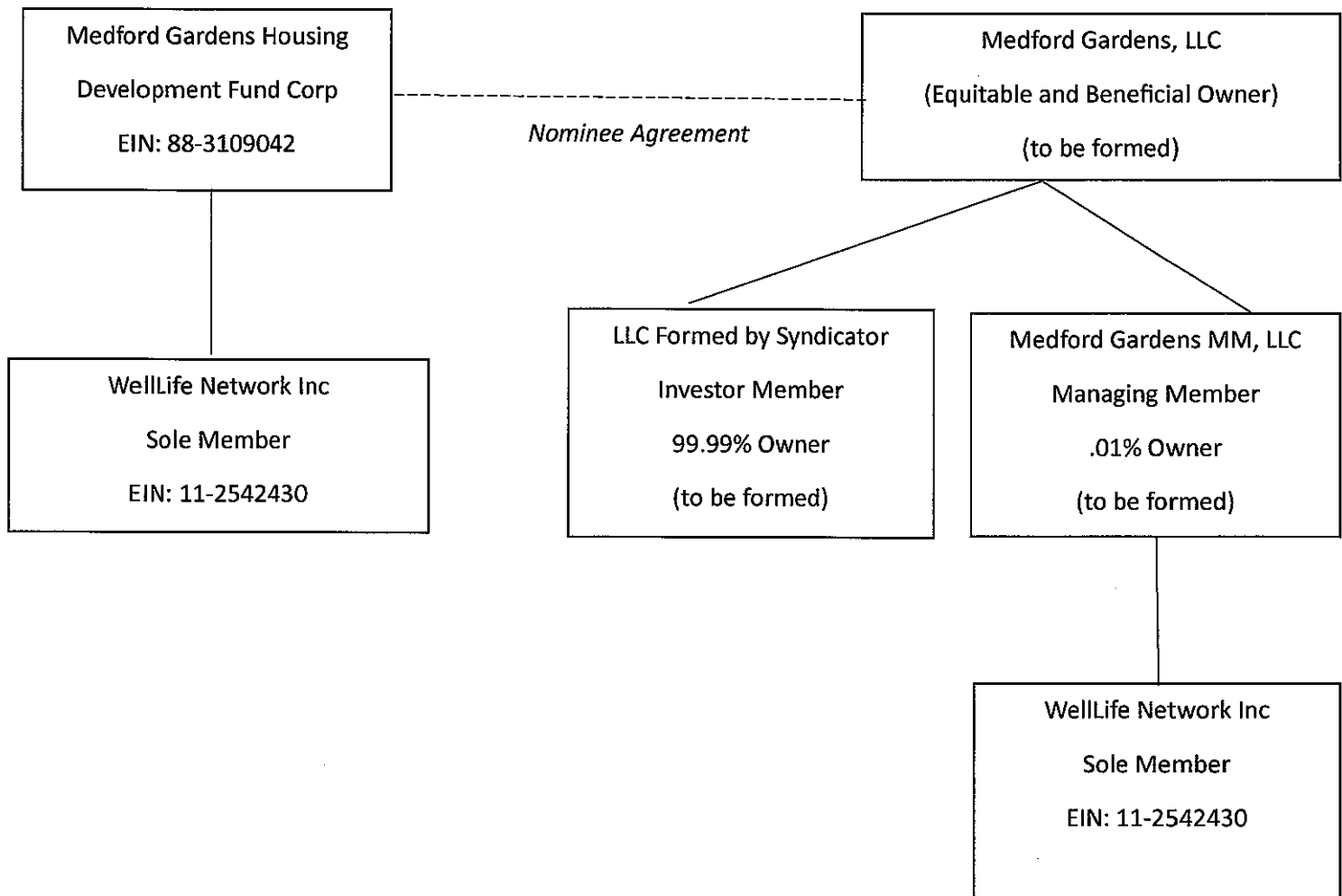
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Sherry Tucker
CEO

cc: Howard Gross, Esq. (via email)

EXHIBIT A

Medford Gardens
Organizational Structure

Ownership:



The Project site is under control via a purchase and sale agreement and will be acquired by Medford Gardens Housing Development Fund Corp ("HDFC"). The HDFC will hold fee title to the project and will act as the nominee for Medford Gardens, LLC., a to-be-formed New York limited liability company, which in turn will be the beneficial owner of the Project pursuant to the terms of a Nominee Agreement between the HDFC and Medford Gardens, LLC. The Medford Gardens, LLC Managing Member will be Medford Gardens MM, LLC, a to-be-formed New York limited liability company. The applicant, WellLife Network Inc., will also be the sole shareholder of Medford Gardens, LLC. The applicant will also act as the service provider and manager for the project.

SOURCES AND USES

Project Name: Medford Gardens
 Applicant: WellLife Network
 Project County: Suffolk County
 Units: 67

	Proposed	Net
Annual LIHTC Request	\$1,809,000	\$0.9000
LIHC Pay-in		\$0.9000

Annual SLIHC Request	\$500,000	SLIHC Pay-in	\$0.7000	\$0.7000
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Construction Sources	Amount	Assistance Type	Financing Term Months	Interest Rate	Lien Position		Per Unit	% of total
Merchants Capital	\$17,800,000	Loan	28	8.250%	1		\$265,672	46.43%
LIHTC Equity	\$7,325,717	Equity	N/A	N/A	N/A		\$109,339	19.11%
SLIHC Equity	\$1,574,843	Equity	N/A	N/A	N/A		\$23,505	4.11%
							\$0	0.00%
Deferred Working Capital & Reserves	\$204,547	Other	N/A	N/A	N/A		\$3,053	0.53%
Deferred Developer Fee	\$3,444,320	Other	N/A	N/A	N/A		\$51,408	8.98%
HHAP	\$7,990,000	Loan	28	0.000%	2		\$119,254	20.84%
							\$0	0.00%
							\$0	0.00%
							\$0	0.00%
							\$0	0.00%
							\$0	0.00%
							\$0	0.00%
							\$0	0.00%
							\$0	0.00%
							\$0	0.00%
Total Construction Sources	\$38,339,426						\$572,230	100.00%
Permanent Sources								
	Amount	Assistance Type	Financing Term Years	Interest Rate	Lien Position	Regulatory Term (years)	Per Unit	% of total
Permanent Loan	\$0	Loan	30	8.500%	1	N/A	\$0	0.00%
LIHTC Equity	\$16,279,372	Equity	N/A	N/A	N/A	50	\$242,976	42.46%
SLIHC Equity	\$3,499,650	Equity	N/A	N/A	N/A	50	\$52,234	9.13%
HTF	\$4,725,000	Loan	30	0.500%	2	40	\$70,522	12.32%
Federal Housing Trust Funds	\$4,013,031	Loan	30	0.000%	2	40	\$59,896	10.47%
Sponsor Loan - Deferred Developer Fee	\$642,387	Loan	30	1.000%	4	N/A	\$9,588	1.68%
HOME	\$1,189,986	Loan	30	0.000%	2	40	\$17,761	3.10%
				0.000%			\$0	0.00%
HHAP	\$7,990,000	Loan	30	0.000%	3	40	\$119,254	20.84%
	\$0			0.000%			\$0	0.00%
	\$0			0.000%			\$0	0.00%
	\$0			0.000%			\$0	0.00%
	\$0			0.000%			\$0	0.00%
							\$0	0.00%
							\$0	0.00%
Total Permanent Sources	\$38,339,426						\$572,230	100.00%
Uses								
	Amount							
Acquisition Costs	\$2,900,000						\$43,284	7.56%
Hard Construction Costs	\$24,375,836						\$363,818	63.58%
Soft Costs	\$7,059,044						\$105,359	18.41%
Reserves	\$204,547						\$3,053	0.53%
Developer Fee	\$3,800,000						\$56,716	9.91%
Total Uses	\$38,339,426						\$572,230	100.00%

The numbers on this schedule will continue to change until the construction financing closes. New York State and the construction lender will not allow the financing to close without the investor funding at least 30% of the equity during the construction period. The typical range is 30-50% of equity during construction. Please note that the state will not put their subsidy funds in during construction on a 9% LIHTC project.