

# HOMELESS TO HOUSED

## Terwilliger Center for Housing



(Courtesy of BRC)

### CASE STUDY: THE BOWERY RESIDENTS' COMMITTEE HOMESTRETCH HOUSING



A Landing Road resident sits in a garden area.  
(Courtesy of BRC)

#### BRONX, NEW YORK

**LOCATION:**

233 and 237 Landing Road  
Bronx, New York

**PROJECT TYPE:**

Mixed-Use: Shelter and  
permanent supportive housing

**SIZE:**

Lot Size: 32,174 square feet  
Facility Size: 131,355  
square feet  
Total Capacity: 200-bed  
homeless shelter; 135  
permanent affordable  
housing units

- 111 studios
- 7 one-bedroom units
- 17 two-bedroom units

**OWNER:**

The Bowery Residents'  
Committee (BRC)

**OPERATOR:**

BRC

**PARTNERS:**

BRC, NYC Department of  
Housing Preservation and  
Development, Edelman Sultan  
Knox Wood/Architects LLP,  
Abel Bainnson Butz LLP, Bright  
Power Inc.

**COST:**

\$65.8 million

**COMPLETION DATE:**

January 2018

**CONTACT:**

BRC  
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Development Officer  
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The Landing Road complex includes solar panels for energy efficiency. (Courtesy of BRC)

## Project Overview

The Bowery Residents' Committee (BRC), a 501(c)(3) nonprofit based in New York City, created the HomeStretch Housing model in response to the city's growing need for low-income affordable housing, particularly for people experiencing homelessness. Working with former Mayor Bill de Blasio's HomeStretch program, part of the Turning the Tide on Homelessness Plan, BRC developed The Apartments at Landing Road and the Reaching New Heights Residence—the first housing units developed for this program and with this new model.

The Landing Road project is a mixed-use building designed by Edelman Sultan Knox Wood/Architects LLP, with a 200-bed homeless shelter and 135 units of permanent housing tailored for low-income individuals. Due to the site's hilly topography and the local zoning regulations, the building's architectural design incorporates the shelter on the building's two lower levels, while the upper seven floors accommodate the permanent housing.

The shelter encompasses 20-person dormitories equipped with en-suite bathrooms, laundry facilities, multiple circulation routes, and clear sight lines to

ensure safety. Some units feature bay windows. In addition, the complex boasts a solar panel array, enhancing energy efficiency.

Residents benefit from on-site social services offered through BRC's Workforce Development program. In addition, off-site services are accessible through BRC's mental health and substance abuse centers and various partner organizations. Within the lower level of the residential section, the community room and support offices offer employment services and training opportunities.

These services and benefits are a testament to BRC's commitment to offering comprehensive assistance tailored to meet the needs of the city's most vulnerable residents since its inception in 1971. BRC was established by a group of Bowery residents who formed a self-help day program. Five years later, in 1976, BRC created its first residential program, the Sobering-Up Station. It provided professional support and community assistance and helped establish BRC as a beacon of help and hope for New Yorkers in crisis.



An outdoor patio section is available to residents. (Courtesy of BRC)

## The Partnership

The Landing Road project is a collaboration among public and private organizations. A highlight of this partnership is that project partners incorporated the Enterprise Green Communities Criteria for sustainable construction practices. Spearheaded by BRC as the owner and developer, in tandem with the NYC Department of Housing Preservation and Development (HPD) as the public/private partner, this project exemplifies the synergy between the two sectors. Edelman Sultan Knox Wood/Architects LLP was the architect and design firm, and Abel Bainnson Butz LLP was the landscape architect. Bright Power Inc., as the solar and green consultant, underscored the project's commitment to environmental responsibility.

## Costs and Financing

Current rental rates in the affordable housing units are set at \$477 (studio), \$724 (one-bedroom), and \$1,074 (two-bedroom) because the HomeStretch model's unique approach uses the cross-subsidy from the shelter.

The Landing Road project's total expenses were \$65.8 million, of which \$42 million was designated for construction costs, distributed across two Housing Development Fund Corporation cooperatives. The \$20 million funding for shelter construction primarily stemmed from a commercial loan from Bank of America, supplemented by a \$1.2 million start-up grant provided by the NYC Department of Homeless Services (DHS). Permanent financing for the shelter was secured through an \$18.6 million loan from the United Methodist Pension Fund via the Community Preservation Corporation. The construction of the \$45.8 million housing component was financed through tax-exempt bonds and loans procured from NYC HPD and NYC Housing Development Corporation (HDC). Permanent financing for this segment involved bond proceeds, low-income housing tax credit equity acquired by Capital One, as well as loans from HPD, HDC, and the NYS Homeless Housing and Assistance Program (HHAP).

## Innovations: What Worked

### THE PROJECT

The Landing Road project is conveniently located near subways, buses, trains, and community



The Apartments consist of 135 units of permanent housing for low-income individuals. (Courtesy of BRC)

services. Situated on a privately owned, previously vacant hillside in the Bronx, it overlooks the Major Deegan Expressway, the Harlem River, and a public park. The project has a gross area of 131,355 square feet, which includes nine stories of bright, energy-efficient spaces. The facility also encompasses 3,900 square feet of community facility space. It has occupancy rates of 97 percent for both the shelter and permanent housing components.

## THE PROGRAM

BRC's experience and expertise enabled them to develop an innovative model to transform the landscape of housing provision in New York City. Data suggests that the inadequate supply of affordable housing options for extremely low-income individuals contributes to increased shelter usage, longer stays, and higher rates of recidivism. Despite efforts to expand shelter capacity, the root cause of homelessness persists due to a lack of investment in affordable housing.

Instead of relying solely on conventional approaches, BRC developed the HomeStretch Housing model, a unique method of simultaneously developing homeless shelters and affordable housing units.

By harnessing the surplus income generated from the shelter component (funds that would typically generate profits for private developers), these resources were redirected to support the creation of affordable housing for low-income and formerly homeless individuals. This approach not only ensures safe and legal housing that is financially feasible for those in shelters but also has the potential to scale up, generating thousands of units of low-income housing while alleviating pressure on the shelter system. Therefore, the model has the potential to facilitate the closure of outdated and inadequate shelter facilities and offer dignified living environments.

## Challenges

The Landing Road project was financially complex and BRC's first application of the HomeStretch shelter model development. As can be expected with such projects, challenges arose that the BRC team effectively addressed due to their thoroughness and adaptability.

BRC retained GZA to address environmental contamination at the project location, which was a



The shelter includes kitchen facilities. (Courtesy of BRC)

brownfield site, enrolled in NYC's Voluntary Clean-up Program and designated as an E-Designated Site due to historic industrial use. GZA conducted various assessments and designed a vapor barrier and depressurization system for the new building upon discovering contamination. Unexpected findings including subsurface structures and a leaking underground tank added complexity during construction. GZA remediated the site, including removing contaminated soils and hazardous materials while managing construction disruptions effectively. Their efforts resulted in minimal delays and budget impacts, earning them the 2019 Big Apple Brownfield Award for Supportive/Affordable Housing.

The project faced another rather difficult and unpredictable hurdle early on with the discovery of an undocumented World War II bunker beneath the surface of the construction site. It took six months to excavate the bunker, which caused delays and depleted the budgeted contingency. BRC swiftly addressed this challenge through strategic prioritization and the mobilization of available resources. The organization obtained HHAP funds. BRC also undertook an engineering review concurrently, which identified savings and improved efficiency.

The project highlights BRC's ability to turn obstacles into opportunities, gaining invaluable experience and insights for future ventures.

## Outcomes

The Landing Road project's success and the HomeStretch model's applicability paved the way to kickstart a perpetual development pipeline to address the pressing housing affordability and homelessness crisis. The Way Home Fund (TWHF) was created to mobilize a pool of predevelopment philanthropic capital. With \$8.467 million raised toward the \$10 million target (\$7.33 million of which is allocated to real estate projects), TWHF has leveraged over \$500 million in capital development. Currently, five projects are in progress, collectively offering over 500 units of permanent housing for low-income households and over 300 units of transitional housing for people experiencing homelessness. What sets TWHF apart is its ability to recycle investments. As projects secure construction financing, predevelopment expenses funded by TWHF are reimbursed and reinvested into subsequent projects, fueling a perpetual development cycle. As contributions to TWHF increase, so does the breadth of this pipeline, amplifying its impact on addressing housing affordability and homelessness.



The shelter encompasses 20-person dormitories equipped with en-suite bathrooms and laundry facilities. (Courtesy of BRC)

Reaching New Heights' innovative features have also impacted how the NYC DHS approaches shelter design and provides a community asset.

Moreover, the residents at the Apartments at Landing Road and Reaching New Heights are experiencing the benefits of comprehensive services as they search for and secure employment. Since the project's inception, more than 400 individuals have gained employment. From January 2018 through December 2023, the program has placed 643 people experiencing homelessness into more independent housing, substance abuse treatment, and other settings that represent a step forward on their path to self-sufficiency. Residents feel embraced by the holistic approach as they receive the necessary support to navigate their journey toward sustainable futures. They are equipped with financial resources and social support crucial for securing affordable housing and fostering long-term stability.

The Landing Road project has also had a positive impact on the surrounding community. BRC actively involved community stakeholders throughout the project's development to address concerns and build community as part of their standard good-neighbor policy. They held regular community advisory committee meetings; established the Reaching New Heights Client Library with more than 8,000 books; and partnered with Bronx Community College to provide clients with access to vocational training, certifications, and classes. They also coordinated with NYC Votes and the Urban League to host a voter registration drive.

# HOMELESS TO HOUSED: PROJECT PRO FORMA

## THE APARTMENTS

<b>NAME</b>	The Bowery Residents' Committee The Apartments at Landing Road	<b>BRIEF DESCRIPTION</b> Part of The Bowery Residents' Committee HomeStretch Housing model, a mixed-use facility. The Apartments consist of 135 units of permanent housing for low-income individuals on the upper seven floors.
<b>LOCATION</b>	233 Landing Road, Bronx, New York	
<b>SPONSOR</b>	The Bowery Residents' Committee	
<b>NUMBER OF UNITS/RESIDENTS SERVED</b>	135	
<b>SIZE (SQARE FOOTAGE)</b>	90,403 (including utility space and leased community facility)	

DEVELOPMENT PRO FORMA	TOTAL (\$)	PER RES./UNIT (\$)
<b>USE OF FUNDS</b>		
Acquisition of land and/or building	2,840,975	21,044
Architecture, engineering, and entitlement costs	0	0
Construction costs	29,628,121	219,468
Legal and professional costs	0	0
Additional equipment and related costs	0	0
Development fees	5,400,000	40,000
Interest during construction	0	0
Real estate taxes during construction	0	0
Other costs	7,889,421	58,440
<b>Total uses, capital cost</b>	<b>45,758,517</b>	<b>338,952</b>
<b>SOURCE OF FUNDS - CONSTRUCTION - CLOSING JUNE 2015</b>		
NYC Housing Development Corporation (HDC)	33,586,932	248,792
NYC Housing Preservation and Development (HPD)	2,922,968	21,652
Low-income housing tax credit equity	1,781,696	13,198
Deferred developer fee	5,160,000	38,222
NYS Homeless Housing and Assistance Program	2,015,000	14,926
Fund from JP Morgan Chase Foundation, solar panels	291,921	2,162
<b>Total sources</b>	<b>45,758,517</b>	<b>338,952</b>
<b>SOURCE OF FUNDS - PERMANENT - CONVERSION FALL 2018</b>		
NYC HDC	18,239,840	135,110
NYC HPD	5,886,483	43,604
New York State Energy Research and Development Authority energy award	163,200	1,209
BRC equity	150,000	1,111
Low-income housing tax credit equity	17,816,988	131,978
Deferred developer fee	1,195,085	8,852
NYS Homeless Housing and Assistance Program	2,015,000	14,926
Funds from JP Morgan Chase Foundation, solar panels	291,921	2,162
<b>Total sources</b>	<b>42,256,511</b>	<b>313,011</b>

# HOMELESS TO HOUSED: PROJECT PRO FORMA

## THE APARTMENTS

OPERATING PRO FORMA	TOTAL (\$)	PER RES./UNIT (\$)
<b>ANNUAL REVENUE</b>		
Revenue from residents	869,694	6,442
Revenue from resident-related sources (DHS cross-subsidy)	400,000	2,963
Revenue from other sources (grants, philanthropy)	0	0
Support for wraparound services	81,065	600
Management fee	65,750	487
<b>Total revenue</b>	<b>1,416,509</b>	<b>10,493</b>
<b>ANNUAL EXPENSES</b>		
<b>PROPERTY OPERATIONS</b>		
Management fee	65,750	487
Repairs and maintenance	148,850	1,103
Utilities	180,495	1,337
Taxes (real estate 420c tax exemption)	0	0
Insurance	135,531	1,004
Other property-related expenses (misc., accounting, replacement reserve, debt service)	294,819	2,184
<b>Total property operational expenses</b>	<b>825,445</b>	<b>6,114</b>
<b>RESIDENT SERVICES</b>		
Salaries	371,219	2,750
<b>Total resident services</b>	<b>371,219</b>	<b>2,750</b>
<b>Total expenses</b>	<b>1,196,664</b>	<b>8,864</b>
<b>Net revenue</b>	<b>219,845</b>	<b>1,628</b>



# HOMELESS TO HOUSED: PROJECT PRO FORMA

## REACHING NEW HEIGHTS

<b>NAME</b> The Bowery Residents' Committee Reaching New Heights Residence	<b>BRIEF DESCRIPTION</b> Part of The Bowery Residents' Committee HomeStretch Housing model, a mixed-use facility. Reaching New Heights is a 200-bed homeless shelter on the lower two levels.
<b>LOCATION</b> 237 Landing Road, Bronx, New York	
<b>SPONSOR</b> The Bowery Residents' Committee	
<b>NUMBER OF UNITS/RESIDENTS SERVED</b> 200 beds	
<b>SIZE (SQUARE FOOTAGE)</b> 40,616 (includes utility space)	

DEVELOPMENT PRO FORMA	TOTAL (\$)	PER RES./UNIT (\$)
<b>USE OF FUNDS</b>		
Acquisition of land and/or building	1,319,025	6,595
Architecture, engineering, and entitlement costs	0	0
Construction costs	13,190,148	65,951
Legal and professional costs	0	0
Additional equipment and related costs	0	0
Development fees	1,256,086	6,280
Interest during construction	0	0
Real estate taxes during construction	0	0
Other costs	4,282,371	21,412
<b>Total uses, capital cost</b>	<b>20,047,630</b>	<b>100,238</b>
<b>SOURCE OF FUNDS - CONSTRUCTION - CLOSING JUNE 2015</b>		
Construction loan (Bank of America/Capital One)	16,275,688	81,378
Trinity Wall Street Program—related investment	1,000,000	5,000
New York Program—related investment	500,000	2,500
Contact Fund Program—related investment	500,000	2,500
Department of Homeless Services (DHS) startup funds	1,191,941	5,960
BRC bridge loan	300,000	1,500
BRC equity	200,000	1,000
NYC Office of Environmental Remediation	80,000	400
<b>Total sources</b>	<b>20,047,629</b>	<b>100,238</b>
<b>SOURCE OF FUNDS - PERMANENT - CONVERSION MARCH 2018</b>		
Permanent loan (Community Preservation Corporation)	18,575,688	92,878
DHS startup funds	1,191,941	5,960
BRC equity	200,000	1,000
NYC Office of Environmental Remediation	80,000	400
<b>Total sources</b>	<b>20,047,629</b>	<b>100,238</b>

# HOMELESS TO HOUSED: PROJECT PRO FORMA

## REACHING NEW HEIGHTS

OPERATING PRO FORMA	TOTAL (\$)	PER RES./UNIT (\$)
<b>ANNUAL REVENUE</b>		
DHS funding for shelter and housing cross-subsidy	1,850,000	9,250
Revenue for shelter operations (DHS funding)	5,301,645	26,508
<b>Total revenue</b>	<b>7,151,645</b>	<b>35,758</b>
<b>ANNUAL EXPENSES</b>		
<b>PROPERTY OPERATIONS</b>		
Office equipment, client supplies, furniture	205,503	1,028
Repairs and maintenance	410,000	2,050
Utilities	310,000	1,550
Taxes (real estate)	15,500	78
Other property-related expenses (admin overhead)	415,336	2,077
<b>Total property operational expenses</b>	<b>1,356,339</b>	<b>6,782</b>
<b>RESIDENT SERVICES</b>		
Food	350,000	1,750
Salaries/fringe	3,493,305	17,467
Contract services (client transportation, security)	50,000	250
Office expenses, vehicle expenses	247,500	1,238
<b>Total resident services</b>	<b>4,140,805</b>	<b>20,704</b>
<b>Total expenses</b>	<b>5,497,144</b>	<b>27,486</b>
<b>Net revenue</b>	<b>1,654,501</b>	<b>8,273</b>

# About the Urban Land Institute

ULI is a nonprofit education and research institute supported by its members. Its mission is to shape the future of the built environment for transformative impact in communities worldwide. Established in 1936, the Institute has more than 48,000 members worldwide representing all aspects of land use and development disciplines.

## ABOUT ULI HOMELESS TO HOUSED

Homeless to Housed (H2H) recognizes that ULI members are well positioned to help address homelessness. With generous support from a growing number of ULI members, the initiative works to explore real estate solutions to the growing crisis affecting communities everywhere. Core elements of this work include conducting research, promoting cross-sector collaboration, providing local technical assistance through ULI's network of district councils, and sharing knowledge and expertise for addressing housing challenges for individuals and families.

This initiative began through the 2022 research report *Homeless to Housed: The ULI Perspective Based on Actual Case Studies*. Driven by the generosity and guidance of Preston Butcher, the report explores the role the real estate community can play in addressing the issue of homelessness. It includes a summary of lessons learned, a blueprint for how to replicate best practices in U.S. communities, and a series of case studies that demonstrate how the development community can be an active partner in addressing the critical shortage of housing in the United States. See the full report and companion case studies: [uli.org/h2h](https://uli.org/h2h).

[uli.org/homelessness](https://uli.org/homelessness)  
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