



Strengthening Homes, Communities and Lives

Real Facts

About RUPCO

1. RUPCO, Inc., is a 501 (c) 3, non-profit organization. It is tax-exempt, and like thousands of other non-profit organizations, it does not pay income tax.
2. RUPCO is celebrating its 36th year of doing business. We are led by a volunteer board of directors and an advisory council.
3. RUPCO's mission is to create homes, support people and improve communities. Our vision is for strong, vibrant and diverse communities with opportunity and a home for everyone.
4. As a tax exempt organization, RUPCO is exempt from property taxes but generally needs to apply for local property tax exemption on a case by case basis. Nevertheless, all of RUPCO-owned or controlled property pays taxes or PILOTS because we believe in contributing to our community.
5. RUPCO had a \$1.4M profit in 2015. RUPCO had a loss of \$176,000 in 2016. Over the past 5 years, RUPCO has averaged a profit of \$410,000 against an annual budget of \$7.5M, considered prudent at 5.5%. Here are the last 5 years of profit or loss as reported in our 990 filings:

	2012	2013	2014	2015	2016
Profit/Loss	(\$29)	\$446	\$359	\$1,433	(\$156)

In thousands

6. Today, RUPCO has 63 employees.
7. In 2015, RUPCO's fund balance of \$11.7 million dollars, accumulated since the agency's inception in 1981, consisted of \$5.3M in properties, \$6.5M in long term receivables and \$3.7 million in cash and current receivables. \$1.8 million of the cash is restricted and there was also \$2.2 million in current liabilities. RUPCO's current ratio for this 2015 snapshot was 1.69 where 1.5 – 2 is considered healthy in the industry.
8. RUPCO has had no income qualifying as 'unrelated business income' (UBI) for 2015 or any other year as all income was directly related to RUPCO's tax exempt mission as registered with the IRS and NYS Charities Bureau.

9. RUPCO consistently maintains a Certificate of Good Standing with the New York Department of State.

The Development Process

10. The IRS administers the Low Income Housing Tax Credit (LIHTC) program that was created by the tax reform act of 1986 under President Ronald Reagan. The LIHTC program is the largest producer of affordable rental housing in the country. The IRS *requires* the investors (any entity that purchases the federal and/or state tax credits) to own the real estate for a minimum period of 15 years. Thus, the nation-wide, industry standard is to create limited partnerships to admit the investors as limited partners. The for-profit or non-profit developer, usually in the form of a subsidiary, serves as the general partner. The developer is then given the right of first refusal to buy out the investors at the end of 15 years. To illustrate:

- For our Lace Mill project, Morgan Stanley purchased the LIHTC and historic tax credits making a private equity investment of over \$10M in the project. They are the limited partners in the Lace Mill Limited Partnership that owns the Lace Mill. RUPCO created a subsidiary corporation, Lace Mill Housing Development Fund Company to manage the limited partnership and RUPCO has the right of first refusal to purchase the property from the investors, dissolving the limited partnership, at the end of 15 years.
- RUPCO has recently bought out the investors in the Park Heights Senior Housing in Rosendale which had been in a limited partnership. The property is now owned by RUPCO.

The Need for Senior & Supportive Housing

11. The critical need for affordable housing including senior and supportive housing is well documented:

- a. Harvard Joint Center for Housing State of the Nations' Housing
http://www.jchs.harvard.edu/research/state_nations_housing
- b. National Low Income Housing Coalition Out of Reach
<http://nlihc.org/oor>
- c. A Three County Regional Housing Needs Assessment for Dutchess, Orange and Ulster Counties from 2006 to 2020
<http://ulstercountyny.gov/planning/housing/housing-needs-assessment>
- d. United Way ALICE Study of Financial Hardship
<http://unitedwayalice.org/NewYork/>

12. Recognizing the critical need for supportive housing, Governor Cuomo and the NYS Legislature created the Empire State Supportive Housing Initiative (ESSHI) in 2016 and are funding 6,000 units of supportive housing across New York State.

13. The City of Kingston has 39% of Ulster County's affordable housing – not 61% as has been claimed. New Paltz has 186 affordable housing units – not zero as has been claimed.
14. The City of Kingston has only 26% of the senior affordable housing units in Ulster County. The last senior housing built in the City of Kingston was 40 units at Brigham Senior Housing on O'Neil Street back in 2001. Since then, the rest of Ulster County towns have built 469 senior units while Kingston has built zero. So, for senior affordable housing, the scorecard since 2001 reads:

Ulster County Towns **469** – City of Kingston **0**

<http://www.rupco.org/wp-content/uploads/pdfs/Ulster-County-Affordable-Housing-with-percentages.pdf>

15. RUPCO currently has **over 700** senior applicants on its waitlists for affordable housing in Ulster County.
16. On average, there are well **over 150** homeless adults in Ulster County on any given day. In New York State, fully half of the homeless single population is over the age of 50.
17. Today, given the very low vacancy rate and long waiting lists, there is not one affordable housing unit for seniors available anywhere in Ulster County!
18. David Scarpino, President and CEO, Health Alliance of the Hudson Valley, recently reported:

*“ When we look at people who have had four or more hospitalizations in the last 12 months, it comes down to two populations, people with respiratory problems and people with behavioral health problems – **mostly the elderly** – and we've chosen to focus on the issue of behavioral health because it is so profound in our community. Last year we had one person come to the hospital **64 times**. When you have people living in shelters, single rooms, flop houses and hotels, they feel insecure, they have no social contact and they are lonely.”*

19. Harold Renzo, who served his Country in the US Marine Corp, has lived in an apartment in RUPCO's Stuyvesant for over 20 years. Harold suffers from multiple sclerosis and uses a wheel chair for his mobility. At a recent public hearing regarding the proposed zoning change, Harold said this:

“And I just want you to know that one of the hardest things in life is not being disabled and it's not having a disability, the hardest thing is not being accepted by the community. We want to support the community and we want the community to support us.”

The Fiscal Impacts

20. RUPCO will propose a PILOT of \$66,000 per year. This is calculated at \$1,000 per unit annually compared to other housing developments that have secured PILOTS that range from \$150 to \$400 per unit, per year. It is important to note that PILOTS are not given solely for job creation. NYS law provides PILOTS for affordable housing production as well.

21. In addition, RUPCO will pay a one-time recreation fee of \$132,000 (\$2,000 per unit) to the City of Kingston. Commercial projects DO NOT pay recreation fees, ONLY housing projects pay recreation fees. RUPCO paid \$110,000 for the Lace Mill and when added to Landmark Place and Energy Square, RUPCO will have paid \$356,000 in recreation fees to the City of Kingston which are dedicated to fund the development or improvement of City parks.
22. The economic impacts of a \$20M development project are substantial. According to the 2017 study: The Economic Impacts of Affordable Housing on New York State's Economy, the economic impact of a typical 50 unit project in NYS is included below. At 66 units, the economic impact of Landmark Place is expected to be 30% higher than these figures:
- a. One-time Construction Impacts
 - i. \$16.6 million in total economic spending
 - ii. 100 total one-time jobs. This includes 46 direct jobs in construction related activities, 30 indirect jobs in related industries supporting construction and 24 induced jobs from household spending.
 - iii. \$6.43 million in total employee compensation
 - b. Ongoing Annual Impacts
 - i. \$2 million in annual economic spending
 - ii. 14 total jobs
 - iii. \$0.7 million in annual compensation
- [http://www.nysafah.org/cmsBuilder/uploads/nysafah-economic-impact-of-affordable-housing-2017-update-\(2011-2015\)-final-\(003\).pdf](http://www.nysafah.org/cmsBuilder/uploads/nysafah-economic-impact-of-affordable-housing-2017-update-(2011-2015)-final-(003).pdf)
23. Not doing Landmark Place will not save any taxpayer dollars. The funding proposed for Landmark Place has already been appropriated at the federal and state levels with bi-partisan support. If money is not spent at Landmark Place, it will be spent elsewhere in NYS or around the country.
24. According to the Corporation for Supportive Housing (CSH), supportive housing saves local taxpayers up to \$15,000 per year when compared to shelter/hotel costs of nearly \$100 per day, hospital, police and court costs.

The Alternative

25. The property was determined surplus by Ulster County and has been known to be available since 2012 and it has been actively marketed to developers since 2013 by SVN Deegan-Collins Commercial Realty. Kirchoff Companies looked at the site in 2015 and declined to pursue it for commercial purposes.
- <http://www.rupco.org/wp-content/uploads/pdfs/LOS-SVN-JoeDeegan.pdf>
<http://www.rupco.org/wp-content/uploads/pdfs/LOS-Kirchoff-Companies.pdf>

26. According to industry experts we talked with, most commercial tenants would likely need to eliminate the mature tree line along Flatbush Avenue and the Route 9W, introduce more curb cuts and bring in truckloads of fill to raise the site. RUPCO's proposal will do none of that.
27. The Alms House was not listed on the historic register prior to RUPCO's recent steps to have the property listed. Therefore it is inaccurate to assert that the building's historic status was a deterrent to other potential developers.
28. The site location is far from the central commercial district along Route 9W in the Town of Ulster where today there are numerous vacant commercial pads and storefronts. The City of Kingston has other commercial districts including Midtown, Downtown and Uptown that are more advantageous for commercial development.
29. RUPCO's proposal to historically treat the Alms House and build a new, attractively-designed senior building is an example of QUIMBY: **QU**ality Investment in **My Back Yard!** The design by Dutton Architecture offers high quality that meets high standards, marries old and new and is sensitive to the existing site's natural features:
- The two primary structures on the site each present unique opportunities to enhance the community with quality design. By listing the Alms house on the National Register of Historic Places, the project is guaranteed to be designed and renovated to the highest standards in the national for preservation. The building will be designed to comply with the standards of the Secretary of the Interior. According to the National Trust for Historic Preservation "Historic places create connections to our heritage that help us understand our past, appreciate our triumphs, and learn from our mistakes. Historic places help define and distinguish our communities by building a strong sense of identity."
 - The second primary structure on the site will be new construction and designed to exceed Energy Star Standards. Energy Star standards address the health of building occupants with an emphasis on reduction of energy consumption. The building design strategies for the senior residence focus on access to natural light, community spaces for congregating, eating and activities both inside and outside the building and encouraging ACTIVE participation by the residents who otherwise find themselves in isolation. Our award winning landscape architect has designed a landscape plan that is rich with variety of spaces and experiences. Fully accessible walking paths to encourage active lifestyles and healthy living are a focal point of the landscape design.

Senior and Supportive Housing

30. The project will provide 66 residential apartments:

- a. 35 apartments for formerly or temporarily un-domiciled homeless adults, age 55 and over. Most are anticipated to be frail and disabled seniors. Others will include Vietnam-era veterans, and other persons with disabilities.
- b. 31 apartments will provide affordable housing to 1 or 2 person households comprised of persons age 55 and over. The income limits for persons living in these affordable apartments will be up to 50% and 60% of the area median income (AMI):

2017 Income Limits at Landmark Place

	50% AMI	60% AMI
1 person	\$27,500	\$33,000
2 persons	\$31,400	\$37,680

Proposed Rents at Landmark Place for Affordable Units compared to the FMR

	50% AMI Rent	60% AMI Rent	Fair Market Rent (FMR)
One bedroom	\$650	\$798	\$904

31. Everyone residing at Landmark Place will be age 55 and over.

32. The median income in Ulster County is \$78,500 for a family of four. This means that half the households in Ulster County earn more than \$78,500 and half the households earn less.

33. The ESSHI funding allows RUPCO to provide robust services and staffing at Landmark Place that will include:

- a. 24/7 front desk clerk security.
- b. 2 fulltime care providers including and LPN and a Case Manager.
- c. Live-in Maintenance Superintendent
- d. Part time Property Manager.
- e. One van with regular transportation service.

34. Questions have been raised about the impact to the value of single-family homes when low-income housing is nearby. According to the National Association of REALTORS® Field Guide to Effects of Low-Income Housing on Property Values (Updated May 2017) “most studies indicate that affordable housing has no long term negative impact on surrounding home values. In fact, some research indicates the opposite.”

<https://www.nar.realtor/field-guides/field-guide-to-effects-of-low-income-housing-on-property-values>

Additional studies on the effects of affordable housing on neighboring property values:

http://furmancenter.org/files/media/Dont_Put_It_Here.pdf

http://shelterforce.org/2012/10/10/fear_of_affordable_housing_perception_vs_reality/

<https://www.trulia.com/blog/trends/low-income-housing/>

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