

Emerson Point
Affordable Assisted Living

A Demonstration Project
Iowa City, Iowa



- The Partners
 - Burns & Burns, L.C.
 - Developer and General Partner
 - Architect
 - Operations Administrator
 - Mercy Home Health Care
 - Supportive Service Provider
 - The Heritage Area Agency on Aging
 - Nutrition Program



- Location
 - 1355 Shannon Drive in Iowa City, Iowa
 - Residential neighborhood in an urban area
 - Iowa City population is around 65,000
 - Major Hospital
 - Big Ten University
 - Among the top 50 “Alive” cities in the nation to retire in (Modern Maturity Magazine)

Emerson Point



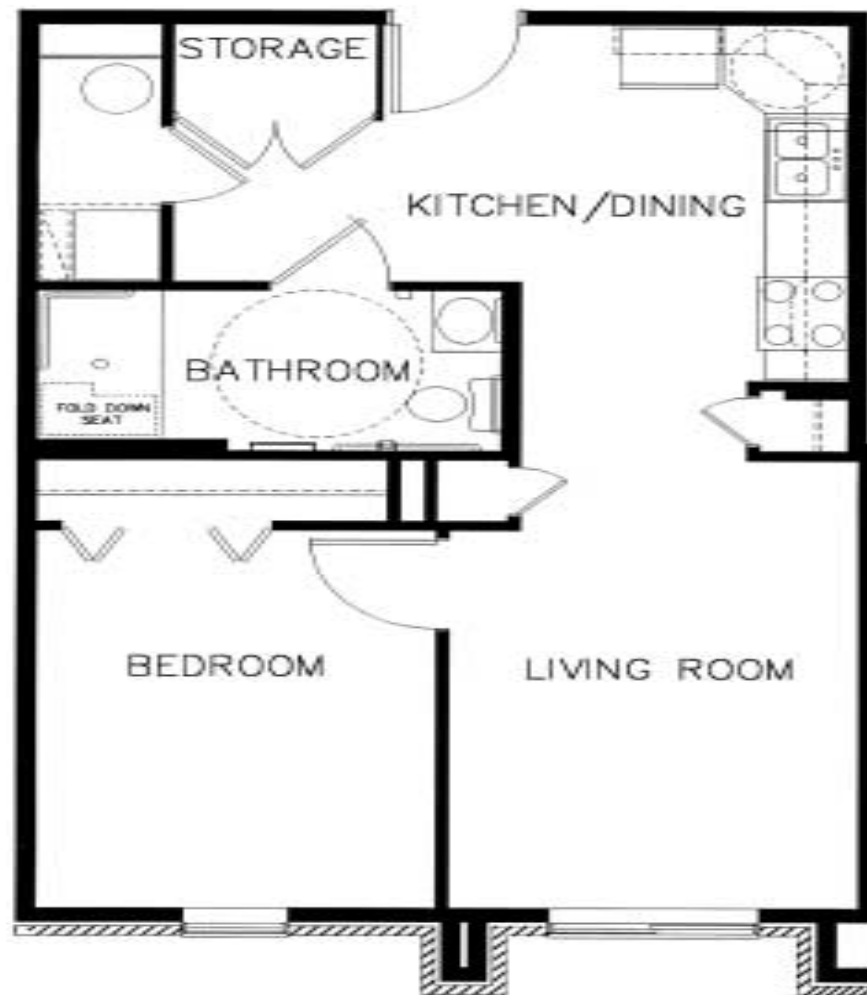
Emerson Point

Affordable Assisted Living



Emerson Point

Affordable Assisted Living





- 54 one-bedroom apartments
- Full kitchen, bathroom, living room and bedroom in each unit.
- 100% Handicapped Accessible
- Medicaid will be accepted for all eligible tenants



- **Services Offered**

- Staff on-site 24 hours/day
- Emergency Response (Lifeline) monitored on-site
- All services traditionally offered by Mercy Home Health Care including:
 - Personal Care Assistance
 - Rehab Services
 - Housekeeping and Laundry
 - Cognitive Assistance
 - Assessments
 - Medication Management, etc.



- Services Offered
 - 2 Meal a day nutrition program
 - Regular social and recreational activities
 - Individualized support services plans
 - Support service coordination



- **Discharge Triggers** (a few highlights)
 - Wandering into danger
 - Total care for unmanaged incontinence on a routine basis
 - Refusal or inability to communicate and direct staff in the provision of care
 - Frequent falls
 - Inability to use emergency response system
 - More than 28 hours of health related care
 - Danger to self or others
 - Refusal to sign a shared risk agreement
 - Cognitive disorder at stage 5 or above on the GDS
 - Inability to assist in own evacuation in an emergency situation
 - Inability to routinely ambulate by self with or without an assistive device



- Project Initiation
 - April 2001 presentation by NCB Development
 - Demonstration RFP in August 2001
 - Technical Assistance through RWJ Foundation
 - Funding award summer 2002



- Development Timeline
 - Funding Awarded Summer 2002
 - Construction Start Fall 2002
 - Construction Completion August 2003
 - Open house planned for September 14, 2003



- **Predevelopment Costs**

- Burns & Burns, L.C. paid for actual expenses. Many of the expenses will be reimbursable through the development budget. A great deal of staff time was required to get this project off the ground. The additional staff time will not be reimbursable.
- State Affordable Assisted Living Coordinator provided valuable technical assistance that would have otherwise been too costly to cover with the project budget, making the project infeasible as an affordable assisted living.



- Land
 - Two lots were purchased next to two existing independent elderly affordable housing complexes.
 - The site was zoned appropriately, but required a site plan review by the Planning and Zoning Board and the City Council.



- Development Financing
 - Equity generated from Federal Low Income Housing Tax Credits awarded Summer 2002. Received a 30% boost in eligible credit amount because project is located in a qualified census tract.
 - Private Mortgage (about \$1.5 Million)
 - Project cost approximately \$5.9 million



- Reimbursement for Services
 - Elderly Waiver
 - Reimbursement based on actual services delivered and amount of time to deliver the services, no per-diem ALP rate
 - Maximum reimbursement per month is \$1,052.



- Operator's History / The Value of Partnership
 - Burns & Burns, L.C. has over 40 affordable housing developments across the state of Iowa. History of support service coordination, architects on staff, and property management experience
 - Mercy Home Health Care has nearly 20 years experience as a Medicare and Medicaid accredited service provider



- **Financial Risk**

- Burns & Burns, L.C. and Mercy Home Health Care have hundreds of staff hours that could potentially never pay off.
- Burns & Burns, L.C. would have out-of-pocket expenses of nearly \$500,000 if the project was not developed
- Burns & Burns, L.C. runs the risk of a project failure that could ultimately lead to being banned from developing any additional affordable housing.
- Burns & Burns, L.C. has construction loan guarantees and financial guarantees to the investor that are at risk.



- **Financial Risk**

- Mercy Home Health Care is taking a financial risk related to uncertain staffing needs and additional staff training
- Mercy Home Health Care has a financial risk associated with the uncertainty of how case management and assessments will be reimbursed
- Mercy Home Health Care has a financial risk associated with changes in State requirements governing assisted living services



- **Waiting List**

- 48 income and age qualified households
- 6 from out of state
- 20 from outside Iowa City
- 10 from rural communities
- 13 men, 5 couples
- Average age 81.5
- 5 people currently in nursing homes
- Additional 14 income qualified interested
- 39 people were on the waiting list before we produced any marketing materials