



Private Company Plans to “Reshape Face” of Affordable Senior Housing

Alyssa Gerace | May 31, 2012

A private company says it is “reshaping the face of affordable housing in America” in a bold statement that follows a 2012 report by the Center for Housing Policy which [weighed and measured](#) the nation’s stock of affordable housing options for a rapidly aging population—and found it severely wanting.

GHC Housing Partners, based in Sherman Oaks, Calif., is making waves in the affordable housing arena with recent acquisitions that include two senior housing properties and a senior and family housing property, adding nearly 600 senior housing units to its existing portfolio.

The company’s strategy is to buy up existing Section 8 housing (a government program that subsidizes rental housing for low-income households) and with its management company affiliate, PK Management LLC, offer a social component and a variety of amenities not commonly seen in affordable housing. Housing complexes owned by GHC often feature wellness and nutrition clinics, fitness centers, dog parks, gardens, job counseling, and computer labs.

“This is a new approach to affordable housing,” said Gregory Perlman, CEO of GHC Housing Partners. “We focus on our residents and provide them with the opportunity to better their lives through self-improvement programs as well as support from the non-profit Perlman Foundation.”

His outlook is similar to that of Manchester Bidwell’s CEO Bill Strickland. Dignity is essential to education, and environments drive behavior, he said in his keynote address during ALFA’s 2012 Conference and Expo.

“Don’t forget the poor people,” he reminded the audience of senior living professionals, adding that people are born into the world as assets—not liabilities.

Regardless of how the poor are viewed, the nation faces “enormous challenges” as it prepares for its 65+ population to more than double and its 85+ population to triple, says the Center for Housing Policy in [“Housing an Aging Population: Are We Prepared?”](#)

A growing number of older households are facing severe housing cost burdens,

shaping future demand for suitable housing and supportive services. And according to the report, demand among older renters for larger buildings with services is likely to grow, especially among the 85+ demographic.

That makes GHC's 2011 partnership with real estate equity manager Castle Hill Housing Partners very timely. Following the partnership, the housing company acquired 19 properties with 2,669 units in 12 states, bringing the company's total to more than 16,000 units in 21 states and making it one of the top three owners of Section 8 housing in the U.S. and a top-10 affordable housing owner.

About half of those 16,000 units are for the elderly, and the company plans to keep making acquisitions and grow even bigger through joint ventures with other affordable housing operators.

"We're making offers, we're trying to acquire housing every day, pretty much," Perlman told SHN. "Our goal is to buy 1,500 to 2,000 units a year of Section 8 housing. This year, we'll hit that goal—and maybe even exceed it."

GHC's recent senior property acquisitions include the 335-unit South Village Apartments in Trenton, N.J. and the 146-unit Hacienda Del Rio in Phoenix, Ariz., along with Essex Village, in Richmond, Va., with about 100 of its 496 units designated for senior housing.

It costs money to offer social components and amenities in Section 8 housing in addition to what's required through the Department of Housing and Urban Development. But overall, Perlman says that "affordable housing works," and it's possible to get social service coordinator grants, which his company has been able to do for about 32 of its 37 coordinators.

Anything HUD doesn't cover must be absorbed.

"We just choose to make less profit," Perlman says, adding that his company often partners with nonprofits and uses federal and local grants to provide services to the seniors it houses.

There's no new Section 8 housing coming onto the market, but there is still a huge need for affordable senior housing and for more companies similar to GHC Housing Partners.

"Housing challenges are particularly severe for older adults with very low-incomes, nearly half of whom spend 50% or more of their income for housing," writes the Center for Housing and Policy. "Federal housing subsidy programs can play an important role, but current housing subsidy programs meet only a fraction of the need."

Coming soon: How one nonprofit organization is utilizing government grants and programs to provide affordable assisted living.