

**REPORT OF THE
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

**FOSTERING THE DEVELOPMENT
OF AFFORDABLE ASSISTED
LIVING FACILITIES THROUGH
TRAINING, EDUCATION,
AND INFORMATION**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 38

**COMMONWEALTH OF VIRGINIA
RICHMOND
2000**



COMMONWEALTH of VIRGINIA

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

James S. Gilmore, III
Governor

Barry E. DuVal
Secretary of
Commerce and Trade

December 14, 1999

William C. Shelton
Director

TO: The Honorable James S. Gilmore, III, Governor of Virginia
and
Members of the Virginia General Assembly

The 1999 General Assembly, through House Joint Resolution 743, requested that the Department of Housing and Community (DHCD) undertake actions designed to foster the development of affordable assisted living options for seniors and others through training, information, and education. The accompanying report, which is presented for your review and consideration, documents the Department's progress in addressing the individual activities enumerated in the resolution. The report also outlines plans for completing each remaining task and discusses various aspects of assisted living facilities

Respectfully submitted,

William C. Shelton

PREFACE

In 1998, the Virginia Housing Study Commission (VHSC) concluded a two-year study of issues related to the availability of affordable assisted living facilities for Virginia seniors. Among the findings in its 1998 *Annual Report*, the VHSC noted the need for a source of comprehensive information about various aspects of assisted living. The 1999 General Assembly approved several resolutions addressing assisted living issues. House Joint Resolution 743 requested that the Department of Housing and Community Development (DHCD) undertake actions designed to foster the development of affordable assisted living options for seniors and others through training, information, and education. This resolution also requested that the Virginia Housing Development Authority (VHDA), the Virginia Department for the Aging (VDA), and the Department of Social Services (DSS) assist DHCD in undertaking many of these activities.

In response to this resolution, DHCD has either undertaken, or is the process of addressing, individual activities enumerated in the resolution. The following pages report the Department's progress in each of the activity areas and outline plans for completing each task.

TABLE OF CONTENTS

Preface

Executive Summary	i
Introduction	1
Background	1
Recent Activities	2
The Virginia Housing Training Center.....	2
The 1999 Governor’s Housing Conference.....	4
The Internet and Assisted Living.....	4
The “Best Practices” Handbook.....	5

Appendix A: House Joint Resolution 750

EXECUTIVE SUMMARY

Assisted living has emerged as one response to the growing demand for facilities that combine housing and necessary supportive services while promoting the maximum independence possible for elderly and other residents. The cost of residency in these facilities may exceed the resources of older citizens creating considerable interest in finding ways to make them more affordable.

Following a two-year study that the Virginia Housing Study Commission (VHSC) completed in 1998, the Commission recommended that detailed studies examine and report on several specific issues relating to affordable assisted living. Among these, the VHSC noted the need for a source of comprehensive information about all aspects of these facilities. House Joint Resolution 743, introduced by Delegate James F. Almand, requested that the Department of Housing and Community Development (DHCD) undertake a number of specific actions designed to increase knowledge and awareness of information that could help foster the development of affordable assisted living options for Virginia's seniors.

The Report documents the Department's activities to date in this area and outlines several other actions that will be initiated within the next few months. DHCD has:

- Included material relevant to assisted living within the affordable housing training curriculum of the Virginia Housing Training Center,
- Provided a workshop on assisted living at the September 1999 Governor's Conference on Housing,
- Begun work on developing materials for the DHCD web site that will provide links to other key sources of information about a variety of assisted living issues, and
- Begun developing a "Best Practices" handbook, based on assessments of existing assisted living facilities, which will be in draft form by March 31, 2000.

I. INTRODUCTION

Recently, assisted living has emerged as one response to the growing demand for facilities that combine housing and necessary supportive services in a form promoting the maximum independence possible for elderly and other residents. These facilities have become more common as the market responds to steady growth in the ranks of older Americans. Many facilities are in the planning or construction stage. However, because the cost of residency in these facilities may exceed the resources of older citizens, there is also considerable interest in finding ways to make them more affordable.

Following a two-year study that the Virginia Housing Study Commission (VHSC) completed in 1998, the Commission recommended that detailed studies examine and report on several specific issues relating to affordable assisted living. Among these, the VHSC noted the need for a source of comprehensive information about all aspects of these facilities. House Joint Resolution 743, introduced by Delegate James F. Almand, requested that the Department of Housing and Community Development (DHCD) and other assisting agencies:

- Consider offering, through the Housing Training Center, training on various aspects of the development of affordable assisted living facilities, including the availability of financing, building code requirements, and regulations of the Department of Social Services,
- Convene panel discussions or tutorials on the development of affordable assisted living options at the 1999 Governor's Conference on Housing,
- Provide, through the Department's Internet site, pertinent information on affordable assisted living options, including connecting links to other relevant Internet sites, and
- Develop a "Best Practices Handbook" with the assistance of the Virginia Tech Residential Property Management Program.

II. BACKGROUND

The concept of assisted living involves a residential setting where appropriate personal care services, 24-hour supervision, and assistance can be provided in an environment fostering the maximum possible independence and dignity of the resident. Potential residents and others interested in the development assisted living facilities could benefit from the establishment of a single source of comprehensive and authoritative information about available sources of financing, state and local regulatory requirements, and management techniques that could increase affordability.

III. RECENT ACTIVITIES

The Housing Training Center and Assisted Living Facilities

Recent Accomplishments

The Virginia Housing Training Center (VHTC) offers approximately twelve training opportunities annually that increase the capacity of affordable housing providers to address the varied housing needs in their community. In response to the emerging demand for affordable assisted living options, VHTC has modified and added training on various aspects of the development of affordable assisted living facilities. To date, the Center has accomplished the following items:

The VHTC has developed a new workshop, "Getting Started on Affordable Housing Development." DHCD staff experienced in affordable housing development designed the workshop, targeting individuals new to affordable housing development. The workshop will discuss the basics of various types of affordable housing development and includes material specifically addressing the topic of assisted living facilities. This workshop was scheduled for October 28-29, 1999; enrollment reached capacity within one week of its announcement. Because this workshop is designed and delivered by DHCD staff, it will continue to be offered at least quarterly at relatively little cost. The course schedule is outlined below:

December 8-9, 1999

March 29-30, 2000

June 7-8, 2000

A public private partnership including Branch Banking & Trust, The National Development Council, the U.S. Department of Housing and Urban Development, and the Virginia Department of Housing and Community Development will provide a unique opportunity for nonprofit housing providers to obtain a certificate in Housing Finance. Through a series of four courses offered over a period of six months, fifty individuals will receive rigorous training in homeownership and multifamily housing finance, deal structuring and tax credits. Because of the financial investment by HUD and BB&T, the cost to the nonprofits will be very modest. The course series is outlined below:

Single Family Homeownership Finance (4 days)

November 16-19, 1999

Multi-Family Housing Development Finance (5 days)

February 7-11, 2000

**Housing Development Finance: Deal Structuring (5 days)
May 15-19, 2000**

**Low Income Housing Tax Credits (2 days)
July 20-21, 2000**

As part of DHCD's efforts to develop and increase capacity among nonprofit housing providers, the Office of Capacity Development refocused staff priorities to provide intensive technical assistance to increase a nonprofit developer's likelihood of success. This effort is supported by a grant agreement with HUD to provide technical assistance services through the Housing Assistance Council. To date, staff has identified two nonprofit developers interested in constructing assisted living facilities. A technical assistance representative has been assigned to assist in their efforts.

Proposed Activities

In addition to the training opportunities outlined above, the VHTC will offer workshops that address other issues involved in the development of assisted living facilities during fiscal year beginning on July 1, 2000. DHCD has identified the following offerings and approximate dates for workshops specifically addressing issues associated with the process of developing affordable housing options, including assisted living facilities:

1st Quarter, FY 2001	Building Code Issues
2nd Quarter, FY 2001	Sources of Funds for Affordable Housing Development
3rd Quarter, FY 2001	Supportive Services Funding and Regulatory Issues

While undertaking these new training initiatives related to affordable assisted living, DHCD will also:

- Continue to offer the "Getting Started with Affordable Housing Development" workshop,
- Negotiate with its partners to continue their partnership for the delivery of the Housing Finance Certification Program, and
- Maintain a library of periodicals, training materials, white papers, and other resources relevant to affordable assisted living issues.

The 1999 Governor's Housing Conference and Affordable Assisted Living

Programs Offered at the 1999 Conference

Among the items included in HJR 743, was a request that DHCD convene panel discussions or tutorials at the 1999 Governor's Conference on Housing. Because the Conference was scheduled for the first full week of September, the Department acted quickly to assure that many of the general housing sessions would include material relevant to assisted living. The Governor's Conference offered several programs that related to providing affordable housing to citizens with low income. Almost all sessions would have benefited those seeking to develop facilities and services for assisted living projects. These programs ranged from "Introduction to Bonds and Credits," "Developments in Fair Housing," through "Partnerships and Joint Projects Between For-Profit Developers and Housing Providers." In addition, DHCD designed one specific workshop, "Solving the Service Needs for Affordable Assisted Living," to explore potential funding options and methods of developing affordable assisted living facilities.

Evaluation

The conference has been considered quite successful. Over 600 people attended; most expressed their satisfaction with the event. Over forty persons attended the special session dedicated to assisted living. This group recommended that additional training sessions be held in the future and that a system to better disseminate assisted living information be developed. Comments from the formal appraisals of the workshop included "best session housing panel that I have attended," and an "excellent mix of speakers." One evaluation suggested that increased promotion of this session would have resulted in "many [more] who would have attended [with additional notice]." As a whole, those attending this section rated it 3.4 out of a possible 4.0. This was one of the highest ratings for any of the individual sessions at the 1999 Conference. Future Governor's Conferences will provide an opportunity for additional training in this increasingly significant sector of the housing environment.

Progress in Using the Internet to Convey Information about Affordable Assisted Living Options

Recent Accomplishments

To facilitate the dissemination of information and encourage peer learning, an Affordable Housing Listserv has been established. This service is free to affordable housing practitioners who have E-mail access. This listserv is managed in the Office of Housing Capacity Development.

DHCD staff is currently working to identify quality assisted living links for the DHCD web site. The web site will include information and resources for developing assisted living facilities.

Proposed Activities

DHCD will continue its efforts to develop a unified source linking Internet sites offering high quality information about various aspects of affordable assisted living. Because of the dynamic nature of the topic and the medium, this will be an ongoing activity. DHCD anticipates that the web site will provide an authoritative initial point of contact for individuals and organizations interested in the topic.

“Best Practices Handbook”

Recent Accomplishments

In accordance with the resolution and associated budget amendment, DHCD has employed staff to fulfill the requirements of the General Assembly’s directive to foster the development of assisted living facilities through training, education, and information.

DHCD has conducted a significant research effort aimed at developing the “Best Practices Handbook” called for in HJR 743. Personnel from the Office of Housing Capacity Development have met with leaders in the field, collected relevant periodicals and research papers, and discussed critical issues with affordable housing providers.

Proposed Activities

DHCD anticipates that a draft of the Best Practices Handbook will be available by March 31, 2000. A brief outline of the expected content of the Handbook appears below:

- A. Demographics of facilities surveyed.**
This portion of the handbook will provide basic information about the number and types of assisted living facilities that will have been surveyed as the Department works to identify “best practices” in this area.
- B. Overview of typical facility.**
The handbook will also provide summaries illustrating such features of assisted living facilities as their typical client/staff ratio, the types and quantity of services provided or offered to residents, their fee structures, and vacancy rates.
- C. Overview of unique practices.**
The handbook will identify and provide insights into unique financial management and/or service provision methods.
- D. Barriers (if any) to other agencies desiring to replicate the practices.**
Finally, the handbook will explore obstacles or barriers that the developers or operators of assisted living facilities have encountered

and whether they will hinder other agencies attempting to replicate the best practices identified by the department.

APPENDIX A

HOUSE JOINT RESOLUTION NO. 743

Requesting the Department of Housing and Community Development, with assistance from certain other state agencies, to foster the development of affordable assisted living options for seniors in the Commonwealth through training, education, and information.

Agreed to by the House of Delegates, February 1, 1999

Agreed to by the Senate, February 18, 1999

WHEREAS, nationally and in the Commonwealth, the concept of assisted living has emerged in recent years as an important link in the continuum of care for the elderly; and

WHEREAS, although numerous assisted living facilities are operating in the Commonwealth, particularly in urban areas, many more are in the planning and construction phases, however, the cost of residency in most such facilities lies beyond the reach of a majority of seniors; and

WHEREAS, the number of seniors in the Commonwealth is rising significantly; and

WHEREAS, in December 1998 the Virginia Housing Study Commission concluded a two-year study of affordable assisted living options for seniors; and

WHEREAS, the Commission study identified the need for additional affordable assisted living options for seniors in the Commonwealth together with the interest of the Commonwealth in fostering the development of such options; and

WHEREAS, the development and operation of these facilities in the Commonwealth is extremely challenging, given the complexity of financing restraints, revenue concerns, staffing recruitment and retention needs, and regulatory issues; and

WHEREAS, even further coordination, joint ventures, and information-sharing among various agencies and Secretariats in the Commonwealth could foster the development of affordable assisted living options for Virginia's seniors; and

WHEREAS, the Department of Housing and Community Development (DHCD) has long-standing expertise in administering a Congregate facilities component program of the Virginia Housing Partnership Fund; and

WHEREAS, the Department has, together with the Virginia Housing Development Authority (VHDA), established the respected Virginia Housing Training Center; and

WHEREAS, the Department has in recent years spearheaded the regularly convened Governor's Conference on Housing, the largest statewide housing gathering in the nation; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Department of Housing and Community Development, with assistance from the Virginia Housing Development Authority, the Virginia Department for the Aging, and the Virginia Department of Social Services (DSS), be requested to foster the development of affordable assisted living options for seniors and others in need of such services in the Commonwealth through training, education, and information. More specifically, the Department, with assistance from the named agencies, is requested to consider offering through its DHCD/VHDA Housing Training Center training on the development of affordable assisted living options, including innovative projects, both in and out of the Commonwealth, and such issues as financing availability, building code requirements, and DSS regulations. In addition, the Department, with assistance from the named agencies, is requested, in conjunction with the 1999 Governor's Conference on Housing, to convene panel discussions and/or

tutorials on the development of affordable assisted living options. The Department, with assistance from the named agencies, is requested to provide pertinent information on affordable assisted living options on its Internet site, with a single point of entry linked to the Internet sites of VHDA, the Department for the Aging, and DSS. The Department, with assistance from the named agencies and the Virginia Tech Residential Property Management Program, is requested to produce a "Creative Best Practices Handbook" describing local initiatives that blend funding and adapt regulations to create an environment conducive to developing affordable assisted living facilities or provide assistance to residents aging in place.

All agencies of the Commonwealth shall provide assistance to the Department for this study, upon request.

The Department shall complete its work in time to submit its findings and report on its progress to the Governor and the 2000 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

