



**Report on Investment Models and Best Practices  
for the Development of  
Affordable and Accessible Community-Based Housing  
for Persons with Intellectual and Related  
Developmental Disabilities  
(Item 315 Z)**

**to the Governor and Chairs of the  
House Appropriations and Senate Finance Committees**

**November 15, 2009**





**COMMONWEALTH of VIRGINIA**

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COMMISSIONER

**November 15, 2009**

**To: The Honorable Timothy M. Kaine**

**and**

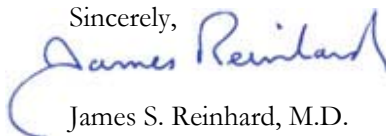
**The Honorable Charles J. Colgan, Sr. Chair, Senate Finance Committee  
The Honorable Lacey E. Putney, Chair, House Appropriations Committee**

The 2008 General Assembly, through Item 315.Z. of the *2008 Appropriation Act*, directed the Department, in conjunction with the Virginia Housing Development Authority, the Department of Housing and Community Development, the Virginia Association of Community Services Boards, The Arc of Virginia and the Virginia Network of Private Providers to conduct a study and *'report on investment models and best-practices for the development of affordable and accessible community-based housing for persons with intellectual and related developmental disabilities.'* Enclosed for your review and consideration is the report in response to this request.

Over the past six months, DBHDS benefited from the discussions with and assistance from the members of the study group. Members investigated activity in other states in the development of financial incentives for the acquisition, renovation or construction of community housing. This document attempts to draw key information from previous studies with updates on the current availability of community housing. Most importantly, the report identifies specific ways Virginia can promote individualized, person-centered housing for people with intellectual and related developmental disabilities in more comprehensive and creative ways.

The Department continues to receive assistance from the partner agencies and organizations and gratefully acknowledges their efforts.

Sincerely,



James S. Reinhard, M.D.

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## EXECUTIVE SUMMARY

Item 315. Z. of the 2008 *Appropriation Act* directed the Department, in conjunction with the Virginia Housing Development Authority, the Department of Housing and Community Development, the Virginia Association of Community Services Boards, The Arc of Virginia and the Virginia Network of Private Providers to conduct a study and ‘*report on investment models and best-practices for the development of affordable and accessible community-based housing for persons with intellectual and related developmental disabilities.*’

This study demonstrates how Virginia can promote individualized, person-centered housing for people with intellectual and related developmental disabilities in more comprehensive and creative ways. The Commonwealth is at a crossroads with respect to housing for persons with intellectual and developmental disabilities. It now has an opportunity to reverse its historical institutional bias, demonstrate its commitment to the establishment of a strong policy of community inclusion and to dedicate resources to this effort. The study group recognizes current economic challenges, but believes that these challenges can lead to creative decision-making.

Below is information that provides a brief historical perspective for the report’s recommendations. This is followed by a discussion of the direction of long-term care services and supports, current resources and programs in Virginia, current service and investment models, current barriers to systems change in housing, and housing trends. The Executive Summary also provides an introduction to exciting best practices discussed in detail in the body of the report that warrant consideration for potential implementation/replication in Virginia. Finally, the study group puts forth seven recommendations for consideration by the General Assembly that will move Virginia forward in a positive and proactive direction.

### Historical Perspective

Since its founding, the Commonwealth of Virginia has assumed responsibility for providing care and support to people with disabilities. Beginning in colonial times with the creation of the nation’s first public hospital for people with ‘mental disorders,’ and for the first two hundred years after, care and support were provided almost exclusively in state funded institutions. Not until the 1960s and 1970s did Virginia, and in fact the nation, begin to recognize the life burden that institutional placement put on people capable of living productive and fulfilling lives as active, participating members of their local community. In addition, it became recognized that the cost to the Commonwealth of relying on institutional settings is extremely high, and community-based alternatives can better serve the needs and desires of people with disabilities at lower long-term cost. Since that time, Virginia and other states have begun to shift state funds for disability services to community-based providers, and have worked with the federal government to enable Medicaid assistance to be used in non-institutional settings through ongoing expansion of Medicaid Home and Community-Based Waivers.

Progress can now be seen in the growing availability of community-based disability services. However, the pace of that progress has not been matched by comparable progress in providing for the other types of assistance needed by people with disabilities to live

independently in the community. This is especially true with regard to assistance in obtaining affordable, accessible housing. This is due to significant budgetary barriers at both the federal and state levels inhibit funding streams that provide assistance for room and board to be used for community-based housing. For example, Medicaid will cover all costs of facility-based care including room and board, but Medicaid Waiver funds can not be used to support the monthly operating costs of community-based housing.

State and local housing agencies have placed longstanding priority on serving the needs of extremely low-income households, including people with disabilities. Those agencies and non-profit organizations have historically depended on federal rent and operating subsidies through the Section 8, Public Housing, and Section 202/811 programs to do so. The expansion of those programs peaked in the early 1980s and has experienced little subsequent growth, especially when adjusted for inflation and increased population. The movement of people with disabilities from institutions to the community has largely occurred during this era of limited growth in federal housing assistance. Consequently, the absence of a shift of institution-based shelter funding to community housing providers has resulted in people with disabilities having to compete with other extremely low-income, vulnerable populations for relatively static federal housing subsidies.

State and local housing agencies have worked to accommodate the significant growth in demand for rental assistance among people with disabilities, and considerable progress has been made. For example, in the federal Section 8 Housing Choice Voucher program, well over a third (38 percent) of current participants in Virginia has disabilities. In the areas of the state where the voucher program is administered by the Virginia Housing Development Authority (VHDA), over half (51 percent) of participants have disabilities. These shares cannot increase much higher due to the substantial unmet needs of other extremely low-income, vulnerable populations. Consequently, further expansion of housing services to Virginians with disabilities is highly dependent on the ongoing ability and willingness of Congress to increase the level of federal rent and operating subsidy assistance, and/or an ongoing ability and willingness of the Commonwealth to develop mechanisms through which funding streams that currently provide for room and board in state-operated settings can be shifted to provide community living supplements to people with disabilities who seek to live in community settings.

### **Long-Term Care Services and Supports**

Historically, decisions about where people with disabilities live have been based on diagnosis and a medical model. The clearly expressed desire of people with disabilities to be a part of mainstream society is recognized as a civil rights issue. According to the Americans with Disabilities Act (ADA), the nation's goals regarding individuals with disabilities are to assure: 1) equality of opportunity; 2) full participation; 3) independent living; and 4) economic self-sufficiency. In order to succeed in reaching the goals of the ADA, the needs of people with disabilities should be included in all community development and planning processes including affordable housing.



The Community Living Mandate of the ADA is the U. S. Supreme Court's 1999 *Olmstead*<sup>1</sup> decision supports a meaningful life for people with disabilities that allows greater independence and control by people choosing to live in their own homes or community residences rather than in institutions. The court ruled states must afford people with disabilities this opportunity. As a result of this decision and the growing influence of people with disabilities seeking more independence and choice about their publicly funded supports, states have been attempting to shift public resources away from institutional care toward home and community supports and toward consumer or self-directed long-term care services.

The New Freedom Initiative, a direct result of the *Olmstead* decision, was announced in 2001. This initiative is a nationwide effort to remove barriers to community living for people of all ages with disabilities and long-term illnesses and it supports states' efforts to meet the goals of the *Olmstead* decision. The New Freedom Initiative was the impetus for a number of federal grants that have been made available to states to support rebalancing efforts including:

- Real Choice Systems Change Grants;
- Money Follows the Person Demonstration;
- The Federal Transit Authority's United We Ride Grant;
- Community-Based Alternatives for Children in Psychiatric Residential Treatment Facilities (PRTFs) Demonstration Grant Program;
- Medicaid Infrastructure Grants; and
- Demonstration to Maintain Independence and Employment Grant Program.

The policy focus is now firmly on community supports, inclusion, self-determination, person centered planning, and consumer direction. These concepts are fully integrated in federal policy and are the predominant preference of people with disabilities. This new era can serve as a catalyst for facilitating Virginia's modernization in policy and practice to build community capacity that supports the housing and service needs of its citizens with disabilities.

### **Current Resources and Programs in Virginia**

Virginia and other states are pursuing a variety of cost-effective investment models for expanding community housing choice for people with disabilities. A key element in successful efforts is the targeting of state funds to fill critical funding gaps in order to make feasible the investment of private capital for the development of affordable housing. The size and type of the funding gap varies according to the type of housing option being developed. Therefore, different types of funding are needed to support different types of housing choice.

### **Current Service and Investment Models**

The following is a summary of current community housing choices for people with intellectual and related developmental disabilities and investment models used to support them:

- **Group Homes:** Currently, 62 percent of the recipients of MR/ID Waiver services reside in group homes licensed by the Department of Behavioral Health and Developmental Services (DBHDS). There are state and federal programs available to finance the

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<sup>1</sup> *Olmstead v. L.C.*, 527 U.S. 581 (1999).

development of new group homes. In particular, the federal Section 811 program provides both capital grants and ongoing operating subsidies to support group home development. The challenge is that small homes (four or fewer residents) that conform to Virginia's and other states' model of community integration lack sufficient economies of scale to support ongoing feasibility at established provider rates. Consequently, there continues to be a predominance of larger homes. Resolution of this problem requires higher provider rates and/or supplemental funding assistance.

- **Sponsored Residential Homes:** Called 'host homes' in others states, this is a model of residential services in which a licensed provider contracts with families living in their own private residence to include up to two individuals with disabilities into their family home. In this setting, the family provides all of the supports that are prescribed in the individual service plan and are subject to all of the regulations applied to the group home model as well.
- **Supervised Apartments (or "supportive in-home"):** Supervised apartments enable people with ID/DD to reside in mainstream housing. While Medicaid Waiver funds needed supports/services, there is not a mechanism to provide assistance with shelter costs. Therefore, housing providers are reliant on their ability to access scarce federal rent or operating subsidies in order to create new affordable supervised apartments.
- **Assisted Living:** Due to current Department of Social Services (DSS) licensure requirements and Medicaid Waiver regulations, very few people with intellectual and developmental disabilities are being served in assisted living settings. Assisted living faces the same challenges as group homes in providing small quality residential settings, and will likewise require higher provider rates and/or supplemental funding assistance to become a viable community housing alternative for this population.
- **Adult Foster Care:** Adult foster care provides a similar housing choice as sponsored residential homes, and while it is an approved setting for MR/ID Waiver services provision, it has proven more difficult to access due to restrictions in some local DSS jurisdictions on serving the MR/ID Waiver recipients in these homes.

### **Best Practices**

A number of states have expanded access by extremely low-income people with disabilities to mainstream rental housing by implementing state-funded programs to provide financial assistance. This has been done in one of two main ways.

First, a number of states have appropriated funding for rent or operating assistance tied to specific newly created rental housing units—often a set-aside of units in rental housing receiving development subsidies through the federal Low-Income Housing Tax Credit (LIHTC) program. This has enabled state LIHTC administrative agencies to mandate set-asides of units in their LIHTC programs. Absent such state-funded assistance, many states, including Virginia, have provided incentives to developers in the competitive tax credit allocation process to encourage set-aside units for people with disabilities, but have not made such set-asides mandatory.

Second, some states have created state rental voucher assistance programs for people with disabilities. Often assistance is targeted to Medicaid Waiver recipients to enable them to access affordable community housing without the multi-year wait time frequently necessary to participate in over-subscribed local Section 8 Housing Choice Voucher programs. State voucher assistance has expedited the use of Medicaid Waivers and facilitated the success of state Money Follows the Person initiatives. Absent such state-funded assistance, it has been nearly impossible for Virginia to coordinate locally-managed federal Housing Choice Voucher waiting lists with state Medicaid Waiver waiting lists, thus making it extremely difficult to transition people from state institutions to community housing in a timely manner.

### **Challenges to a Better System**

First, a large share of people with severe disabilities, including people with intellectual and related developmental disabilities, have extremely low incomes and lack the financial resources to exercise effective demand in the housing marketplace. In institutional settings, state expenditures (including Auxiliary Grants) and/or Medicaid subsidies cover the cost of shelter, room and board. However, Medicaid pays for services but *not* room and board in community settings. Despite over three decades of federal policy promoting movement of people from institutions to community housing, there has not been a willingness to appropriate sufficient subsidy funds to enable that policy to be effectively carried out. Absent access to rent subsidy assistance, it is not possible for extremely low-income households to attain available community housing, including rental housing with below-market rents enabled through federal and state housing development assistance.

Second, the absence of adequate purchasing power by people with disabilities has stymied the ability and willingness of private developers to provide desired community housing choices. This has led to very limited community capacity to develop needed housing options serving unique disability needs. Many providers are relatively very small and fledgling organizations that require state capacity building support to effectively develop and operate supportive housing on a sustained basis. A critical mass of targeted subsidy investment on a sustained basis is needed in order to build needed development capacity at the local level to create the types of housing options that people with intellectual and developmental disabilities desire and need.

Community housing options vary widely across Virginia depending on local access to needed subsidies and the existence of able housing providers. The vast majority of federal housing rent and operating subsidies are under the sole control and management of larger urban jurisdictions and local housing authorities. Some localities have successfully committed resources to effective community disability housing partnerships and have supported the growth of capable local nonprofit housing developers/operators. The largest urban areas benefit from a critical mass of need and demand that facilitates the expansion of varied housing choices. Smaller communities face greater challenges in addressing the widely varied disability needs in their communities. Strategic state subsidy investment priorities can help to fill current gaps in housing options, both geographically and in types of housing choice.

## Trends

As previously stated, Virginia has been funding the total care needs of individuals with intellectual disabilities choosing to live in its state-operated facilities for decades. Those needs include the cost of services as well as the total cost of the housing.

For more than 25 years now, the national and state trend has been moving steadily away from state operated institutions toward homes that are located in integrated settings in the community. The funds for these services have been provided by the state and federal match for *only* the services. The cost of the housing has *not* been provided. Unlike the state operated institutions and the community based Intermediate Care Facilities for Individuals with Mental Retardation (ICFs/MR) the only funding available to pay for room and board of each individual is restricted to a portion of the monthly SSI benefit. This benefit in Virginia is currently \$674 per month; it has just been announced that there will be no Cost of Living Adjustment (COLA) in January 2010. Providers who offer these services to individuals by billing Medicaid for the personal services and supports they provide must often supplement the cost of room and board through donations or some other funding stream.

Since the trend toward community-based services and supports (away from state-operated institutions) is seen by almost all observers to be irreversible, the Commonwealth would be better prepared to continue to support this trend by addressing the issues of a *'living supplement'* for community housing. In this way, the level of support for each individual that has been maintained through the institutional method of support would simply be carried into the community-based support model.

### Where are the gaps in the Commonwealth's support of state institutions versus community homes?

| Elements of Support   | TRAINING CENTERS | COMMUNITY HOMES       |
|-----------------------|------------------|-----------------------|
| Capital Investment    | ✓                | ✓<br>(recent funding) |
| Services and Supports | ✓                | ✓                     |
| Living Supplement     | ✓                |                       |

Historically, the Commonwealth has provided assistance for shelter costs, but only in high-cost institutional settings. Now, the Commonwealth should acknowledge that in order for less costly, more desired community alternatives to be viable, institutional funding streams

must be made available in order to bridge the gap between SSI and the reasonable costs associated with community living.

## **Policy Recommendations – Next Steps**

The basic precept that “disability is a natural part of the human experience that in no way diminishes a person’s right to participate fully in all aspects of life” is now established in federal law. Housing and service models/opportunities that are creative and rooted in the values and principles set forth in federal law need to be prioritized and instituted as part of a framework for housing and disability policy in Virginia. The following are recommendations designed to further Virginia’s desire to expand community housing options for people with intellectual and related developmental disabilities and to capitalize on *“investment models and best-practices for the development of affordable and accessible community-based housing for persons with intellectual and related developmental disabilities.”*

### **It is recommended that Virginia:**

1. **Develop a state policy and plan to expand critically needed community housing options** for people with intellectual and related developmental disabilities. Current efforts to develop community-based housing for individuals with intellectual and related developmental disabilities are fragmented. Housing options must be affordable, accessible and reflect Virginia’s “person-centered” vision for serving people with disabilities.
2. **Prioritize, target and align state agency investments of assistance** with that strategic plan. State strategic investment priorities will help to organize and align federal, state, local and private investment resources which can significantly increase the development of integrated community housing for individuals with intellectual and related developmental disabilities. The state agencies that should participate in the development of the investment priorities are:
  - i. Department of Behavioral Health and Developmental Services (DHBDS)
  - ii. Department of Housing and Community Development (DHCD)
  - iii. Virginia Housing Development Authority (VHDA)
  - iv. Department of Medical Assistance Services (DMAS)

The leadership of state agencies is critical in supporting the development of local coalitions aimed at increasing affordable and accessible housing options. Further, Virginia’s disability services agencies must become fluent regarding Virginia’s federal housing resources and the prioritization of those resources.

3. **Invest in the development of innovative housing and financing models that can effectively leverage affordable housing finance capital and private investor resources.** Three related steps to this recommendation are:
  - Build the capacity and willingness of the housing development community to provide desired community housing options;
  - Establish program priorities for federal housing resources allocated to Virginia, including any National Housing Trust Fund resources, which are aligned with

state investment priorities for addressing the community housing needs of people with intellectual and related developmental disabilities; and

- Direct the Virginia Housing Commission to study General Obligation bond use for housing in Virginia, including any Virginia-specific legal concerns. (see Examples of Other States' Use, p. 37)

4. **Establish a community living supplement program for room and board to support the choice of community housing.** A supplement of this kind will help solidify Virginians commitment to individuals who reject institutional living.
5. Convene a meeting of agency heads from DBHDS, VHDA and DHCD to consider the adoption of **an updated Memorandum of Understanding (MOU)**.
6. **Establish a permanent state source for education and training** to provide a resource for CSBs and others to continually connect housing and the needs of people with intellectual and related developmental disabilities.
7. **Direct the Disability Commission**, through the state interagency Housing Expansion Task Force and in conjunction with the Housing Commission, **to conduct an annual review of Virginia's implementation of these recommendations in subsequent years.**

## CHAPTER 1: OVERVIEW

### Vision and Principles

Currently, the criterion by which all services and supports for individuals with developmental disabilities is measured is “person-centeredness.” Services and supports that are person-centered empower individuals in defining the direction for their own lives. Person-centered practices “focus on the needs and preferences of the individual, empower and support the individual in defining the direction for his/her life, and promote self-determination, community involvement, contributing to society and emotional, physical and spiritual health.”<sup>2</sup>

In October 2006, the assembly of an 80-member “Person-Centered Planning Leadership Team” (that included individuals with disabilities, family members, advocates, representatives of state government, community services boards, and private provider agencies) strengthened Virginia’s person-centered services policy and practice. One of the outcomes of this group’s work was the articulation of five principles of person-centered practices:

- *Individual choices and descriptions of a good life are respected and followed.*
- *Relationships with families, friends and people in the community are very important and at the center of planning.*
- *Personal choice and control are supported.*
- *The experience, talents and contributions of individuals, families, and communities are strengthened and supported.*
- *There is shared responsibility for supports and choices.*<sup>3</sup>

These person-centered principles intersect with housing issues for individuals with developmental disabilities by pointing to the following desired outcomes:

- Housing options must be available in communities where persons without disabilities live.
- Housing options must be affordable (for individuals with very limited incomes).
- There must be a variety of housing options to meet varying needs and preferences.
- Available housing must be accompanied by a variety of transportation options so that individuals with developmental disabilities may participate in and contribute to the lives of their communities.

By linking housing policy and social policy, Virginia can accelerate progress toward better community living and affordable housing opportunities for people with disabilities. Two consistent and fundamental principles of a unified housing policy are choice and self-determination. Being able to exercise choice and self-determination builds empowerment which increases the quality of life and foster growth. A unified housing strategy for people with disabilities will encourage a full array of choices from

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<sup>2</sup> Virginia Systems Transformation Grant Resource Team for Goal 2. (September 2008). *Glossary for person-centered practices.*

<sup>3</sup> Virginia Person-Centered Practices Leadership Team & Virginia Systems Transformation Grant Resource Team for Goal 2. (June 2008). *Virginia’s principles of person-centered practices.*

congregate housing to home ownership, and will have targeted funding to encourage production of desired housing types that are most lacking in the community (i.e., to fill the most pressing gaps in the array of available housing options). Such a policy will promote innovation in the targeted investment of limited state and federal resources to attract private capital and thereby maximize the development of affordable and accessible community housing options.

### Virginia Statistics: Community Services, Training Centers, Waiver and Non-Waiver

In Virginia, the most common types of community residential services settings used by individuals with intellectual and related developmental disabilities are defined as follows:

- **Group homes:** congregate residential service providing 24-hour supervision in a community-based home. These services are provided for individuals needing assistance, counseling and training in activities of daily living or whose service plan identifies the need for the specific type of supervision or counseling available in this setting. Group homes are licensed by DBHDS. [12 VAC 35-105-20]
- **Sponsored residential homes:** a service where providers arrange for, supervise and provide programmatic financial and service support to families or individuals (sponsors) providing care or treatment in their own homes. Sponsored residential homes are licensed by DBHDS. [12 VAC 35-105-20]
- **Supervised apartments (or “supportive in-home”):** the provision of community support services and other structured services to assist individuals . . . to attain and sustain independent community residential living. They include drop-in or friendly-visitor support and counseling to more intensive support. These services normally do not involve overnight care by the provider. Supervised apartments are licensed by DBHDS. [12 VAC 35-105-20]
- **Assisted living facility:** any congregate residential setting that provides or coordinates personal and health care services, 24-hour supervision, and assistance (scheduled and unscheduled) for the maintenance or care of four or more adults who are aged, infirm or disabled and who are cared for in a primarily residential setting. ALFs are licensed by DSS. [22 VAC 40-72-10]

Profiles of Virginians: Hoping for Her Own Place  
Isabelle had lived with her parents for the first 26 years of her life. When her mother was diagnosed with cancer, Isabelle experienced a series of moves to four different Assisted Living Facilities, none of which worked for her. In 1990, she moved to a group home with four other women. She continued to experience challenges in that setting due to her extreme anxiety and grief over the loss of both her parents to cancer during a five year period. However, her wonderful sense of humor and the support and advocacy of her sisters resulted in her remaining in this home to the present day. Currently, Isabelle works in an enclave, chooses to attend church regularly, recently joined a self-advocacy group, and has spoken before the Virginia General Assembly. She enjoys a positive relationship with her family and her boyfriend. Her often stated goal is to live in her own apartment. She continues to work toward achieving that dream.



- **Adult foster care home:** room and board, supervision and special services in a provider’s own home for up to three adults who are unable to remain in their own home because of a physical or mental condition or an emotional or behavioral problem. ALFs are approved by DSS. [22 VAC 40-771-10]
- **Own or family home:** the great majority of individuals with intellectual and related developmental disabilities live with family members.<sup>4</sup> Unlike most adults, very few adults with intellectual and related developmental disabilities purchase or rent their own home. Both financial and support barriers prevent most from achieving this component of “typical life.” Some individuals living with family or in their own homes receive in-home supports (typically funded through the MR/ID, Elderly or Disabled with Consumer Direction or the Individual and Family Developmental Disabilities Support Waivers).

Community-based CSB/private provider-operated settings, which are solely funded by Medicaid (vary in size) include:

- **ICFs/MR:** facilities to provide services that are above the level of room and board, the primary purpose of . . . [which] is to furnish health or rehabilitative services to persons with mental retardation [intellectual disability] or persons with related conditions [developmental disabilities] . . . [who are] receiving active treatment. ICFs/MR are licensed by DHBDS. [42 CFR 440.150]

Non-community-based settings, which are solely funded by Medicaid, include:

- **State training centers:** facilities operated by DBHDS for the treatment, training or habilitation of persons with mental retardation (intellectual disability). [*Code of Virginia* § 37.2-100.]

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<sup>4</sup> A conservative estimate indicates that 69,470 Virginians age 6 and over have an intellectual disability. [DMHMRSAS (DBHDS) *Comprehensive State Plan, 2008 – 2014*, December 6, 2007] Only slightly more than 4,000 of these live in non-family home settings.

| <b>Type of Residential Setting</b>  | <b>Number of Individuals with Intellectual Disability Known to Live in this Type of Setting</b> |
|---|---|
| <i>State-Operated ICFs/MR *</i>   |   |
| Northern Va Training Center   | 173   |
| Southside Va Training Center  | 300 (ICF/MR only)   |
| Central Va Training Center  | 361 (ICF/MR only)   |
| Southwestern Va Training Center   | 202   |
| Southeastern Va Training Center   | 174   |
| <i>Community-based CSB/private provider-operated</i>                        |   |
| Smaller, community-based ICFs/MR  | 330   |
| <b>Total Residing in ICFs/MR (state-operated and community-based)</b>       | <b>1,508</b>  |
| <i>Community Residential Options**</i>                                      |   |
| Group homes   | 3,249   |
| Sponsored residential homes   | 611   |
| Supervised apartments   | 100   |
| Assisted living facilities  | 14  |
| Adult foster care homes   | 9   |
| Own home or family home   | 1,273   |
| <b>Total Residing in Community Programs Funded Through the MR/ID Waiver</b> | <b>5,256</b>  |

\* State Training Center data effective 9/25/09

\*\* Individuals receiving MR/ID Waiver services (as of 8/28/09)

### **Historical Perspective in Virginia Providing Community-Based Housing Options for People with Intellectual and Related Developmental Disabilities**

Community residential services for individuals with intellectual and related developmental disabilities have traditionally been provided in several types of settings. While certain settings are commonly regarded as more appropriate for individuals with certain levels of ability, in fact, the setting (type of housing) is not an absolute predictor of the level of supports delivered to an individual. Person-centered practices require that supports be dictated by the individual's needs, whereas the type of housing modality should be a function of individual choice.

Similarly, the type of housing is not a predictor of the funding mechanism for that setting and the supports received there. For example, most individuals living in group homes receive Medicaid MR/ID Waiver funding for the supports delivered; however, there are some individuals whose families are able to privately pay the required fees.

Housing opportunities develop incrementally over time. Many of today's housing options for people with disabilities were developed over previous decades in response to federal subsidy program guidelines that reflected earlier paradigms that do not conform to today's person-centered principles and practices. For example, much of today's inventory of federally

assisted fully accessible housing was developed from the mid 1970s through the mid 1980s under the U.S. Department of Housing and Urban Development (HUD) Section 8 and Section 202 programs and the Rural Housing Section 515 program with federal “project-based” rent subsidies. At that time, federal program regulations promoted serving non-elderly people with disabilities in the same rental developments as seniors due to their shared need for fully accessible housing. The only alternative use of federal rent subsidies during that period was for the development of group homes under the Section 8 and Section 202 programs.

The failure of that policy had become clear by the early 1990s, and the federal subsidy assistance programs for elderly and non-elderly people with disabilities were separated in order to facilitate the development of more appropriate housing options for people with disabilities. However, the legacy of former federal policies is that a disproportionate share of the inventory of affordable and fully accessible rental housing units remains in developments that were designed principally for seniors. In an attempt to address this problem, Congress authorized a Mainstream Housing Voucher Program for people with disabilities under the umbrella of the Section 811 program, in order to facilitate greater access to the full range of community rental housing. Yet, the limited funding provided for both the Mainstream Program and the Section 811 housing development program have left a significant level of unmet housing need among people with disabilities.

As a result of significant new state appropriations to support community housing alternatives, in the late 1980’s DBHDS (DMHMRSAS) and VHDA entered into a memorandum of understanding and jointly stimulated the development of a wide array of community housing options serving people with intellectual and related developmental disabilities. This was done by coupling state subsidies with VHDA low-interest rate financing that was more flexible on the types of housing that could receive assistance. The deep recession of the mid-1990s unfortunately eliminated the state subsidies, which led to the termination of the MOU.

The federal government curtailed most “project-based” rent subsidies for new rental housing developments by the early 1990s. The exception was very limited funding for a few programs, including Section 811. Recently, federal rental housing assistance has been provided mainly through programs such as the Low Income Housing Tax Credit Program (LIHTC). These programs enable private developers to provide housing at below market rents that is affordable to low-income working households. People with extremely low incomes, including a large share of people with disabilities, are expected to access additional needed rental assistance through the federal Housing Choice Voucher Program. Federal funding for vouchers is sufficient to meet only a limited share of the total need for rent subsidy assistance. Today, non-elderly people with disabilities face long community waiting lists for Housing Choice Vouchers in order to afford the more recently built stock of accessible rental housing assisted through the LIHTC Program and other current federal rental development programs.

Today, housing options for individuals with intellectual and developmental disabilities may be more limited than they appear. There are many reported vacancies in group homes specifically licensed for individuals with intellectual disabilities across the state. However, for those who prefer to live in their own apartment, options are severely limited due to long community waiting lists for rental assistance. Those who have the desire and the resources to qualify for home purchase assistance often encounter a lack of affordable, accessible homes for sale, and may require assistance in making necessary home retrofits to meet their needs.

Accessibility can also be a barrier to choice in congregate housing. The number of group homes that are structurally able to accommodate individuals with significant medical needs and/or physical challenges is limited. Homes are needed with ramps instead of steps, doors wide enough for wheelchair entry, bathrooms with roll-in showers, grab bars and sinks positioned for access by an individual in a wheelchair and kitchens with similarly accessible appliances. Likewise, not all agencies that provide residential supports to individuals with developmental disabilities are staffed with persons trained to support individuals with the most challenging needs; therefore, availability of space in a group home or supervised apartment does not necessarily mean that an individual with very specific needs will receive adequate support there.

### **State Agency Partnerships**

VHDA and DBHDS (DMHMRSAS) have formally partnered through MOUs over the past 30 years to develop affordable community-based housing alternatives for people with intellectual and related developmental disabilities. By the middle 1990s, loss of federal and state funds for rental and operating assistance made that option unachievable and the formal MOU was terminated.

In the absence of a formal MOU, VHDA has continued to provide flexible low-interest rate financing for the development of community-based housing serving people with intellectual and related developmental disabilities for over 15 years. These loans have been individually structured with local housing sponsors based on the rental/operating subsidy funding the sponsors have been able to obtain. VHDA also continues to work closely with local voucher administrators to encourage and support their application for new voucher assistance through the federal Mainstream Program. VHDA is also assisting the disability community to reach out to local Housing Authorities to encourage and support their participation in the Mainstream Program, Money Follows the Person, and other federal disability initiatives.

Current efforts to develop community-based housing are fragmented. The leadership of state agencies is critical in supporting the development of prioritization, targeting and alignment of state agency investments of assistance with affordable and accessible housing options. An updated MOU is recommended as a means to better align state agency funding and program policies to achieve specific state housing priorities for people with intellectual and developmental disabilities, while also maintaining the vision of person-centered services.

### **Further Background on State Agency Partnerships**

An MOU was executed between VHDA, DBHDS (DMHMRSAS) and CSBs enabling 13 twelve-bed group homes to be developed with VHDA financing and HUD Section 8 rental assistance subsidies. When state disability priorities later shifted and larger 12-bed group homes were no longer considered appropriate, VHDA was able to convince HUD to give Virginia special waivers that enabled the conversion of many of those group homes to ICFs/MR.

When Congress ended HUD project-based Section 8 rental assistance in the early 1980s, VHDA worked collaboratively with several CSBs to support the development of five additional group homes using HUD tenant-based rent subsidies. This resulted in a number of

CSBs becoming local program administrators for VHDA's Housing Choice Voucher program. The number of CSB administrators grew over time and several Centers for Independent Living (CILs) were also approved by VHDA to serve as local program administrators. As a result of VHDA's historic close partnerships with CSBs and CILs, VHDA's Housing Choice Voucher program has issued 39 percent of its vouchers to non-elderly people with disabilities compared to 27 percent of vouchers nationally.

When the General Assembly appropriated substantial funding for new community-based housing alternatives in the late 1980's, VHDA, DBHDS (DMHMRSAS) and CSBs again entered into a formal MOU. A much wider array of community-based housing options for people with intellectual and related developmental disabilities were provided and expanded to people with chronic mental illness and people recovering from substance use disorders. Sixty-one loans serving 501 persons were funded throughout Virginia to finance the development of supervised apartments, small scattered site homes (usually serving no more than two or three persons) and other housing options. When budget cuts eliminated appropriations for operating subsidies during the early 1990s recession, VHDA worked with several CSBs to use federal McKinney Act subsidies as a means of maintaining housing development through the MOU.

### **Recent Federal and State Initiatives/Legislative Action**

Over the past decade, federal policy has responded to the *Olmstead* decision and Community Integration Mandate in the ADA, setting the groundwork for the modernization of federal, state and local programs and procedures. There continues to be difficulty at the state and local levels in collaborating across cabinet/departmental programs and budget silos to align housing and residential services resources toward common ends.

The policy direction reflected in the initiatives/legislation below illustrates the new commitment to community inclusion and gives individuals with intellectual and related disabilities and their families tools to better plan and prepare for the future, while taking advantage of all available individual, private and public resources.

#### **Federal:**

- **Achieving a Better Life Experience Act of 2009 (ABLE) S. 493/H.R. 1205 (pending)**

This pending legislation, which currently remains in respective House and Senate committees, would amend the Internal Revenue Code of 1986 to provide for the establishment of ABLE accounts for the care of family members with disabilities, and give individuals with disabilities and/or their families access to tax-free interest savings accounts. Akin to the "529" college tuition plans, they would allow individual choice and control while protecting eligibility for Medicaid, SSI and other federal benefits. Withdrawals used to pay for qualified expenses would not be taxed. Two of the essential expenses that would qualify are housing and transportation.<sup>5</sup>

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<sup>5</sup> The Arc, AAIDD, AUCD, UCP, NACDD and SABE. (April 2009). *Disability policy seminar fact sheet: Achieving a better life experience act of 2009 (ABLE) S. 493/H.R. 1205.*

- **Frank Melville Supportive Housing Investment Act of 2009 (H.R. 1675) (pending)**

This pending legislation aims to improve and reform the HUD Section 811 Supportive Housing for Persons with Disabilities program. The purpose of the Section 811 program is to generate very affordable and accessible permanent rental housing linked with community-based services and supports. Section 811 participants may live in supportive housing units developed and owned by non-profit organizations, or they may receive tenant-based rental assistance to help them rent accessible and safe housing in the private rental market.

The Frank Melville Act would streamline Section 811 processing requirements, remove outdated regulatory barriers, transfer funding for the Mainstream voucher program to the Section 8 voucher program and authorize a new demonstration program to provide rental subsidies for people receiving SSI. The hope is that this demonstration program will keep 811 units affordable to SSI beneficiaries, significantly increase integrated housing opportunities and triple the number of 811 units funded without increasing the program's appropriation.<sup>6</sup>

The House passed the bill in July of 2009 with all members of Virginia's congressional delegation voting affirmatively.

- **Section 8 Housing Choice Vouchers**

Housing Choice Vouchers, which are administered by Public Housing Agencies (PHAs), are designed to bridge the gap between income and rent by paying the difference between

**Profiles of Virginians: Community Life with  
a Housing Choice Voucher**

Kevin, who has cerebral palsy and an intellectual disability, spent his childhood and adolescence living at Southeastern Virginia Training Center. Kevin's infectious smile and great sense of humor won over all who came to know him. Unfortunately, he describes life in a training center as, "no way to spend your childhood." As a young adult Kevin left the training center for The Virginia Home, a nursing home where many young adults with disabilities reside. Life in a nursing home was still not what Kevin wanted.

Through his own advocacy and the support of his case manager, Kevin received an MR Waiver slot and a project-based housing choice voucher. In 2000, Kevin moved out of the nursing home and into his own apartment. He tried having a roommate but prefers to live alone. Kevin enjoys an active social life. He has many friends and has developed a great support system. He is a member of his community active in civic and volunteer projects. He is now a strong advocate for the rights of individuals with disabilities to live in the community.

what a very low income household can afford and modest rental housing costs. Demand for Housing Choice Voucher assistance by non-elderly people with disabilities has grown dramatically over the past decade as a result of new state and local community integration initiatives. Incremental federal appropriations for new voucher assistance have been very limited.

Consequently, people with disabilities comprise a large share of the multi-year waiting lists for voucher assistance.

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<sup>6</sup> The Arc, AAIDD, AUCD, UCP, NACDD and SABE. (2009, April). *Disability policy seminar fact sheet: housing for people with disabilities: The crisis and the opportunity.*

VHDA is one of 47 PHAs across Virginia. VHDA, in partnerships with CSBs and CILs, has achieved a higher level of service to non-elderly people with disabilities. As of August 31, 2009, the share of VHDA's voucher holders classified by HUD as non-elderly and disabled is 39 percent, which is an increase from 34 percent in September 2000. PHAs in other areas of the state have not attained a similar level of service for non-elderly people with disabilities. (VHDA administers vouchers only in those localities unable or unwilling to administer assistance directly with HUD--mainly smaller urban and rural localities.)

Recently, in an attempt to direct more vouchers to people with disabilities, Congress appropriated funding in FY 2008 and FY2009 for approximately 4,000 new vouchers nationally that exclusively target this population.<sup>7</sup> This is a response to the lack of affordable accessible housing for people transitioning from institutions/nursing homes to the community experienced in many states, including Virginia, that are participating in the Centers for Medicare and Medicaid Services (CMS) Money Follows the Person demonstration project. The increased allocation of housing subsidy resources specifically for non-elderly people with disabilities is a trend that is likely to continue.

- **National Affordable Housing Trust Fund Act**

The National Affordable Housing Trust Fund Act was enacted in 2008 with the purpose of creating dedicated funding for the production, preservation and rehabilitation of 1.5 million affordable homes over 10 years. At least 67.5 percent of the funds must be spent on rental housing for households with incomes at or below 30 percent of median income. SSI payments in Virginia are equal to only 15.6 percent of one-person median income. This could significantly expand the supply of affordable/accessible rental housing units for people with disabilities with the lowest incomes. Unfortunately, the dedicated funding stream authorized for this program is a portion of the net earnings of Fannie Mae and Freddie Mac. The current housing crisis has eliminated both agencies' net earnings and left them essentially insolvent and in federal receivership.

The current administration has included a line item appropriation in the proposed FY10 federal budget for one-year funding to jump start this initiative until an alternative dedicated funding source can be identified and authorized. It is imperative that the housing needs of people with disabilities be included as a priority in the event that Congress adopts this budget proposal and funds are allocated to Virginia. The housing agency in Virginia that is assigned responsibility for administering these funds (this will not be determined until such time as an appropriation is made) must collaborate with consumers and disability service agencies in order to determine how these subsidies can be effectively used to leverage new housing opportunities for people with disabilities.

- **Neighborhood Stabilization Program Grants**

The Neighborhood Stabilization Program (NSP) was established for the purpose of stabilizing neighborhoods hard hit by foreclosures and abandonment. Administered at the federal level by HUD, NSP funds have been made available to every state and territory and over 250 local communities. The NSP is not a housing program *per se*; it focuses on stabilizing local housing markets and assisting local communities in economic recovery.

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<sup>7</sup> Ibid.

Also, like other economic recovery initiatives, funds must be expended within a very short period of time.

Despite these limitations, this initiative offers some unique opportunities to create new affordable community housing options for people with disabilities. A portion of the foreclosed homes purchased and rehabilitated with NSP funds must be used to provide housing for very low income people. Federal requirements are complicated, and not all foreclosed homes are suitable in design or location to serve people with disabilities. In order to make this model successful, a rent or operating subsidy needs to be secured as well as linkages with needed services and supports. Nevertheless, CSBs and stakeholders advocating for people with disabilities are working with local NSP administrators to assess this opportunity to acquire single-family homes at very low prices for reuse as permanent supportive housing that is fully integrated into existing neighborhoods.

### **State:**

The Virginia Board for People with Disabilities (VBPD), the State Independent Living Council (SILC), and Virginia's *Olmstead* inter-agency Community Integration Initiative are taking significant positive steps toward building partnerships between the housing and disability communities in Virginia. Their initiatives listed below illustrate Virginia's movement in a positive direction.

- **State Plan for Independent Living**

The second goal of the Statewide Independent Living Council's State Plan for Independent Living (SPIL) is to: "Work in conjunction with the Office of Community Integration to assist in implementing the housing and transportation initiatives identified in the Cross Governmental Strategic Plan to assure continued community integration of Virginians with disabilities and the Money Follows the Person Demonstration."

Representatives from the sixteen Centers for Independent Living (CILs) across Virginia are working together to educate people with disabilities, Disability Services Boards, Area Agencies on Aging, and other stakeholders about effective participation in community housing planning processes including the Consolidated Plan, Public Housing Agency Plan, Continuum of Care Plan and Qualified Allocation Plan (these plans will be discussed in greater detail later in this report). CIL staff is developing relationships with affordable housing agencies, as well as planners and developers on the state and local level, to ensure that the community housing needs of people with disabilities are prioritized.

- **SB 845 Livable Home Tax Credit**

Any taxpayer who purchases a new residence or retrofits or hires someone to retrofit an existing residence is eligible for a state tax credit, provided that the new residence or retrofitted residence is designed to improve accessibility and/or provide *visitability*. The term "visitability" refers to housing designed in such a way that it can be lived in or visited by people who have trouble with steps or who use wheelchairs or walkers. DHCD has developed the eligibility requirements and established guidelines for the administration of the tax credit. For taxable year 2010 and thereafter, the tax credit is \$2,000 for the



purchase of a new residence or 50 percent of the total amount (not to exceed \$2,000) spent for the retrofitting of an existing residence.

- **Transportation and Housing Alliance & THA Toolkit**

The Transportation and Housing Alliance is a statewide initiative linking public and private efforts in the areas of housing and transportation. A THA Toolkit was produced through a grant awarded to the Thomas Jefferson Planning District Commission by the Virginia Board for People with Disabilities. The purpose of the Toolkit is to assess housing and transportation needs, project future needs, identify overlapping issues and opportunities, and develop workable solutions. The THA Toolkit can help give a voice to people who do not participate in public workshops, who rarely respond to surveys, and who are difficult to reach through formal channels. Including a wide range of needs in local and state planning processes makes it more likely that the resulting plans and investments will work for people with different needs and abilities.

- **Money Follows the Person Housing and Transportation Action Plan**

Virginia is one of 31 states participating in a five-year (through Federal fiscal year 2011) \$1.75 billion Money Follows the Person (MFP) Demonstration project designed to create a system of long-term services and supports that better enable individuals to transition from certain long-term care institutions into the community. This project supports Virginia's *Olmstead* initiative and complements the efforts of the Systems Transformation Grant that aims to improve the infrastructure for community-based long-term supports. Virginia's MFP project, administered by DMAS, seeks to make over \$28 million in federal Medicaid funds available to support Virginia's seniors and individuals with disabilities in the community.

One component of this project has been the development of an MFP Housing and Transportation Resource Bank. The resource bank includes information about how individuals can access housing and transportation, and the work that is being done to increase available, affordable and accessible housing and non-Medicaid transportation in the Commonwealth of Virginia.



## CHAPTER 2: CURRENT RESOURCES AND PROGRAMS FOR PROVIDING AFFORDABLE, ACCESSIBLE HOUSING IN VIRGINIA

### Federal Subsidy Funding Streams

HUD provides subsidies for creating new housing opportunities for non-elderly people with disabilities mainly through the following programs:

- Housing Choice Vouchers
- Section 811 Supportive Housing for People with Disabilities, including the Mainstream voucher program
- Housing Opportunities Made Equal Investments Partnerships (HOME) block grant program

Other HUD programs that provide subsidies to develop new housing that may benefit non-elderly people with disabilities include:

- Community Development Block Grants (CDBG)
- Various McKinney Act homeless assistance programs

Department of the Treasury programs to promote affordable housing development:

- Low-Income Housing Tax Credits (LIHTC)

### Roles of State and Local Agencies in Administering Federal Housing Subsidies

Unlike Medicaid and other federal human service programs where federal funds flow through the state to local entities, there is no overarching state authority for allocating and prioritizing the use of federal housing subsidy funds. The vast majority of HUD subsidy funds are allocated directly to larger urban local governments and housing authorities for administration and use in accordance with locally adopted plans and priorities. In FY 2009, local

governments and regional housing consortia accounted for over 60 percent of HOME program funds available in Virginia. Local governments also claimed more than two-

*“The affordable housing delivery system is comprised of a myriad of programs administered by a large number of agencies – mainly units of government – at the federal, state and local levels. It is often difficult for the disability community to know where to begin because there are so many players that could potentially be involved in crafting strategies to help expand housing options for people with disabilities. It is important to understand who the various housing players are and learn which programs they administer before beginning to develop effective strategies for meeting the housing needs of people with disabilities.”*  
- The Community Living Exchange Collaborative

thirds of CDBG program funds. As of August 31, 2009, 79 percent of the federal Housing Choice Vouchers in Virginia were administered by local Public Housing Agencies (PHAs).

Local governments and local housing authorities are responsible directly to HUD, rather than to the state for how federal subsidy funds are utilized to meet community housing needs. DHCD and VHDA administer HUD housing subsidies primarily in suburban, rural and small urban communities that are either not eligible to receive funds directly from HUD or lack the capacity and willingness to do so.

The federal LIHTC program, which is under the Department of the Treasury and is administered by VHDA on behalf of the Commonwealth, is the only federal subsidy administered on a statewide basis. It provides upfront financing subsidies rather than ongoing rent/operating subsidies.

In order to capitalize on investment model opportunities, it is important to understand the roles of Virginia's housing agencies and the federal housing resources that are funneled through them.

- **Department of Housing and Community Development (DHCD)**

DHCD is the state agency designated to administer HUD funds allocated directly to Virginia. Virtually all of those funds are intended to primarily or exclusively serve the “non-entitlement” communities in Virginia—i.e., those suburban, rural and small urban localities of insufficient population to qualify to receive funds directly from HUD. DHCD's role is to distribute funds for housing and community development projects to local governments or housing developers. The majority of funds are restricted to helping low-to-moderate income citizens and communities. DHCD is committed to creating safe, affordable, and prosperous communities to live, work and do business in Virginia. The Department partners with Virginia's communities to develop their economic potential, promulgates Virginia's building and fire codes, provides training and certification for local building officials, funds projects intended to preserve or create affordable housing opportunities, and works together with local governments, nonprofit groups, state and federal agencies, and others to improve the quality of life for Virginians.

- **Virginia Housing Development Authority (VHDA)**

VHDA is Virginia's mortgage finance agency. It is an independent, self-supporting state “authority,” and receives no state-appropriated funds. Its role is to finance affordable single family and multifamily housing serving low- and moderate-income Virginians through the sale of revenue bonds and other types of financial securities to private investors.

VHDA also administers several key federal housing subsidy programs. VHDA serves as a HUD-designated public housing agency to administer federal Housing Choice Voucher assistance on behalf of communities that are unable or unwilling to do so directly with HUD. As noted previously, VHDA has entered into partnerships with CSBs and CILs that have facilitated the achievement of an increased participation rate by non-elderly persons with disabilities in its voucher program.

In addition, VHDA administers the federal LIHTC program on behalf of Virginia. VHDA annually reallocates Virginia's formula allocation of federal tax credits on a competitive basis to proposed affordable rental housing developments. The tax credits provide developer equity which substantially reduces development debt-service costs and enables rents that are affordable to low-income people. VHDA has set aside a portion of Virginia's annual allocation of tax credits in a non-competitive pool for exclusive use in providing housing serving people with disabilities. In addition, VHDA's competitive allocation of federal tax credits includes incentives for building accessible apartments and for incorporating Universal Design features (a broad-spectrum solution that produces buildings, products and environments that are usable and effective for everyone, not just people with disabilities).

Currently, VHDA plays a significant role in helping to preserve Virginia's existing stock of federally assisted rental housing. A large share of the inventory of that housing was developed through currently inactive HUD and the U.S. Department of Agriculture (USDA) multifamily development programs. Beginning in the middle 1980's, the federal government substantially reduced appropriations for new affordable rental housing developments using federal project-based rent subsidy contracts. Eliminated or defunded housing development programs include:

- HUD Section 8 New Construction/Substantial Rehabilitation;
- HUD Section 8 Moderate Rehabilitation;
- HUD Section 236;
- HUD Section 221d3; and
- USDA Section 515.

New construction is no longer being funded through these programs, but the inventory of existing program units remains a critical affordable housing resource for people with disabilities. As these developments age and their contractual obligations to HUD and USDA expire, there is a high risk of losing affordable units in the current inventory. VHDA has put a high priority on partnering with HUD, USDA's office of Rural Development, local housing authorities and housing owners/developers to recapitalize, rehabilitate and preserve the affordability of this critical legacy housing stock. While these properties were frequently built to older building code requirements, VHDA makes every effort in financing their recapitalization to ensure that feasible accessibility improvements are incorporated into rehabilitation plans.

### **Planning Processes for Prioritizing and Allocating Federal Housing Subsidies**

In order to access federal affordable housing resources to meet the housing needs of people with intellectual and related developmental disabilities, it is important to be aware of the planning processes that control these valuable public resources. *A Technical Assistance Guide for Housing Resources and Strategies* (2003), prepared by Technical Assistance Collaborative, Inc., highlights the four federally-mandated strategic planning initiatives that seek to ensure community-wide coordination and comprehensive planning regarding the use of federal resources to develop, renovate and preserve and/or create housing opportunities for low and moderate income people. These programs are administered by state and local housing and community development officials, state housing finance agencies and Public Housing Agencies (PHAs).

1) **Consolidated Plan** (ConPlan) is required to be prepared by states and local governments that directly receive and administer funds from any one or more of four specific HUD programs:

- Community Development Block Grant (CDBG)
- Emergency Shelter Grant (ESG)
- HOME Investment Partnerships Program (HOME)
- Housing Opportunities for Persons with AIDS (HOPWA)

The ConPlan is the "master plan" for affordable housing in local communities and states. It is a long-term housing and community development plan that controls access to HUD funds used, among other things, to expand affordable housing opportunities. Virginia has 47

separate ConPlans that are rewritten at least every five years and require public participation in their development. In each of the five individual years covered by the ConPlan, each locality and the state also prepare a Consolidated Plan Action Plan (CPAP) that outlines specific program activities to be undertaken with that year's allocation of program funds. It too, provides opportunities for further public participation. The high number of ConPlans is due to the fact that each entitlement jurisdiction (i.e., city, urban county or HOME consortium) develops its own plan and receives a formula allocation directly from HUD. DHCD prepares a Consolidated Plan outlining the intended use of HUD funds allocated to Virginia. Smaller, primarily rural areas are lumped together as "balance of state" and receive HUD money through DHCD.

The ConPlan controls use of HOME block grant funds that are the principal source of HUD subsidies for new affordable housing development. This program is intended to fill the gap in financing needs for those projects providing affordable rental units to low- and very low-income tenants. HOME provides formula grants to participating jurisdictions that are often used in partnership with local nonprofit groups to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people. Localities must match every dollar of HOME funds used (except for administrative costs) with 25 cents from nonfederal sources (to include donated materials or labor, the value of donated property, proceeds from bond financing, and other resources). The eligibility of households for HOME assistance varies with the nature of the funded activity. For rental housing and rental assistance, at least 90 percent of benefiting families must have incomes that are no more than 60 percent of the HUD-adjusted median family income for the area. In rental projects with five or more assisted units, at least 20 percent of the units must be occupied by families with incomes that do not exceed 50 percent of the HUD-adjusted median. The incomes of households receiving HUD assistance must not exceed 80 percent of the area median.

One element in Virginia's HOME program is the Affordable and Special Needs Housing Program for which DHCD set aside over \$6 million for 2009 – 2010; however, there is currently no designated state set-aside for rental subsidies for people with disabilities from this source. State and local jurisdictions participating in the HOME program may use various mechanisms to meet these requirements. For example, DHCD has designated almost \$6.2 million for Affordable and Special Needs Housing in its current CPAP—more than 43 percent of the current year's total allocation to the state. Projects serving special needs populations can access a higher funding level of \$700,000 versus other projects limited to \$500,000.

Adding more specificity and detail to DHCD's ConPlan with respect to the housing needs of people with intellectual and related developmental disabilities could facilitate better coordination and collaboration between DBHDS and Virginia's affordable housing agencies to develop targeted programs and solutions that increase access to affordable and accessible community housing.

2) **Public Housing Agency Plan** (PHA Plan) is required to be prepared by public housing agencies administering public housing and/or Section 8 assistance. VHDA prepares a PHA plan as an administrator of the Housing Choice Voucher program.

The PHA Plan, which parallels the ConPlan in some ways, describes each agency's overall mission for serving low- and very low- income families and the activities to be undertaken to meet the housing need of these families. The PHA Plan is part of a federal policy to give PHAs increased flexibility to determine who will receive housing assistance. Through the PHA Plan process, the PHA decides the policies and procedures to be followed for the public housing units and Section 8 rent subsidies controlled by the PHA. Each PHA can adopt its own set of preferences for housing assistance. PHAs are becoming aware of the housing needs of people with disabilities, but further informed participation by both the PHAs and the disability community in the policy and priority setting process is needed.

When Congress created the PHA Plan, it included a very important requirement to link the PHA Plan to the ConPlan. The needs, goals, and activities detailed in the PHA Plan must reflect the needs and priorities documented in the respective ConPlan. This linkage can provide more opportunities for the disability community to participate in the process to set housing priorities. The disability community may review information available to the planners and submit additional data that may not have been considered during the plan's development.

3) **Qualified Allocation Plan (QAP)** is required to be prepared by state administrators of the federal LIHTC Program. In Virginia, the QAP is prepared by VHDA.

When Congress created the LIHTC in 1986, it included the requirement that states develop a strategic housing document describing how the LIHTC would be utilized to meet the housing needs and priorities of the state. The QAP outlines the state's affordable housing priorities and how to apply for tax credits. The QAP must be consistent with the state ConPlan and solicit public comment.

Federal law requires that the QAP give priority to projects that serve the lowest-income households and remain affordable for the longest period of time. Each year the Internal Revenue Service (IRS) gives VHDA the authority to distribute an allotment of these tax credits to qualifying projects based on criteria fully detailed in the Qualified Allocation Plan.

4) **Continuum of Care** is required to be prepared by states and local governments that directly receive and administer HUD homeless assistance funds. DHCD prepares a Continuum of Care Plan outlining the intended use of HUD homeless assistance funds allocated to Virginia.

In 1994, HUD introduced the Continuum of Care model to encourage communities to address the problems of housing and homelessness in a more coordinated, comprehensive, and strategic fashion. Through the Continuum of Care, communities can create a comprehensive plan for the housing needs of homeless people with disabilities and other homeless individuals and families.

Since 1999, Congress directed HUD to ensure that at least 30 percent of the funds awarded through the Continuum of Care process be utilized for permanent housing. To ensure this outcome, HUD has made bonus funds available to those Continuum of Care communities that rank a new permanent supportive housing project as the first priority for funding.

In summary, by using resources in the ConPlan, PHA plan, QAP and Continuum of Care, the Commonwealth and local communities can improve their overall housing and service delivery systems. Together, these plans control flexible resources and opportunities to develop quality, integrated, community programs and housing.

In addition to these federally mandated planning processes, a closer alliance between DBHDS and Virginia's two state housing agencies, VHDA and DHCD, could help to prioritize the development of community housing opportunities for people with intellectual and related developmental disabilities. These priorities should be established by DBHDS based on the needs of those with intellectual and related developmental disabilities. Both housing agencies control significant federal resources that come into Virginia and are the experts in housing development and creative financing models.

### **Virginia Housing Initiatives Serving People with Intellectual and Related Developmental Disabilities Using Non-federal Resources**

Currently, VHDA is providing low-interest financing subsidized with a portion of its net revenues to enable the development of affordable housing serving people with disabilities. VHDA is working with organizations that provide three different types of rental housing designed to meet specific needs of targeted groups of people with very severe disabilities: congregate housing, sponsored placements and micro-boards. The mortgages for these properties are funded through the Sponsoring Partnerships and Revitalizing Communities (SPARC) program for multifamily (or rental) housing. This product has flexible terms and rates that can be tailored to each circumstance to create a mortgage product that can meet most needs.

The majority of people with intellectual and related developmental disabilities have always chosen to live with their families and this continues to be the trend. The following are options for individuals living to live independently of their family:

- **Congregate Housing**

For decades, the predominant option for living more independently in Virginia has been group homes. The number of people living in group homes varies, but the trend is toward smaller homes. VHDA finances congregate living homes serving eight or fewer residents that are operated by local CSBs or their affiliated non-profit organizations. VHDA will also finance such housing operated by independent non-profits, and on rare occasions has financed such properties developed by for-profit companies, if they have an identified relationship with a local CSB and are licensed by DBHDS. Accessibility and the use of Universal Design features are VHDA requirements of all new construction and are strongly recommended for all rehabilitation projects.

- **Sponsored Placements**

Financing for sponsored placements is among the newest iteration of the use of the VHDA's SPARC program to fund mortgages for organizations supporting people with disabilities. Sponsored placement is a program involving a provider who recruits individuals and families (the sponsor) to provide a home for a person with a disability. The provider is licensed by DBHDS and offers people with disabilities homes through



sponsors the provider recruits and trains.

The sponsor is the applicant for the mortgage and, as such, must be a single asset corporate entity. The sponsor is viewed as the landlord and the person with a disability is the tenant. VHDA is able to provide these mortgages because of the landlord-tenant rental relationship.

- **Micro-boards**

A micro-board is a small group of committed family and friends who join together with a person who is vulnerable to create a non-profit organization (board) for the purpose of supporting the individual to achieve his/her goals. Micro-boards are a unique business arrangement. While the main purpose of micro-boards is generally person-centered planning, VHDA is using this business entity as a means of providing housing for people with disabilities. VHDA recognizes a micro-board as a business entity organized as a non-stock, Virginia-based corporation for the sole support of an individual with a disability as being an eligible applicant for a mortgage loan to provide housing.

VHDA views the micro-board as the landlord renting the property to the tenant with a disability. The property is owned by the micro-board and, in this case, is held for the use and support of a specific individual with a disability. The property may come with or without supports, as determined by the board of directors of the micro-board.

VHDA also administers other types of multi-family lending programs funded through the sale of revenue bonds and mortgage securities that finance affordable, accessible rental housing serving people with disabilities, most often coupled with the use of federal LIHTCs. VHDA also offers home ownership opportunities to people with disabilities through its single-family lending programs.



## CHAPTER 3 - CHALLENGES TO ACHIEVING A BETTER SYSTEM

There are a number of significant challenges throughout the system for people with intellectual and related disabilities that have an impact on housing options, and their overall quality of life.

### Need for Rent/Operating Subsidy Assistance

The history of past partnership programs among state housing agencies, DBHDS (DMHMRSAS) and CSBs demonstrates that creative, flexible and multi-dimensional solutions can be crafted in a manner that recognizes the unique characteristics of Virginia. The first step is acknowledgement of the substantial income barrier facing people whose primary income support is SSI. This makes direct rental assistance and/or operating subsidies essential to the sustainability of community living. Federal programs have acknowledged this for over 30 years by coupling rent or operating subsidies with mortgage financing assistance in order to achieve affordability for extremely low-income people. In the Section 811 program—HUD’s principal program for developing new housing for people with disabilities—full capital grants must be coupled with long-term rent/operating subsidies in order to achieve affordability.

Historically, Virginia has provided people with intellectual and related developmental disabilities with needed rent/operating subsidies through budgeted appropriations for the development and maintenance of institutions, and through the Auxiliary Grant program, which subsidizes both room and board in Assisted Living Facilities (ALFs). Those subsidy streams should now be redirected to support a wider array of community-based housing alternatives. As Virginia’s earlier experience with MOUs has demonstrated, such subsidy streams can work yet must also be sustainable over time.

Understanding the relationship between SSI income and affordable housing for people with disabilities is critical. The following paragraphs are an outline of the severe housing affordability gap for people with disabilities in the Commonwealth that necessitates ongoing rent/operating subsidy support.

The “Priced Out in 2008” report data show that in Virginia in 2008 the annual income of a single individual receiving SSI was equal to only 15.6 percent of the median income.<sup>8</sup> This is almost 30 percent below the 2008 federal poverty level of \$10,400 for an individual. Median income is an important housing policy indicator because most government housing programs have eligibility requirements that relate to median income.

Virginia had 82,629 non-elderly adults (aged 18-64) with disabilities receiving SSI in 2008. In Virginia, modest one-bedroom units cost 126.7 percent of SSI and studio units cost 115.4 percent of SSI. According to federal housing affordability guidelines, a household should spend no more than 30 percent of income towards housing costs.

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<sup>8</sup> Cooper, E., Korman, H., O’Hara, A. & Zovistoski, A. (2009). *Priced out in 2008: The housing crisis for people with disabilities*. Boston: Technical Assistance Collaborative, Inc. (TAC). Retrieved from: <http://www.tacinc.org/Docs/HH/Priced%20Out%202008.pdf>.

Nationally, in 10 years, one-bedroom rents have risen from 69 percent of SSI to 112 percent of SSI. The gap in Virginia is even greater:

|  |    |                                       |
|--|----|---------------------------------------|
| 30% of SSI = \$202                         | V. | Virginia Average<br>1 BR rent = \$820 |
| <b>“Housing Affordability Gap” = \$618</b> |    |                                       |

On income, the report “Study of Funding for Housing Serving People with Disabilities” (SD 12, SJR 159: 2000) states, “Any broad-based effort to assist people with disabilities in obtaining adequate affordable housing must address the need for operating subsidies and/or client income supports in addition to the need for subsidized housing capital.”

Virginia must overcome this significant barrier to move forward with its efforts to improve housing options for persons with intellectual and related developmental disabilities.

### **Other Critical Elements of the System**

#### Access to Transportation

Living today in most communities, one gains access to the amenities of that community only if there is reliable private or public transportation. Getting to work, retail stores, recreation facilities, government offices and polling places rarely can be accomplished on foot. This becomes even more challenging if one has a physical disability affecting mobility. The vast majority of individuals with intellectual and related developmental disabilities do not drive, and Medicaid funds only permit transportation to and from Medicaid-covered activities. The presence of an accessible public transportation system (e.g., low-floor buses that kneel and are equipped with ramps rather than lifts), and one that operates late enough so as to permit participation in evening employment and social activities, is a necessity.

#### Use of Informal and Formal Support Networks

Self-advocates and advocates for individuals with intellectual and related developmental disabilities recognize that it is neither desirable nor practical for the government to fund all needed supports. There will always be a place for the work of charitable organizations, friends and neighbors, church members and family members in providing goods, services and supports to individuals with disabilities. In fact, the involvement of unpaid community members in the lives of people with intellectual and related developmental disabilities is often what enables them to become part of their communities and enables them to be valued for the contributions they have to make.

#### Policy

The implementation of the federal *Olmstead* decision can provide challenges for states in the balancing of policy requirements. “Rules governing supportive services funding usually target services at people with a specific type of disability. Conversely, civil rights requirements in mainstream housing programs often forbid tenant selection based on category of disability.

This conflict between the categorical approach to funding community-based services and the non-categorical requirements of housing programs sometimes proves to be a barrier to the development of permanent supportive housing for people with disabilities.”<sup>9</sup> Virginia’s congressional delegation could advocate for changes to this dichotomy in federal policy.

Auxiliary Grant dollars (a facility-based state SSI supplement for individuals living in Assisted Living Facilities only) are not transferable should the individual prefer to live in his/her own home or apartment. As “Priced Out in 2008” illustrates, rental housing in the community is completely out of reach for people with disabilities unless a permanent rental subsidy – such as a Section 8 Housing Choice Voucher – can be obtained. Because of the scarcity of vouchers, people unfortunately can wait many years before receiving one. This leads individuals to continue living with aging family caregivers, forces congregate living or results in homelessness. “Priced Out” recommends that “States . . . embrace the community integration movement by developing new strategies that reverse these dynamics and convert facility-based SSI state supplement funding to temporary or permanent rental subsidies in the community.”<sup>10</sup>

Although the establishment of a “state housing trust fund” could remedy part of this shortfall, this would require significant funding for an extended period.

### Accessibility

The supply of accessible housing is limited. Even group homes for individuals with intellectual disabilities are often not wheelchair accessible, as they are generally located in properties built for individuals without physical challenges. The MR/ID and Individual and Family Developmental Disabilities Support (IFDDS) Waivers fund home modifications (up to \$5,000 per year per individual). Group homes are not eligible for these Medicaid Waiver home modifications. Rather, group homes must cover the costs of ramps, door widening, and bathroom and kitchen modifications from their operating budgets. An increase in the housing stock of homes built using Universal Design (a broad-spectrum solution that produces buildings, products and environments that are usable and effective for everyone, not just people with disabilities) would be beneficial.

### Staff

While this report addresses access to actual physical housing, the impact of those who support individuals with intellectual and other developmental disabilities – direct support professionals – in residential settings should not be overlooked.

Individuals with intellectual and related developmental disabilities generally require paid supports at some point in their lives, often for many years. The quality of their lives thus depends not only on the physical structure of their home, but on the skills and caring of individuals who may enter their home on a daily basis to support them in completing life’s

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<sup>9</sup> Korman, H. (2006). Best practice principles for achieving civil rights in permanent supportive housing. *Opening Doors: A Housing Publication for the Disability Community*, (29), p. 1. Retrieved from: <http://www.tacinc.org/Docs/HH/OpeningDoors/ODIssue29.pdf>

<sup>10</sup> Cooper, E., Korman, H., O’Hara, A. & Zovistoski, A. (April, 2009). *Priced out in 2008: The housing crisis for people with disabilities*. Boston: Technical Assistance Collaborative, Inc. (TAC). Retrieved from: <http://www.tacinc.org/Docs/HH/Priced%20Out%202008.pdf>.

daily tasks. Unfortunately, even in today's labor market, there is a shortage of people willing and qualified to do this work.

The often physically and emotionally demanding nature of the work, along with salaries limited by Medicaid funding and the early morning/late night shifts required, combine to make high turn-over of direct support professionals a common occurrence for agencies providing residential supports. While it is easy to grasp the significance and negative impact of having insufficient numbers of staff to provide required daily supports, the emotional toll taken by frequent staff turnover on individuals relying on those staff for many of life's most intimate tasks must not be discounted.

Even in a situation where housing and supports are "decoupled," as suggested on page 43 of this report, it is essential that individuals be supported by sufficient, qualified staff who are present in their lives as long as possible.

### Aging

As is true for the general population, aging individuals with intellectual and related developmental disabilities require additional accommodations and adaptations to ensure that their homes remain fully accessible to them as they age. Medical breakthroughs have contributed to increases in the life expectancy of those with significant disabilities. Thus, plans must be made to enable these individuals to age in place to the greatest extent possible versus institutionalization late in life. This will require modifications to their existing residences.

#### Profiles of Virginians: Housing Options Across the Lifespan

Jesse, who has cerebral palsy and mild intellectual disabilities, lived with his mother from his birth until 1994, when she was placed in a nursing home. At 48, with no work experience and a minimal education, his aunt helped him find an apartment and assisted him weekly with housecleaning, bill paying and grocery shopping. Jesse was social, rode his bike around town, and expressed his opinions. However, due to his C.P and lack of teeth, his speech was extremely difficult to understand. This caused him frustration, which often led to inappropriate behaviors and altercations with others.

Jesse was awarded a Section 8 certificate to help with housing expenses and began receiving Supportive Living Services in 1995. This worked well for years. As Jesse's health eventually worsened and he appeared to desire more social contact, he moved into a supervised apartment program in 1999, where he still has his own apartment but staff is accessible 24-hours a day. Medicaid Waiver funding helped cover the cost of increased staff support. He remains there at age 63 and has the option of joining others in recreation or staying home with staff. He is happy, safe, and appears to have settled into a relaxed retirement.

#### More Challenged Populations

Individuals with significant medical, physical or behavioral components to their disabilities experience even greater challenges when it comes to identifying and obtaining appropriate housing alternatives. These persons may require upgrades to electrical systems to support life- maintaining equipment, significant structural accommodations to permit mobility through the use of a wheelchair, extra-sturdy construction to withstand damage inflicted during the course of destructive behavior or

special sensors on doors and windows to prevent undetected egress of those not wary of outdoor dangers. Factors for more challenged populations are important considerations.

## CHAPTER 4: INVESTMENT MODELS AND BEST PRACTICES

Fiscal constraints at all levels of government make public funding for housing rent and operating subsidies a considerable ongoing challenge. Therefore, available subsidies for addressing the community housing needs of people with intellectual and related disabilities need to be carefully coordinated and strategically aligned in order to most effectively address critical priority needs.

### Identifying Housing Models and Establishing Investment Priorities

There is no single, right way to create affordable and accessible housing for people with disabilities in the community. Virginia needs to support the development of new, innovative and effective housing and financing models. The circumstances, resources and choices of individuals with disabilities and their families coupled with local, state, federal and private investor/developer resources can each have its own unique fingerprint.

When developing housing for people with disabilities, it is important to consider what model of housing should be applied. Historically in Virginia, much of the housing developed for people with disabilities has been single-purpose housing (i.e., housing that is exclusively targeted to people with disabilities), often with on-site support services.

Technical Assistance Collaborative, Inc. (TAC) confirms the success of this model for some people with disabilities, particularly elderly people with disabilities, but further explains that consumer preference studies and surveys have found that many younger people with disabilities may prefer to live in mixed-population housing (i.e., integrated housing in the community). Individual preference for a specific housing model, mixed-population and/or single-purpose need to be considered by housing officials and the disability community when deciding what type of housing model to pursue.

The development of permanent supportive housing models is integrated in federal policy and is being implemented with success across the country. TAC states that while there is no single ‘official’ definition of permanent supportive housing, the most commonly accepted meaning is: “Decent, safe, accessible, and affordable community-based permanent housing intended for people with serious and long-term disabilities; providing consumers with rights of tenancy under landlord/tenant laws; and linked to voluntary and flexible services designed to meet consumer’s needs and preferences.”<sup>11</sup>

According to TAC, two elements are critical to the success of states and communities that have made progress:

- 1) The creative use of all available affordable housing programs to expand housing options;

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<sup>11</sup> O’Hara, Ann (2003). Permanent supportive housing: A proven solution to homelessness. *Opening Doors: A Housing Publication for the Disability Community*, (20), p. 4. Retrieved from: <http://www.tacinc.org/Docs/HH/OpeningDoors/ODIssue20.pdf>

- 2) Strong partnerships and collaborations between the affordable housing system and the disability communities to ensure that the housing created will meet the needs and preferences of people with disabilities.

The first step in developing a strategic investment strategy should be prioritizing the housing models that are most needed and desired by consumers yet most lacking in the community. Then scarce resources can be best targeted to fill the most critical gaps in the array of choices that consumers are seeking.

### **Leveraging for More**

Ongoing rent and operating subsidies are necessary to the sustained success of programs serving extremely low-income households. Those same resources can be strategically used to leverage considerable additional housing capital. Therefore, the second step in developing a strategic investment strategy is to identify opportunities for leverage, and build both intergovernmental and public-private partnerships that maximize available resources.

As stewards of the public interest, the sharing of knowledge between Virginia's disability services and housing entities is paramount to develop housing investment strategies that most effectively and efficiently serve the needs and desired choices of people with intellectual and related developmental disabilities. A structure is needed to effectively bring together state and local government housing agencies and disability service organizations to identify and implement workable solutions.

Two additional potential entities that could assist with developing effective leveraging strategies and organizing capital investment partners are: Virginia Community Capital (VCC), and the Disability Opportunity Fund.

These Community Development Financial Institutions (CDFIs) have specific knowledge and expertise that can help foster new and creative opportunities. The U.S. Department of the Treasury's CDFI Fund was created for the purpose of promoting economic revitalization and community development through investment in and assistance to CDFIs. The CDFI Fund was established through the Riegle Community Development and Regulatory Improvement Act of 1994 as a bipartisan initiative.

The CDFI Fund's mission is "to expand the capacity of financial institutions to provide credit, capital, and financial services to underserved populations and communities in the United States. Through monetary awards and the allocation of tax credits, a CDFI helps promote access to capital and local economic growth in urban and rural low-income communities across the nation."

#### Virginia Community Capital (VCC)

VCC is a multi-million dollar non-profit, CDFI and banking entity providing innovative loan and investment solutions for affordable housing and economic development projects in Virginia. Its mission is to "offer innovative, flexible financial products designed to support housing and community development ventures, increase jobs and build sustainable communities." VCC offers loan capital that is broader than bank lending to projects that have



a positive community impact in low- to moderate-income communities in underserved geographies and markets.

VCC has grown from a small CDFI doing micro-lending to an institution with \$17 million in equity capital operating throughout the Commonwealth. VCC completed 23 community development projects which created or preserved 623 affordable housing units and created or preserved 83 living-wage, permanent job opportunities. By 2007, it had laid the foundation for the opening of a regulated community development bank and began to focus on new strategic directives to guide its growth for the next three years.

The Disability Opportunity Fund (TDOF)

TDOF is the only existing national CDFI to focus exclusively on disabilities projects. The Fund offers innovative financial products and services providing affordable capital to the disability market. It is spearheading the implementation of leveraging and investment models typically used in both the mainstream and affordable housing development markets and housing development market for people with disabilities. The Fund has effectively used these models with new construction, renovation and acquisition of foreclosures specifically for housing for people with disabilities.

**Examples of Other States’ Use of Public Subsidies to Leverage Housing Investment**

Following are examples of programs undertaken in other states to use public subsidies to leverage housing investments. They are grouped by type of subsidy. These programs have not yet been fully evaluated in regard to the outcomes achieved or their relative cost/benefit.

**Summary of Examples from Other States\***

| State          | Program Description   |                                     |                                  |                                    |   |  |
|----------------|-----------------------|-------------------------------------|----------------------------------|------------------------------------|---|--|
|                | Development Subsidies | Ongoing and “Bridge” Rent Subsidies | General Obligation Bond Proceeds | Rental Housing Operating Subsidies | Funding for Transition Subsidies and Services for People Leaving Institutions | “Decouple” Housing Ownership & Management from Service Provision |
| Alabama        | ●                     |                                     |                                  |                                    |   |  |
| Arkansas       |                       | ●                                   |                                  |                                    |   |  |
| California     |                       |                                     |                                  |                                    |   | ●  |
| Colorado       |                       |                                     |                                  |                                    | ●   |  |
| Connecticut    |                       | ●                                   |                                  |                                    |   |  |
| Maryland       |                       | ●                                   |                                  |                                    |   |  |
| Massachusetts  |                       |                                     | ●                                |                                    |   |  |
| Mississippi    |                       | ●                                   |                                  |                                    |   |  |
| North Carolina |                       |                                     |                                  | ●                                  |   |  |
| New Jersey     |                       |                                     |                                  |                                    | ●   |  |
| Ohio           |                       |                                     | ●                                |                                    |   |  |
| Washington     |                       |                                     |                                  |                                    | ●   |  |

\*Note: This table only summarizes the examples listed below and is not exhaustive of activity in all states.

### Development Subsidies:

- **Alabama:** The Wyatt Consent Decree deinstitutionalized people with mental illness and developmental disabilities. The state housing agency used federal affordable housing funding (HOME and tax credits) to create 300+ units of community housing. Alabama received a “Best Practice” award from the National Council of State Housing Agencies.

### Ongoing and “Bridge” Rent Subsidies:

- **Arkansas:** Spa Area Independent Living Services (SAILS) serves the six county Hot Springs area by combining HOME Investment Partnership Program funds with other sources to provide tenant based rental assistance that enables residents of nursing facilities to transition to integrated settings in the community. Tenant based rental assistance is also used to support persons at risk of placement in nursing facilities to remain in the community. SAILS is an example of a local non-profit agency that has successfully obtained funding from the State Housing Finance Agency to enable individuals to obtain integrated, affordable and accessible housing.

The Arkansas Development Finance Authority (ADFA) allocates and distributes HOME funds in Arkansas through an annual grant process. SAILS applied for and received HOME Tenant Based Rental Assistance Program funds because local housing authorities showed little or no interest in the program.

Individuals eligible for the Home Tenant Based Rental Assistance must be at risk of placement in a nursing facility. SAILS obtains an independent assessment for each applicant’s at-risk status from a physician or case management entity. SAILS locates eligible rental properties and determines if the property owners will accept the tenant based rental subsidies. Rental properties must meet HUD criteria. The ADFA pays the rental subsidies directly to property owners. SAILS conducts monthly phone calls to tenants and landlords to monitor satisfaction with the nursing home diversion program.

- **Connecticut:** As in other areas of the country, the demand for Housing Choice Vouchers in Connecticut has far exceeded available financial resources. In 2005, DSS closed the waiting list for the HUD-funded Housing Choice Vouchers. In order to continue to support the transition of individuals from nursing facilities to the community, the state granted access to its existing state-funded Rental Assistance Program (RAP). Modeled on the Housing Choice Voucher Program, the RAP provides tenant-based rental certificates similar to the Housing Choice Voucher Program.

New RAP certificate holders may choose a housing unit anywhere in Connecticut. DSS adopted median income guidelines published annually by HUD. DSS calculates the maximum dollar amount of housing assistance a family may receive. The RAP program administrator pays the housing subsidy to the landlord on behalf of the participating individual/family.

- **Maryland:** The Maryland Governor’s Commission on Housing Policy recommended the creation of a Bridge Subsidy Demonstration Project which provided up to three years of rental assistance to individuals with disabilities at SSI and SSDI level income. This rental assistance “bridges the gap” until Section 8 Housing Choice Vouchers or other long term rental assistance funds are available. Funding was made available by reallocating a portion of existing resources from the Maryland Department of Housing and Community Development and other state agencies.

Maryland matched Section 8 Housing Choice Vouchers for people with disabilities exiting institutional settings for the community rental housing market. Maryland used home and community based waiver funds to pay for the services and used state housing agency funding (HOME) as “bridge subsidies.”

- **Mississippi:** The Mississippi Home of Your Own (HOYO) program assists people with disabilities and their families in locating counseling, community supports and financial assistance to allow them to purchase and maintain their own home. The HOYO program provides person-centered planning and individualized support and guidance through the loan process, pre- and post-purchase home buyer counseling, referral for community services and advocacy in support of independent living. Partners in the Mississippi HOYO include representatives from financial institutions, non-profit housing finance agencies, advocacy organizations, real estate associations, the private sector, local and state governments and people with disabilities and their families.

This Mississippi program effectively combines HUD Homeownership Vouchers with other sources of funding, including HOME dollars, Federal Home Bank Grant and private city grants. Financial assistance for qualified applications may be up to \$15,000 per household. Funds may be used for a down payment, accessibility modifications, home warranty expenses, inspection costs, closing costs and principle reduction. Currently, the Mississippi HOYO program assists with the purchase of 20-30 houses per year. The average purchase price of a home is \$75,000.

#### State General Obligation (GO) Bonds:

- **Massachusetts:** The Facilities Consolidation Fund converted general obligation bond funds originally appropriated for institutions to create units dedicated to people with disabilities, including integrated units in multi-family rental housing. These relatively small investments were/are piggy-backed on LIHTC, HOME, and other sources of capital and rent subsidy funding to make the units more affordable to people on SSI.
- **Ohio:** Capital funds (GO Bonds) originally appropriated for facilities were converted to community housing for both people with intellectual/developmental disabilities and people with mental illness.

Specialized non-profits developed small scale, integrated units with a variety of other fund sources, as well as state bond funds. Sources used include:

- HOME, CDBG
- Section 8 HCV

- Set-asides in Low Income Housing Tax Credit (LIHTC) properties

#### Rental Housing Operating Subsidies:

- **North Carolina:** The North Carolina Housing Finance Agency (NCHFA), in collaboration with the North Carolina Department of Health and Human Services (DHHS), has effectively combined LIHTC with a state-funded operating subsidy program and other enhancements to create integrated, accessible, affordable community housing for low-income persons with disabilities.

In 2002, NCHFA, via its Qualified Allocation Plan (QAP), provided bonus points for LIHTC applications that chose to set-aside 10 percent of the units in their development for rent to very low-income persons with disabilities and homeless persons. NCHFA required developers who opted for these bonus points to partner with a local human service agency (lead agency) in developing a Targeting Plan for the LIHTC units.

#### Targeting Plan Basics:

- Relationships between developers, managers, and service providers;
- Lead agency tenant referral process;
- Access to services, transportation, and amenities;
- 90-day reservation of units for eligible tenants with disabilities during initial rent-up;
- 30-day reservation when targeted units ‘turn over;’ and
- Targeted units must be affordable to persons with incomes as low as SSI.

In 2004, NCHFA made the set-asides and Targeting Plan a requirement of all applications for LIHTC. Also in 2004, NCIFA and DHHS created the Key Program to provide project-based operating subsidies for LIHTC units. Each agency contributed non-recurring state funds. The operating subsidies make up the difference between what the tenants with income based on disability can afford in rent (generally \$150.00 per month), and the revenue the developer or property manager needs from the rental unit. The operating subsidy serves as a bridge subsidy until tenant-based rental assistance, usually in the form of a Housing Choice Voucher (also known as Section 8), can be obtained. Tenants in LIHTC-targeted units are required to apply for Housing Choice Vouchers because the goal is to transition households to permanent, portable rental assistance. The average per unit operating subsidy of \$250 per month is less than the cost of tenant-based vouchers, and substantially less than the alternative of continued homelessness or facility-based residential services.

North Carolina’s success in using LIHTC to create integrated, accessible, and affordable housing opportunities is due to partnerships at the state level, as well as local collaboration. NCHFA and DHHS work closely together in the design and operation of the Targeting Plans and Key Program. At the property level, linkages have been formed between management and local human services providers. The result is a collective referral process open to persons with a wide range of disabilities and coordination of an array of community-based services and supports. A key to this success is that neither party has to step far outside of its normal role: “Developers and

property managers focus on building and managing rental housing, leaving human service agencies to do what they do best – providing support to individuals and families in their communities.”

Making housing affordable to people whose only income is SSI requires some form of rental or operating assistance. In North Carolina, the Key Program fund fills this need and the other essential ingredients of this housing partnership (such as having human service agencies make referrals for targeted units and offering community supports to eligible tenants) require limited additional state expenditures. The major investment has been in staff time spent educating property managers and organizing local human service agencies to take advantage of LIHTC units.

#### Funding of Transition Subsidies and Services for People Leaving Institutions:

- **Colorado:** In 1998, Colorado implemented the Fast Track program to increase the number of persons discharged from hospitals to community-based settings instead of nursing homes. The purpose of the Fast Track program is to address some of the structural problems in the Medicaid system that act as barriers to community living for persons who have been hospitalized. The focus of the project has been to provide on-site assessment for waiver services and Medicaid eligibility determination within a hospital setting to divert hospital discharges from nursing facility placements when appropriate. The program has adopted a series of accelerated procedures for conducting assessments of hospital patients, determining financial eligibility for Medicaid and approving and arranging community-based services. Between July 2000, and June 2001, out of 122 potential fast-track candidates referred by the hospital to the program, 87 (71 percent) were successfully fast-tracked to community settings.<sup>12</sup>
- **New Jersey:** Under New Jersey’s Community Choice Initiative, the State employs 40 counselors who are exclusively dedicated to informing nursing home residents and hospital patients awaiting nursing home admission about HCBS and housing alternatives. The counselors, who are registered nurses and social workers, also provide assistance to residents who express a desire to move out of a nursing home. Counselors are notified as soon as a Medicaid participant enters a nursing home and start working with the participant on community-based alternatives. Counselors also provide assistance to persons who have been in nursing homes for many years. Between 1998 and 2001, over 3,400 people were discharged from nursing homes with the help of Community Choice. In the first three years of the Community Choice Initiative, New Jersey’s Medicaid nursing home population decreased by 1,500 (5 percent).<sup>13</sup>
- **Washington:** The State of Washington employs numerous innovative mechanisms to reduce the number of nursing home residents on Medicaid. All current residents have the option to receive case management from nursing home case managers to assist them in leaving the nursing home. Washington also helps Medicaid-eligible residents keep their home or obtain and furnish a home after transition. Under post-eligibility treatment of

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<sup>12</sup> *State Medicaid Directors’ Letter*. (SMDL# 02-012)(2002). Washington, D.C.: Centers for Medicare and Medicaid Services.

<sup>13</sup> *Ibid.*

income rules, Medicaid residents can use their own income for up to six months – up to 100 percent of the poverty level -- to make rent, mortgage, utility and other payments to maintain their home in the community. Transitioned nursing home residents also can receive a one-time payment of up to \$800 of state funds to help with rent, security deposits, utilities, household goods, assistive technology, furniture or home modifications. To keep the supply of nursing home beds from growing too high, Washington’s Certificate of Need Program (COPN) includes use of HCBS in the calculation of unmet need for nursing home beds. As a result of these combined efforts, the number of Medicaid nursing home residents declined by 16 percent (16,234 to 13,693) from July 1995 to July 2000.<sup>14</sup>

In the New Jersey and Washington examples discussed above, the dollars allocated to institutional care were allowed to follow the individual to the most appropriate living arrangement instead of forcing the individual to follow placement to wherever dollars were available. This “Money Follows the Person” principle is imperative to providing the resources necessary to overcome the barriers that impede people from migrating to the least restrictive environment.

Also, dedicated staff was available specifically to facilitate transitions for residents wishing to return to community life. Often, people who once lived in institutions and now work for Centers for Independent Living or Area Agencies on Aging were the best facilitators for such transition. But perhaps most importantly, sufficient flexible dollars were provided to allow the person to establish a community residence tailored to individual needs. The transition facilitators help the individuals coordinate community-based supports with appropriate living arrangements. Together this transition team works with local public housing authorities, non-profit housing providers and local landlords to ensure an appropriate match of supports and housing. This combination of money following people and targeted transition assistance are two principles that build a unified housing policy linking housing policy and social policy that result in people with serious disabilities successfully integrating into communities (Crisp, Eiken, Gerst, & Justice, 2003).

#### “Decoupling” of Housing and Services

- **California:** In 2003, the State Department of Developmental Services (DDS) was directed to develop a plan to close the Agnes Developmental Center and transition its 240 residents with developmental disabilities into the community. As a result, between 2006 and 2009, Hallmark Community Solutions (HCS), a nonprofit housing developer, developed 60 homes in 19 communities for individuals leaving Agnes using a new and innovative financial structure as well as an ownership model described below.

HCS, in partnership with the three Bay Area Regional centers (similar to Virginia’s Community Services Boards) and DDS, created a plan which required that the owner of the home be *separate* from the provider of services. Upon completion by HCS of the home’s development, ownership is transferred to a nonprofit and a service provider contracts via a lease arrangement to provide services in the home. The implications of this model are significant. Residential properties are deed-restricted to house only people

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<sup>14</sup> Ibid.

with developmental disabilities. If the service provider does not provide quality care, then the Regional Center and nonprofit owner can terminate the lease and bring in a replacement provider. Since the provider does not own the home, the individuals living in it do not have to move during any such transitions. Ownership by a separate nonprofit whose purpose is to own and manage the home in perpetuity provides for a growing stock of affordable housing serving people with developmental disabilities. In addition, since service providers do not have to be experienced in housing development and management or incur real estate financial risk, it is much easier for a new pool of service providers to enter the industry.

Permanent financing is structured as a combination of taxable and tax-exempt state bond financing with a 15-year, long-term residency lease agreement and a Regional Center lease assurance agreement serving as the foundation. While the financing structure of this model may not be replicable in today's fiscal and mortgage market environments, the program design is worthy of further exploration.

### **The Home Sharing Model**

The current service system includes models of “home sharing” in the form of sponsored residential and adult foster care services, in which individuals with intellectual disabilities may live with a single person without disabilities or an entire family in that person's/family's home. Both of these alternatives limit the number of persons with disabilities who can live in a single home (no more than two in the former and no more than three in the latter). In this way, these models are often ideal for individuals with higher needs as there is the potential for them to receive more individual attention than in larger, congregate settings.

Another possibility for home sharing permitted by CMS in its 1915(c) Waivers is an “unrelated live-in caregiver.” This provides for the payment of a portion of the costs of rent and food attributable to an unrelated personal caregiver who resides in the same household with an individual receiving waiver services. The “personal caregiver provides a covered waiver service to meet the individual's physical, social or emotional needs and the waiver compensates the individual for the additional costs he/she may incur for the rent and food for such caregiver”<sup>15</sup> in the individual's own home (owned or rented). Virginia has not pursued this option at this point, but it may be a means to help support individuals living in their own home/apartment with one other person versus larger, congregate settings.

The examples above illustrate several potential implications for Virginia. First, for the mission to increase choice and opportunities for people to live in integrated settings in the community, housing needs to be considered a *home*, not a *facility*. Second, in order to accomplish this, capital funds are essential; however, rent/operating subsidies are also critical to the long-term sustainability of community housing. These may be accomplished through utilizing the Housing Choice Voucher Program, HOME, 811, and state funds). As other states' experiences demonstrate, there are many ways resources can and should be leveraged to create new, affordable, mainstream housing options for people with disabilities. No one model can

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<sup>15</sup> *Application for a 1915(c) Home and Community-Based Waiver [Version 3.5]: Instructions, Technical Guide and Review Criteria*. (2008). Washington, D.C.: Centers for Medicare and Medicaid Services.

do it all – there needs to be a variety of integrated approaches through multiple sponsors, financing and service delivery mechanisms.

### **Decoupling Housing and Services**

The separation (decoupling) of housing from services is an increasingly important modernization of policy and practice that can be difficult to conceptualize. Housing for people with developmental disabilities is typically owned and controlled by service providers. When housing and support services are tied together, individuals are vulnerable to funding changes and other pressures affecting the agency providing support. Movement in the “decoupling” direction seems critically important if Virginia is to meet the housing and service needs of people with disabilities in a manner that not only demonstrates the articulated values of this new era but is also fiscally sustainable.



## CHAPTER 5: RATE OF CHANGE – PREDICTING FOR THE FUTURE

### Trends Related to Institutions

For more than 25 years now, the national and state trend has been moving steadily away from state-operated institutions toward homes that are located in integrated settings in the community. State and local housing agencies have worked to accommodate the significant growth in demand for rental assistance among people with disabilities and significant progress has been made.

Many states, including Virginia, have been engaging in a continuous, progressive movement toward facilitating significant reductions in state-operated institutions in favor of community-based services in the past several decades. This reflects the widespread recognition that community housing and services are the optimal investment for individuals with intellectual and related developmental disabilities. It also demonstrates it is possible to successfully downsize state institutions in a planned manner to ensure that residents who require skilled care or who have challenging behaviors continue to receive needed services.

### Recent Activity in Other States

During 2005-2007, 10 states initiated facility closure initiatives, some in the face of opposition, such as Massachusetts and Washington.<sup>16</sup> State data from the University of Minnesota Research and Training Center on Community Living (UMN RTCCL) additionally reveal that in 2008, Georgia, Florida, and California have closed one state ID/DD facility each (Research & Training Ctr. on Community Living, Univ. of Minnesota, 2008, Table 1.12). Tennessee is in the process of completing 12 community homes as part of closing the Arlington Development Center (ADC) by 2010. This initiative, the West Tennessee “New Life” Community Homes, will move 48 medically fragile individuals with ID into state operated four-bed ICFs-MR. Tennessee’s two remaining large ID/DD centers have been, and will continue to be, downsizing. “As the nation’s institutional census continues to fall and average daily costs increase, there will be continued pressure on states to close institutions.”<sup>17</sup>

By closing the Ft. Wayne Developmental Center, Indiana became the most populous state to operate its service system for people with developmental disabilities without relying on a state-operated institution for 16 or more persons.<sup>18</sup>

In 2006, 12 states had fewer than 200 individuals still residing in state-operated settings. Several states have completely closed all their state operated institutions. To date, Alaska, Hawaii, Indiana, Maine, New Hampshire, New Mexico Oregon, Rhode Island, Vermont, West Virginia, and the District of Columbia no longer operate state institutions.

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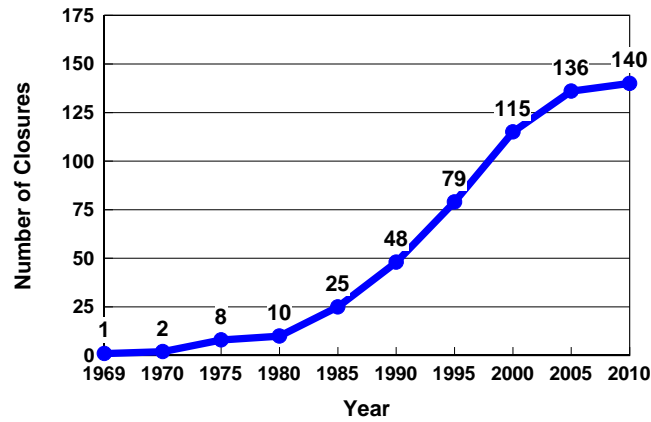
<sup>16</sup> Braddock, D., Hemp, R. & Rizzolo, M. (2008). *State of the states*. Washington, D.C.: American Association on Intellectual and Developmental Disabilities.

<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

In fact, states which have had the need to repair large, aging facilities have predominately chosen to redirect the funding towards community-based housing to strengthen community integration, improve infrastructure for services and supports, and meet increasing demand for community-based services.

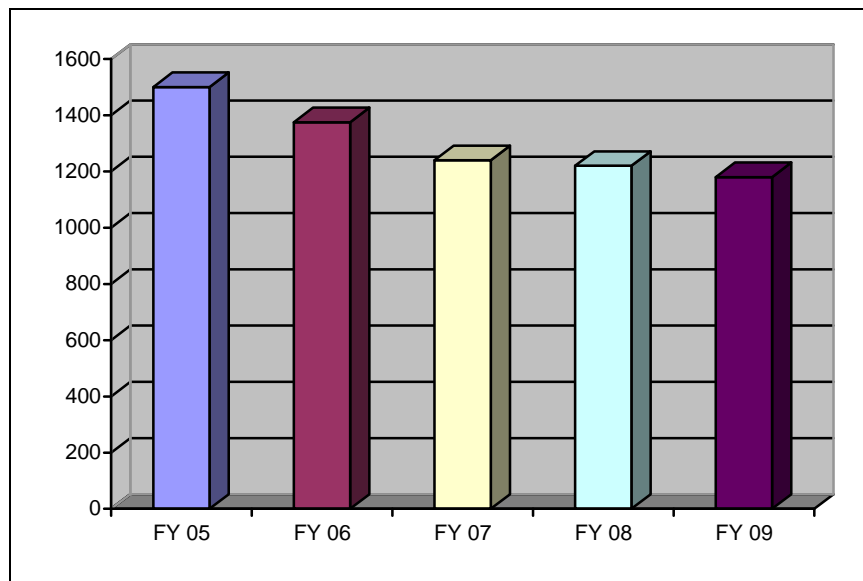
**Figure 21**  
**CUMULATIVE NUMBER OF COMPLETED AND**  
**IN-PROGRESS CLOSURES OF STATE-OPERATED 16+**  
**INSTITUTIONS IN THE UNITED STATES: 1960 - 2010**



Source: Braddock et al., Coleman Institute and Department of Psychiatry, University of Colorado (2008).

### Recent Activity in Virginia

The census of Virginia’s state-operated training centers has declined significantly over the past 20 years. In the last five fiscal years, the census of Virginia’s training centers has steadily decreased from 1,517 at the end of FY 05 to 1,173 at the end of FY 09. The following graph illustrates the annual reductions for this five year period:



### Profiles of Virginians: A Success Story

Eli was admitted to Central State Hospital at the age of thirteen, where he lived for 22 years. Although he has severe intellectual disabilities and is nonverbal, he has never shown signs of mental illness and is a quiet, gentle person. In 1968, he was transferred to Central Virginia Training Center, where he shared a unit with 19 other men. He was discharged to a small community home in 1995 at the age of 62, after a total of 49 years of institutionalization. He adjusted to living in the community immediately, became close friends with his two housemates, and has been supported by the same staff for 10 years. At age 76, he attends a Friendship Café for seniors, enjoys excellent health and spends his afternoons in his rocker on the screened porch of his home.

While admissions to the training centers do continue to occur sporadically, the net reduction in training center census for this same period, illustrated in the graph above, should come as no surprise. A recent study by Fortune and Auerbach, in which the American Association on Intellectual and Developmental Disabilities' *Supports Intensity Scale* (SIS) scores of 156 individuals residing at Southeastern Virginia Training Center (SEVTC) were compared to the scores of 521 individuals receiving MR/ID Waiver services, results showed that individuals receiving MR/ID Waiver services in the

community and those residing SEVTC had similar support needs.<sup>19</sup> Many former training center residents are now successful community residents. It should be noted that Virginia is one of only 10 states that has not closed a state ID/DD facility and is one of only five states that have multiple, large (16+ beds) state institutions and no closures to date. The other four states are Arkansas, Mississippi, Nevada, and Iowa.<sup>20</sup> In 2006, Virginia had the 12th highest rate among all states in the utilization of state operated institutions for persons with intellectual disabilities.

### **Predicted Growth of Community Services**

#### A Landmark Year

In 1989, for the first time, national spending for home and community-based services for people with developmental disabilities exceeded spending on institutional services. By 2006, 49 states, including Virginia (which achieved this milestone in 1996, as illustrated in the graph below), had higher expenditures for community-based services than for institutional services.<sup>21</sup> Virginia is currently ranked 46<sup>th</sup> among the states in its fiscal effort for community-based services.

National data for 2006 estimate that approximately 66 percent of individuals with intellectual or developmental disabilities reside with a family caregiver, while another 15 percent live with a spouse and 13 percent live in their own home or apartment. Of those individuals living with family members, an estimated 25 percent have family members who are aged 60 or over, and 35 percent have family who are aged 41-59 years.

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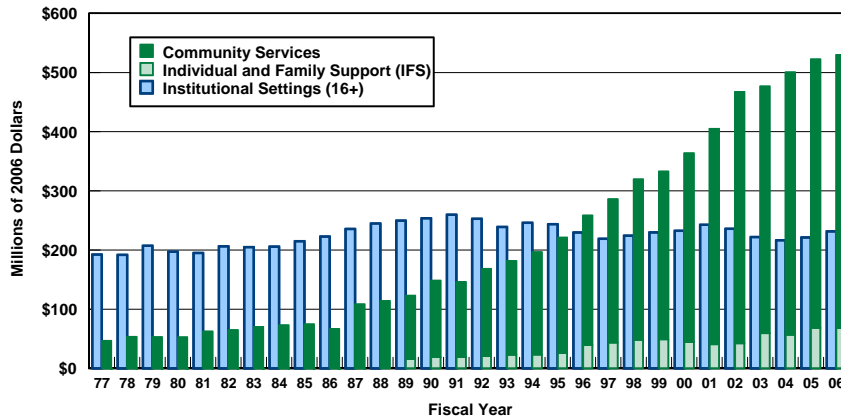
<sup>19</sup> Fortune, J., & Auerback, K.J. (2009). *Information brief: Virginia SIS comparisons for SEVTC and comprehensive community waiver populations*. Portland, OR: Human Services Research Institute.

<sup>20</sup> Braddock, et al. (2008).

<sup>21</sup> Ibid.

# Virginia

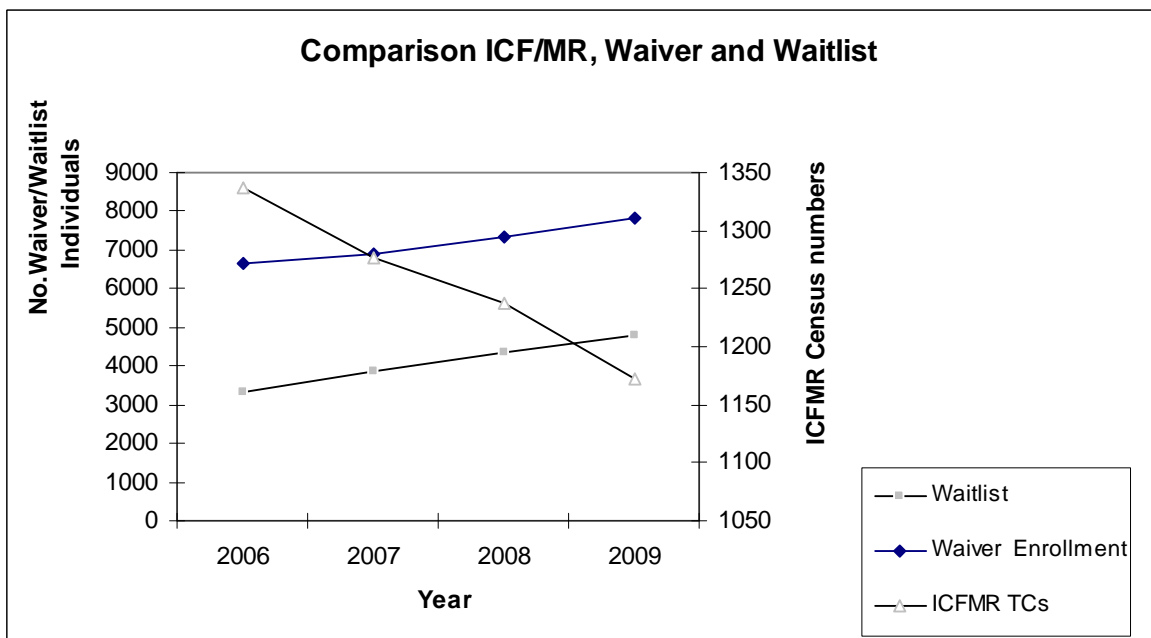
## TRENDS IN SPENDING



Source: Braddock, et al., Coleman Institute and Department of Psychiatry, University of Colorado (2008).

In Virginia, almost 18,000 persons with intellectual or developmental disabilities are estimated to be living at home with parents over the age of 60.<sup>22</sup> These individuals will be in need of out-of-family-home residential supports in the near future.

The number of individuals served on home and community-based waivers has significantly increased since the creation of Virginia's Medicaid MR Waiver in 1991. As of 2009, over 8,100 Virginians with intellectual disability are currently being served in the community through the Medicaid MR/ID and Day Support Waivers, and an additional 595 with a developmental disability other than ID are being served through the Medicaid IFDDS Waiver.



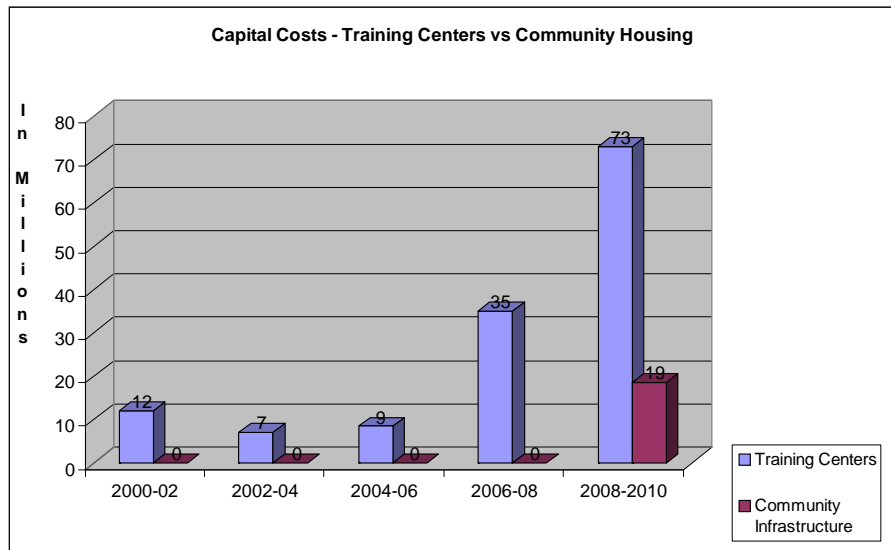
<sup>22</sup> Ibid.

The graph above seems to demonstrate a statewide preference for community-based housing over ICFs/MR. This is further evidenced by the more than 8,700 Virginians with intellectual and developmental disabilities receiving Waiver services, plus the more than 5,600 individuals who are on waiting lists for community-based ID/DD services in lieu of institutional care. It appears that this demand for community-based housing is a continuing trend, as nearly 1,000 new people are requesting these Medicaid Waivers each year, as shown in the chart below.

| <b>Additions to MR/ID Waiver Waiting List Annually</b> |                           |                    |                     |                     |   |
|--|---------------------------|--------------------|---------------------|---------------------|---|
| <b>Date</b>  | <b>Total on Wait List</b> | <b>Slots Added</b> | <b>Total Growth</b> | <b>Total Months</b> | <b>Average Monthly Growth of Waiting List</b> |
| June 30, 2006  | 3,345                     |                    |                     |                     |   |
| July 1, 2006   |                           | 259                |                     |                     |   |
| June 28, 2007  | 3872                      |                    | 786                 | 12                  | 66  |
| July 1, 2007   |                           | 399                |                     |                     |   |
| June 26, 2008  | 4,375                     |                    | 902                 | 12                  | 75  |
| July 1, 2008   |                           | 400                |                     |                     |   |
| April 30, 2009   | 4752                      |                    | 777                 | 10                  | 78  |
| May 30, 2009   |                           | 200                |                     |                     |   |
| August 20, 2009  | 4883                      |                    | 331                 | 4                   | 83  |

### Latest Activity in Virginia

The 2008-2010 Biennium Budget represented Virginia’s first step toward creating a policy of investing in community-based housing rather than institutions. Twenty-eight of the \$66 million dollars for state facilities originally included in the 2008-2010 Biennium Budget was redirected to the community. While there were significant dollars remaining to rebuild and renovate aging institutions, Virginia has made an important move to create housing for individuals with intellectual and related developmental disabilities.



## Estimating Housing Needed Statewide

In considering the question of the number of housing units needed, by type and the location for those units, it is important to remember that the answer is a constantly changing target. People may choose a type of housing at a certain point in time, but their needs and desires may change. In addition, individuals are constantly moving on and off the waiting list. A future step may be to survey every individual regarding his/her preferred housing option but it will only represent a point-in-time snapshot of need. The information in the table below is an initial general estimate:

### Estimate of Housing Needs by Waiting List\*\*

| Community Services Board (CSB)  | Urgent Needs | Non-Urgent  | Total Wait List | Est. # Needing Housing* |
|---|--------------|-------------|-----------------|-------------------------|
| Alexandria CSB  | 9            | 3           | 12              | 6                       |
| Alleghany-Highlands CSB   | 12           | 8           | 20              | 9                       |
| Arlington CSB   | 20           | 32          | 52              | 23                      |
| Blue Ridge Behavioral Health CSB  | 67           | 99          | 166             | 72                      |
| Central Virginia CSB  | 120          | 36          | 156             | 68                      |
| Chesapeake CSB  | 60           | 58          | 118             | 51                      |
| Chesterfield County CSB   | 177          | 232         | 409             | 176                     |
| Colonial Services Board   | 30           | 56          | 86              | 37                      |
| Crossroads CSB  | 35           | 28          | 63              | 28                      |
| Cumberland Mtn. CSB   | 11           | 10          | 21              | 10                      |
| Danville-Pittsylvania CSB   | 70           | 46          | 116             | 50                      |
| Dickenson County CSB  | 1            | 0           | 1               | 1                       |
| District 19 CSB   | 38           | 40          | 78              | 34                      |
| Eastern Shore Community Service   | 10           | 10          | 20              | 9                       |
| Fairfax/Falls Church CSB  | 311          | 253         | 564             | 243                     |
| Gochland-Powhatan CSB   | 7            | 15          | 22              | 10                      |
| Hampton-Newport News CSB  | 97           | 202         | 299             | 129                     |
| Hanover Community Services  | 44           | 31          | 75              | 33                      |
| Harrisonburg-Rockingham CSB   | 37           | 20          | 57              | 25                      |
| Henrico County CSB  | 128          | 212         | 340             | 147                     |
| Highlands CSB   | 18           | 28          | 46              | 20                      |
| Loudoun County CSB  | 76           | 49          | 125             | 54                      |
| Middle Peninsula-Northern Neck CSB  | 46           | 3           | 49              | 22                      |
| Mt. Rogers CSB  | 64           | 51          | 115             | 50                      |
| New River Valley CSB  | 63           | 61          | 124             | 54                      |
| Norfolk Community Services Board  | 101          | 95          | 196             | 85                      |
| Northwestern CSB  | 75           | 67          | 142             | 62                      |
| Piedmont Community Services   | 58           | 14          | 72              | 31                      |
| Planning District 1 CSB   | 25           | 7           | 32              | 14                      |
| Portsmouth CSB  | 17           | 20          | 37              | 16                      |
| Prince William County CSB   | 70           | 63          | 133             | 58                      |
| Rappahannock Area CSB   | 210          | 39          | 249             | 108                     |
| Rappahannock- Rapidan CSB   | 25           | 26          | 51              | 22                      |
| Region Ten Community Services   | 75           | 14          | 89              | 39                      |
| Richmond Behavioral Health  | 142          | 117         | 259             | 112                     |
| Rockbridge Area CSB   | 11           | 23          | 34              | 15                      |
| Southside CSB   | 13           | 21          | 34              | 15                      |
| Valley CSB  | 48           | 38          | 86              | 37                      |
| Virginia Beach CSB  | 102          | 211         | 313             | 135                     |
| Western Tidewater CSB   | 69           | 25          | 94              | 41                      |
| <b>Grand Total</b>  | <b>2592</b>  | <b>2363</b> | <b>4955</b>     | <b>2151</b>             |
| <p>NOTES:<br/>           *Approximate number of people needing housing based on 43% Current Utilization of ID Waiver.<br/>           **This is an estimate of housing needs for individuals who are waiting for services through the MR/ID Waiver only. It does not include those individuals who are on the waiting list for, or are receiving services from, the DD Waiver or those individuals who have a developmental disability and do not qualify for Waiver services.</p> |              |             |                 |                         |

## CHAPTER 6: RECOMMENDATIONS AND SUMMARY

### Policy Recommendations – Next Steps

The basic precept that “disability is a natural part of the human experience that in no way diminishes a person’s right to participate fully in all aspects of life” is now established in federal law. Housing and service models/opportunities that are creative and rooted in the values and principles set forth in federal law need to be prioritized and instituted as part of a framework for housing and disability policy in Virginia. The following are recommendations designed to further Virginia’s desire to expand community housing options for people with intellectual and related developmental disabilities and to capitalize on “*investment models and best-practices for the development of affordable and accessible community-based housing for persons with intellectual and related developmental disabilities.*”

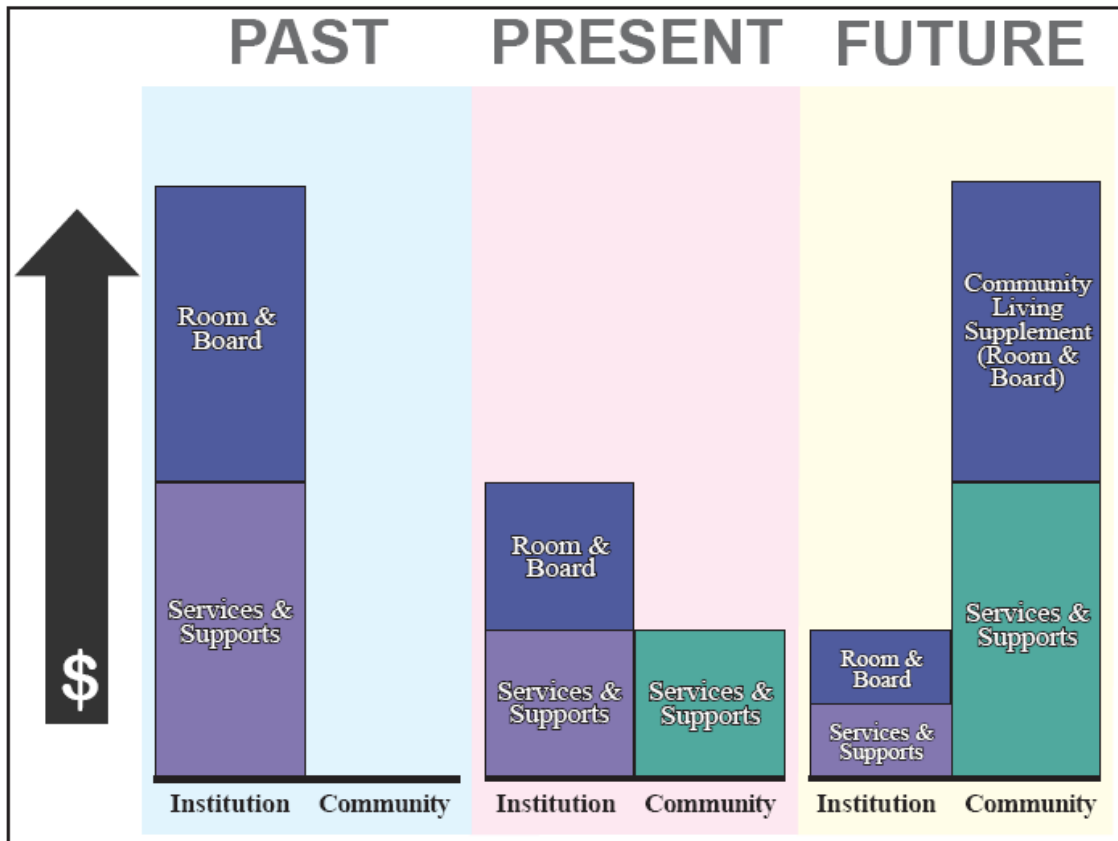
#### It is recommended that Virginia:

1. **Develop a state policy and plan to expand critically needed community housing options** for people with intellectual and related developmental disabilities. Current efforts to develop community-based housing for individuals with intellectual and related developmental disabilities are fragmented. Housing options must be affordable, accessible and reflect Virginia’s “person-centered” vision for serving people with disabilities.
2. **Prioritize, target and align state agency investments of assistance** with that strategic plan. State strategic investment priorities will help to organize and align federal, state, local and private investment resources which can significantly increase the development of integrated community housing for individuals with intellectual and related developmental disabilities. The state agencies that should participate in the development of the investment priorities are:
  - i. Department of Behavioral Health and Developmental Services (DHBDS)
  - ii. Department of Housing and Community Development (DHCD)
  - iii. Virginia Housing Development Authority (VHDA)
  - iv. Department of Medical Assistance Services (DMAS)

The leadership of state agencies is critical in supporting the development of local coalitions aimed at increasing affordable and accessible housing options. Further, Virginia’s disability services agencies must become fluent regarding Virginia’s federal housing resources and the prioritization of those resources.

3. Invest in the development of innovative housing and financing models that can **effectively leverage affordable housing finance capital and private investor resources**. Three related steps to this recommendation are:
  - Build the capacity and willingness of the housing development community to provide desired community housing options;
  - Establish program priorities for federal housing resources allocated to Virginia, including any National Housing Trust Fund resources, which are aligned with state investment priorities for addressing the community housing needs of people with intellectual and related developmental disabilities; and

- Direct the Virginia Housing Commission to study General Obligation bond use for housing in Virginia, including any Virginia-specific legal concerns. (see Examples of Other States' Use, p. 37)
4. **Establish a community living supplement program for room and board to support the choice of community housing.** A supplement of this kind will help solidify Virginians commitment to individuals who reject institutional living.
  5. Convene a meeting of agency heads from DBHDS, VHDA and DHCD to consider the adoption of **an updated Memorandum of Understanding (MOU)**.
  6. **Establish a permanent state source for education and training** to provide a resource for CSBs and others to continually connect housing and the needs of people with intellectual and related developmental disabilities.
  7. **Direct the Disability Commission**, through the state interagency Housing Expansion Task Force and in conjunction with the Housing Commission, **to conduct an annual review of Virginia's implementation of these recommendations in subsequent years.**



This graphic is not a representation of actual dollars in the system. It depicts the desired shift in service delivery.



**Summary**

As evidenced by the almost 5,000 individuals waiting for services in the community (rather than accept institutional care) and their clearly expressed desire to be a part of mainstream society, community housing is recognized as a civil rights issue. The information presented about the declining census of the training centers, the national trends and the larger demand in Virginia for community-based housing options and services points to the need for a greater commitment to investment in the community on behalf of Virginians with intellectual and related developmental disabilities.

The concepts of community supports, inclusion, self-determination, person-centered planning, and consumer direction are fully integrated in federal policy and are the predominant preference of people with disabilities. This new era can serve as a catalyst for facilitating Virginia's modernization in policy and practice to build capacity to support the community housing and service needs of its citizens with disabilities.



## APPENDIX A: Study Authority

### Item 315. Z. of the 2008 Appropriation Act\*

*Z. The Department of Mental Health, Mental Retardation and Substance Abuse Services, in conjunction with the Virginia Housing Development Authority, the Department of Housing and Community Development, the Virginia Association of Community Services Boards, The Arc of Virginia and the Virginia Network of Private Providers, as well as with input from other statewide advocacy organizations, shall report on investment models and best-practices for the development of affordable and accessible community-based housing for persons with intellectual and related developmental disabilities. The report shall include how other states have provided financial incentives for the acquisition, renovation or construction of community housing. The report shall identify specific funding options that will increase the availability of community housing, leverage state dollars, and promote individualized, person-centered housing for people with intellectual and related developmental disabilities. The report shall also include recommendations on the number of housing units, the location and type of units as well as an allocation methodology to ensure equitable statewide distribution. The report shall also address access to transportation and use of informal and formal support networks that are critical components of the success of housing models for this population. The report shall be submitted to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by October 1, 2009.*

(\*Budget Item introduced by The Hon. James M. Scott, Member, Virginia House of Delegates, 53<sup>rd</sup> District)



## APPENDIX B: Related Reference Materials

### Documents:

Cooper, E. & O'Hara, A. (2003). *Regional Housing Forum: A technical assistance guide for housing resources and strategies*. Boston: Technical Assistance Collaborative, Inc. [Developed under U.S. Department of Health and Human Services Grant #P-91512/2]

Crisp, S., Eiken, S., Gerst, K., & Justice, D. (2003). *Money follows the person and balancing long-term care systems: State examples*. Washington, D. C.: U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services' Disabled and Elderly Health Programs Division.

*The flexible voucher program: Why a new approach to housing subsidy is needed*. (A White Paper)(2004). Washington, D. C.: U. S. Department of Housing and Urban Development.

Herbert, C. E., Bonjorni, J., Finkel, M., Michlin, N., Nolden, S., Rich, K., & Srinath, K. P. (2001). *Study of the ongoing affordability of HOME program rents* (Contract # C-OPC-18571). Cambridge, MA.: U.S. Department of Housing and Urban Development, PD&R.

Klein, J., Jones, D., Horvath, D. & Burchfield, S. (2007). *Funding Sources Successfully Used by States to Support Development of Integrated, Affordable, and Accessible Community Housing*. Houston: Independent Living Research Utilization. [Developed under Grant Nos. 11-P-92574/6-01 and 18-P-91554/6-01 from the U.S. Department of Health and Human Services. Centers for Medicare & Medicaid Services]

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National Disability Institute and the Technical Assistance Collaborative, Inc. (2003, September). *Analysis of means and alternatives for expanding affordable, accessible housing for persons with disabilities and frail elders statewide, final report to the Commonwealth of Virginia*. Report to the Virginia Disability Commission Housing Work Group, the Virginia Housing Development Authority, and the Virginia Department of Housing and Community Development. Richmond, Virginia.

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Virginia Department of Housing and Community Development and Virginia Housing and Development Authority. (2001, November). *Analysis of housing needs in the Commonwealth*. Richmond, VA.

Virginia Housing and Development Authority. (2000). *Study of funding for housing serving people with disabilities*. Senate Document No. 12. Report to the Governor and General Assembly. Richmond, VA.

**Web Sites:**

National Low Income Housing Coalition: [www.nlihc.org](http://www.nlihc.org)

Opening Doors (newsletter): [www.tacinc.org/Pubs/ODpubs.htm](http://www.tacinc.org/Pubs/ODpubs.htm)

U.S. Department of Housing and Urban Development: [www.hud.gov](http://www.hud.gov)

US Department of Treasury Community Development Financial Institution Fund  
[http://www.cdfifund.gov/what\\_we\\_do/overview.asp](http://www.cdfifund.gov/what_we_do/overview.asp)

Virginia Department of Housing and Community Development (VDHCD):  
[www.dhcd.virginia.gov](http://www.dhcd.virginia.gov)

Virginia Housing Development Authority (VHDA):  
[www.vhda.com/vhda\\_com/front\\_page/default.asp](http://www.vhda.com/vhda_com/front_page/default.asp)

## APPENDIX C: Acknowledgments and Study Group Membership

### Acknowledgements

**Stephen L. Day**

Co-founder and Executive Director  
 Technical Assistance Collaborative

**Charles D. Hammerman**

President & CEO  
 The Disability Opportunity Fund

**William E. Skeen**

Chief Credit Officer  
 Virginia Community Capital

### The Staff of Fidura and Associates

| <b>Study Group Members</b>  |  |
|---|--|
| <b>Mandated Members</b> (as listed in budget language)  | <b>Non-mandated Members</b><br>(other statewide organizations invited)                         |
| <b>Virginia Department of Behavioral Health and Developmental Services (DBHDS)</b><br>Lee Price<br>Dawn Traver<br>Teja Stokes<br>Ruth Anne Walker | <b>Partnership for People with Disabilities</b><br>Fred P. Orelove                             |
| <b>Virginia Housing Development Authority (VHDA)</b><br>Bill Fuller<br>Mike Hawkins<br>Barry Merchant   | <b>People First</b><br>Kate Olson<br>(Current: At-Large Member, The Arc of Virginia)           |
| <b>Virginia Department of Housing and Community Development (DHCD)</b><br>Bill Ernst<br>M. Shea Hollifield  | <b>Virginia Association of Community Rehabilitation Programs (Va Accses)</b><br>Karen Tefelski |
| <b>Virginia Association of Community Services Boards (VACSB/ID Council Representative)</b><br>Tim Capoldo, Norfolk CSB                            | <b>Virginia Board for People with Disabilities</b><br>Teri D. Barker Morgan<br>Heidi Lawyer    |
| <b>The Arc of Virginia</b><br>Howard Cullum<br>Jamie Trosclair  | <b>Virginia Municipal League (VML)</b><br>Janet Areson   |
| <b>Virginia Network of Private Providers</b><br>Jennifer Fidura<br>Lisa Poe   | <b>Virginia Association of Counties (VACO)</b><br>Dean Lynch                                   |

