



## **Independent Living Research Utilization**

# **Funding Sources Successfully Used by States to Support Development of Integrated, Affordable, and Accessible Community Housing**

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# **Funding Sources Successfully Used by States to Support Development of Integrated, Affordable, and Accessible Community Housing**

## **Introduction**

States face enormous challenges as they seek to rebalance systems of funding and delivery of long-term services and supports for people with disabilities. The Centers for Medicare & Medicaid Services (CMS) has identified housing as a critical element for state systems that support individuals transitioning from institutional settings to the community.<sup>1</sup> Even though thousands of new units of affordable housing have been developed for people who have low incomes there remains an undeniable lack of integrated, affordable, accessible, and visitable housing from which people with disabilities and people who are elderly may choose. The lack of affordable, accessible housing is frequently cited by a wide range of organizations and individuals as the single largest barrier to full inclusion and community integration of persons with disabilities.

People with disabilities who desire to move to the community from nursing facilities and other institutions, and those attempting to support them, experience housing barriers most acutely. Individuals and families with very low incomes have been virtually priced-out of the housing market, requiring deep subsidies to make their dreams of integrated community housing an affordable reality.

Individuals residing in restrictive settings, such as nursing facilities, intermediate care facilities, and group homes, receive housing packaged with services, whereas individuals who live in homes that they lease or own must largely depend on public housing supports.

Even when housing options in the community are available, people are often not afforded control over, or even a voice in, the most basic decisions regarding where they live, with whom they live, and how they spend their time. Much of the new housing development available to people with disabilities remains congregate, segregated, and service system controlled.

When personal support services are available, they are often “one size fits all” and linked to the housing, making it nearly impossible for persons receiving assistance to exercise choice about their housing options. Because assistance is determined by the place in which one lives, changing support needs often necessitates a change of residence. Development of integrated, affordable, and accessible housing options coordinated with personal supportive services is slow, inadequate, and generally not meeting the demand of individuals with disabilities.

In order to effectively reduce reliance on institutional models of service delivery and comply with the U.S. Supreme Court ruling in *Olmstead v. L.C.*, states must have an adequate supply of affordable, accessible housing in integrated settings coordinated with personal supportive services. CMS has called for state Medicaid agencies and their partners to engage in planning

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<sup>1</sup>Centers for Medicare & Medicaid Services (2006).

processes at the state and community levels to assure availability, affordability and accessibility of integrated housing options with community supports. The Secretary of the U.S. Department of Housing and Urban Development has called on Public Housing Authorities to work in collaboration with state Housing Finance Agencies, CMS, and local disability organizations to promote the transition of people with disabilities and seniors out of institutional settings and to provide integrated, affordable, and accessible community housing options<sup>2</sup>.

In recent years, responsibility for the development of low-income housing has increasingly shifted from the federal government, primarily the U.S. Department of Housing and Urban Development, to state and local government entities. State Housing Finance Agencies and Public Housing Authorities play an ever-increasing role in determining the availability and affordability of community housing. This shift necessitates a change in strategy and tactics for state and local partners seeking to expand housing opportunities in the community for individuals and families with low income.

There is good news—the federal government, states, private philanthropists, and local governments provide funding and other resources for housing. However, the array of resources can be bewildering, the number of programs is overwhelming, and putting together a package of housing dollars coordinated with supports and services can be daunting.

This guide offers a quick reference on housing resources that can be used to create integrated, affordable, and accessible housing and basic information on how to use these resources.

Community strategies that increase the amount of integrated, affordable, and accessible housing units usually fall into three general categories:

- Development of housing units, including multi-family housing and single family housing developed for ownership or rental;
- Access to existing housing units, including various forms of rental assistance and efforts designed;
- Asset Development, including homeownership and the use of individual development accounts.

Successful use of available housing resources requires a basic knowledge of potential tools. Developers, property owners, and property managers cannot rely on a single funding source to cover the costs of development, construction, and maintenance of housing that will be affordable for people with very low incomes. To cover the costs of development and make housing units truly integrated, affordable, and accessible, housing developers and their state and local partners often must use multiple sources of funding in combination, including tax credits, operating subsidies, bridge subsidies and housing vouchers.

Although knowledge of traditional housing funding sources such as the Housing Choice Voucher Program (formerly known as Section 8 Rental Voucher Program), is important, there is a myriad of other funding sources available. These other funding sources include the HOME Investments Partnerships Program, the Section 811 Housing with Supportive Services for

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<sup>2</sup> HUD (2006).

Persons with Disabilities Program, state housing trust funds, Low Income Housing Tax Credits, and state bridge subsidy programs.

Advocates, developers, and supporters of integrated, affordable, accessible community housing options must understand current housing rules and regulations, form alliances outside of their traditional roles and comfort zones, and become active at the state and local levels to successfully pursue available funding. State and community human service agencies must partner with housing developers, property owners, and property managers to ensure the development of adequate housing stock, market targeted housing units to eligible tenants who have disabilities and those who are elderly, and coordinate delivery of personal supportive services as needed.

Similarly, housing developers and property owners/managers must partner with state and local human service agencies and organizations to ensure integration, accessibility, and affordability of housing units, and to connect eligible tenants with available housing upon completion of construction or renovation.

In January of 2007, ILRU and its partners interviewed state leaders who are creatively using a variety of funding sources to develop community housing that is integrated, affordable, and accessible, and coordinated with personal supportive services. The states interviewed for this report were selected for their exemplary partnerships and innovation in creating and using these funding sources and strategies effectively. Leaders in these states have successfully led collaborative efforts to change the way low-income housing and personal supportive services are financed, developed and marketed. The report also includes examples of funding sources and strategies that have been drawn from the literature and the authors' experience.

Although some of the funding sources described in this guide are being used elsewhere to create congregate and segregated single population living arrangements, this is not the focus of this guide.

## **How to Use This Guide**

The guide provides an overview of funding sources and strategies available to states and localities to develop integrated, affordable, and accessible community housing. The guide is organized into 10 parts that permit the reader to quickly find a topic area of interest and read only that section if preferred, or to read the entire document and then easily find a reference later. The guide presents a brief description of each funding source along with helpful resources and sources of information. The description of each funding source is followed by specific examples of state and local use of the funding source, often in combination with other funding. Each example includes state and local contact information.

## Part One: Housing Choice Voucher Program

### What is the Housing Choice Voucher Program?

The United States Congress developed the Housing Choice Voucher Program (formerly known as the Section 8 Rental Voucher Program) as a way of assisting people with low income to obtain safe, decent, and affordable housing. The Housing Choice Voucher (HCV) Program is administered by participating Public Housing Agencies (PHAs) under contract with The Department of Housing and Urban Development (HUD). The HCV Program makes it possible for eligible participants to live in housing of their choice.

*A housing choice voucher is a form of rental assistance or mortgage payment assistance available for low-income households to use towards the cost of rental housing or homeownership.*

PHAs receive an allocation for the HCV program and make choices about how to administer the program. These choices include decisions about how the program is administered, such as whether or not the PHA will establish preferences within the program's waiting list. Also, the PHA can choose to include different types of rental assistance or whether to have a homeownership program under the HCV program

This chapter discusses three types of rental assistance and the homeownership program allowed under the HCB program. The most well-known type of assistance is the tenant-based rental assistance program, formerly known as Section 8. PHAs can also choose to provide vouchers designated for people with disabilities (mainstream housing vouchers). In addition, they can choose to allow vouchers to be used for homeownership. Finally, a PHA may designate that up to 20% of their total allocation can be used for project based assistance. This chapter explores these options in detail.

### How Can the Housing Choice Voucher Program be Used to Assist People with Disabilities?

The HCV Program provides direct rental or homeownership assistance to qualifying households that allows those households to pay no more than 30% of their income for rent or toward a mortgage.

### Advantages and Disadvantages of the Housing Choice Voucher Program

<u>Advantages</u>	<u>Disadvantages</u>
Quick access to existing housing units.	Many communities have long waiting lists or waiting lists that are closed.
Portable.	PHAs may not want to take dollars away from their tenant-based rental assistance program to operate homeownership or project-based activities.
Promotes real choice.	Owners/landlords do not have to accept voucher as a partial payment of rent. Therefore, units that accept vouchers may not be in areas voucher holder wants to live.



## **Who is Eligible to Apply?**

Housing choice vouchers are public subsidies earmarked for households (individual or family) with low and very low incomes, including people who are elderly, and people with disabilities. Typically, eligible households must have income that is 50% or lower than the Area Median Income (AMI). The median divides the income distribution into two equal parts: one-half of the population of a given area falls below median income and one-half of the population falls above the median. Participating Public Housing Agencies (PHAs) are required to make 75% of vouchers available to very low income households (with incomes below 30% of AMI).

Participating PHAs may establish “local preferences” and applicants who qualify for these preferences may be able to by-pass the general waiting list. Examples of local preferences are: people who work in, or are residents of a specific locality (known as “residency” preferences); people who are homeless; people living in substandard housing; people paying more than 50 percent of their income for rent; or a person with a disability; people who are single and age 62 or older; and people who are seeking to transition from institutional settings (such as nursing facilities) to integrated settings in the community.

## **How Does the Housing Choice Voucher Program Work?**

A housing choice voucher is a public subsidy that covers a portion of a low-income household’s monthly rent or mortgage. The PHA establishes the actual dollar amount of the housing choice voucher (called the payment standard) for the size (i.e. one bedroom, two bedroom, etc.) of the eligible housing unit. PHA’s can establish the payment standard at any level between 90 and 100 percent of the Fair Market Rents published by HUD. As a reasonable accommodation, a PHA may allow a payment standard up to 110 percent of the Fair Market Rent without requesting HUD approval. A PHA can set the payment standard higher or lower by requesting approval from HUD.

The PHA gathers information on household income, assets and family composition. The PHA determines a household’s eligibility for specific housing choice voucher programs (described below). Once the PHA identifies a household as eligible for an available housing choice voucher, the potential voucher holder selects suitable housing in the community. The potential voucher holder is free to choose any housing that meets HUD program requirements, including their current residence. Eligible properties include single-family homes, townhouses, and apartments. The voucher holder is responsible for reaching agreement with the landlord or seller regarding the rental amount or purchase price.

The PHA inspects the housing unit to determine compliance with program requirements in HUD health and safety standards, and to determine if the rental or purchase amount is reasonable. The PHA pays the subsidy directly to the landlord or mortgage company, on behalf of the voucher holder. The voucher holder is responsible for paying the difference between the fair market rent or mortgage and the subsidy provided by the voucher. In most situations the voucher holder will be required to contribute 30% of their household’s adjusted income to the cost of the housing. Voucher holders may use the voucher in another qualifying location (with some restrictions).

## **Types of Housing Choice Vouchers**

As stated above, a variety of housing choice vouchers may be provided by participating PHAs. The housing choice voucher programs most often used and applicable to persons with disabilities and people who are elderly include the following:

1. Tenant Based Vouchers
2. Mainstream Vouchers
3. Homeownership Vouchers
4. Project Based Vouchers

### **Tenant Based Vouchers**

Participating PHAs apply annually to HUD for funding (when available) for tenant-based vouchers. A tenant-based voucher is a form of portable rental assistance. A tenant-based voucher is essentially a “ticket” worth a certain amount of money to be applied toward the cost of rental housing. The PHA pays the rental subsidy directly to the landlord or owner. The tenant-based voucher covers the difference between 30% of adjusted family income and the PHA payment standard or total rent for the unit, whichever is lower. A voucher holder may choose a housing unit with a higher rent than the payment standard and pay the owner the difference.

Once an eligible household receives a tenant-based voucher, the voucher holder may essentially use the voucher to rent HUD-approved housing anywhere in the country; this is called portability. Individuals or families interested in using their voucher through a PHA in another jurisdiction need to be aware of the portability requirements at the initial and receiving PHA. For example, if an individual has not used their voucher yet in the initial PHA’s jurisdiction, they may still be eligible for portability to another PHA if they were a resident of the initial jurisdiction at time of application.

The eligibility process for tenant-based vouchers varies from one PHA to another, as there is no standard application required by HUD. Waiting lists also vary from one PHA to another. Accordingly, households should apply to as many different PHAs as possible.

#### **Tenant Based Vouchers: Key Points**

- Portable (tied to the tenant, not to the housing unit)
- May be used as a homeownership voucher if the receiving PHA participates in the homeownership program
- Availability and eligibility varies by PHA

## Mainstream Vouchers

Mainstream vouchers are housing choice vouchers specifically targeted for families that include a person with a disability. PHAs and some non-profit agencies are eligible to apply to HUD for funding to participate in the Mainstream Voucher Program. Mainstream vouchers may be used in the same way that tenant-based vouchers are used. Mainstream vouchers may also be used toward the costs of homeownership. To apply for a Mainstream voucher, a family must apply for and be on the waiting list for the housing choice voucher program. The PHA selects eligible families from the waiting list. Interested families should be encouraged to apply to multiple PHAs for the Mainstream Voucher Program. Non-profit agencies that are interested in participating in the Mainstream Voucher program are encouraged to contact and develop relationships with their local, regional or state PHAs.

### **Mainstream Vouchers: Key Points**

- Specifically for households with a member with a disability
- May be used for tenant-based rental assistance or homeownership assistance
- Some non-profit agencies may participate
- Applicants must be on Housing Choice Voucher waiting list

## Homeownership Vouchers

A homeownership voucher is a form of tenant-based assistance administered by a PHA for the purpose of helping an eligible household to purchase a home. The PHA must use the same formula for calculating rental assistance to renters and home owners. This means that the homeownership voucher will not exceed the rental payment made by the PHA for a comparable unit.

To apply for a homeownership voucher, a household must apply for and be on the waiting list for the housing choice voucher program, or be a current voucher holder. An applicant with a disability or who is elderly must be a first-time homeowner; must have income equal to or greater than the monthly Federal Supplemental Security Income (SSI) benefit for an individual living alone, multiplied by 12 (the PHA may establish a higher minimum income requirement); and the family or individual must complete a pre-purchase homeownership and housing counseling program.

The voucher assistance may be available for the full term of a loan for a person with a disability or a person who is elderly. The homeownership voucher may be used for the following monthly homeownership expenses.

- Mortgage principal and interest
- Mortgage insurance premium, real estate taxes, and homeowner insurance
- PHA allowance for utilities

- PHA allowance for routine maintenance costs
- PHA allowance for major repairs and replacements
- Principal and interest on debt to finance major repairs and replacements
- Principal and interest on debt to finance costs to make the home accessible for a family member with disabilities (as a reasonable accommodation)

The Homeownership Voucher Program is an excellent opportunity for eligible households to obtain integrated, affordable, accessible community housing. However, the program is not widely known, advertised or utilized by PHAs. Housing advocates may need to help educate their local PHA about the Homeownership Voucher Program.

#### **Homeownership Vouchers: Key Points**

- Form of tenant-based voucher for mortgage payment and other homeownership expenses
- Applicants must be on Housing Choice Voucher waiting list or be a voucher holder
- PHA with a Housing Choice Voucher program has the option of whether or not to participate in the Homeownership Voucher Program

#### **Project-Based Vouchers**

Project-based vouchers are a form of rental assistance provided directly to the owners of housing developments under contract with the PHA. Project-based vouchers are linked to specific units and are not portable. HUD allows a PHA to attach up to 20% of its voucher assistance to specific housing units if the owner agrees to either rehabilitate or construct the units, or the owner agrees to set aside a portion of the units in an existing development.

The PHA refers eligible individuals and families on the housing choice voucher waiting list to properties with vacancies in contracted units. The PHA typically pays the owner of the housing the difference between 30% of adjusted household income and the total rent for the housing unit.

Once an eligible household occupies a contracted housing unit with a project-based voucher for one year, they may qualify for a tenant-based voucher (if available) to move to another residence. Used in this manner, project-based vouchers provide an effective means for individuals and families to transition to permanent, portable housing assistance in the community setting of their choice. Project-based vouchers may also be used to secure accessible or affordable units for voucher recipients by designating a unit for individuals or families with those needs.

### **Project Based Vouchers: Key Points**

- May be more readily available than tenant-based vouchers
- Not portable (tied to contracted housing units)
- May be converted to tenant-based or homeownership voucher (after one year)
- Availability varies by PHA

### **Summary and Recommendations**

The Housing Choice Voucher Program is one of the largest and most important sources of public financing available to assist people with disabilities and people who are elderly to obtain integrated, affordable, accessible housing in the community. However, PHA participation in the Housing Choice Voucher Program is optional and not all PHAs participate. In addition, each PHA has a great deal of flexibility in setting policies and application requirements for Housing Choice Vouchers. As a result, the availability of Housing Choice Vouchers varies widely from one PHA to the next.

In many areas of the country there are lengthy waiting lists for Housing Choice Vouchers. It is quite common for these waiting lists to be as long as one or two years. In some areas, where the demand for vouchers far exceeds the PHA's financial resources for the foreseeable future, the PHA may close the waiting list.

*Due to the program's complexity and lengthy waiting lists, many housing advocates overlook the Housing Choice Voucher Program as a means of assisting individuals and families with low income to obtain integrated, affordable, accessible community housing.*

Despite these challenges, the Housing Choice Voucher Program remains an important source of public financial assistance for people with disabilities and people who are elderly. Housing advocates should consider the use of Housing Choice Vouchers in their efforts to help people obtain integrated, affordable, accessible housing in the community.

HUD requires participating PHAs to consider the needs of the community in their annual applications to HUD for housing choice voucher assistance. This provides an excellent opportunity for housing advocates and other interested parties to influence the PHA's allocation and distribution of the various Housing Choice Vouchers.

### **Action Steps**

- Develop a collaborative relationship with each PHA in your area.
- Request copies of the planning documents used by each PHA in establishing local preferences and priorities.
- Encourage each PHA to participate in the Housing Choice Voucher Program
- Provide information to each PHA on the community housing needs and preferences of people with disabilities and people who are elderly.
- Advocate for priority populations.
- Encourage individuals and families to apply to multiple PHAs for Housing Choice Vouchers.

### **For More Information**

Housing Choice Vouchers Program, U.S. Department of Housing and Urban Development  
Homes and Communities Web Site -

<http://www.hud.gov/offices/pih/programs/hcv/about/index.cfm>

A list of Public Housing Agencies in each state - <http://www.hud.gov/offices/pih/pha/contacts>

*HUD Housing Choice Voucher Program Guidebook* -

<http://www.hud.gov/offices/pih/programs/hcv/forms/guidebook.cfm>

*Section 8 Made Simple: Using the Housing Choice Voucher Program to Assist People with Disabilities*. (2002). Technical Assistance Collaborative – <http://www.tacinc.org>

*Strategies to Help People with Disabilities Be Successful in the Housing Choice Voucher Program*. (2002, April). Guidance for Public Housing Agencies Administering Housing Choice Vouchers Targeted to People with Disabilities through the Mainstream, Certain Developments, or Designated Housing Programs. Technical Assistance Collaborative and Abt Associates for the U.S. Department of Housing and Urban Development - <http://www.tacinc.org>

## ***The Use of Tenant Based Vouchers to Support Nursing Facility Transitions in Connecticut***

*The provision of tenant-based vouchers in combination with other funding sources has been a key component of Connecticut's success in supporting residents of nursing facilities to move to integrated, affordable, accessible community housing of their choice.*

### **Background**

The Connecticut Department of Social Services (DSS) is also a Public Housing Authority (PHA) with responsibility for administering statewide housing programs and services, including the Housing Choice Voucher Program (formerly known as Section 8). DSS administers statewide housing programs through its agent, J. D'Amelia & Associates, which in turn subcontracts with seven local PHAs and one Community Action agency to implement housing programs and services.

In 2001, DSS received a Nursing Facility Transition Grant from the Centers for Medicare & Medicaid Services (CMS). DSS contracted with the Connecticut Association of Centers for Independent Living to administer the grant. A program manager located in the Connecticut Association for Independent Living provided statewide technical assistance and coordinated funding for home modifications and tenant-based vouchers. Regional transition coordinators were employed in each of the five Centers for Independent Living (CILs) in Connecticut. The role of the transition coordinators was to identify individuals in nursing facilities who wished to return to the community. Transition coordinators worked with each individual to develop an individual housing plan to facilitate their transition.

Between 2002 and 2005, DSS and its state and local partners assisted 101 individuals to transition from nursing facilities to the community.<sup>3</sup>

In 2002, DSS amended the State Housing Plan and their PHA plan for setting local preferences for Housing Choice Vouchers to respond to the need for integrated, affordable, accessible housing for individuals transitioning from nursing facilities. Specifically, DSS set aside 50 tenant-based vouchers per year to support people with disabilities in Connecticut to transition from nursing facilities to community housing options of their choice. DSS also used grant funds to support the creation of a "Common Sense Fund" to pay up to \$1,000 (average \$600) for transition related expenses such as security deposits, home furnishings, and clothing not otherwise covered by existing funding sources.

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<sup>3</sup> Mollica, Reinhard, & Farnham (2006).

In 2004, the Connecticut Department of Economic Development was successful in getting a bond fund approved in the amount of \$500,000 to pay for housing modifications needed to make homes and rental units accessible for people using Housing Choice Vouchers. The State Housing Plan allows for an apartment to have modifications made two months prior to the tenant leaving the nursing home. According to Paul Ford, Nursing Facilities Transition Program Manager with the Connecticut Association of Centers for Independent Living, the cost of home modifications ranges from \$3,900 to \$68,000.

### **The Connecticut Rental Assistance Program**

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. Modeled on the Housing Choice Voucher Program, the Rental Assistance Program (RAP) provides tenant-based rental certificates similar to the Housing Choice Voucher Program.

Eligibility for a RAP certificate is based on household income and the state's definition of a family. Participation is limited to U.S. citizens and specified categories of non-citizens with eligible immigration status. DSS requires a criminal background check on all applicants; persons convicted of certain felony offenses are disqualified from receiving a RAP certificate.

New RAP certificate holders may choose a housing unit anywhere in Connecticut. DSS adopted median income guidelines published by HUD yearly. DSS calculates the maximum dollar amount of housing assistance a family may receive. J. D'Amelia and Associates administers the Rental Assistance Program, which pays the housing subsidy to the landlord on behalf of the participating family. The family pays the difference between the actual rent charged by the landlord and the amount of the subsidy. Families with a member who is elderly or has a disability pay 30% of their monthly income toward rent and utilities.

RAP certificates are portable, similar to HUD Tenant Based Housing Choice Vouchers. Families may move anywhere in Connecticut with the housing assistance as long as they notify DSS ahead of time, terminate the existing lease within the lease provisions, and find qualified alternate housing.

At the time the state granted access to the Rental Assistance Program for individuals transitioning under the Nursing Facility Transition Project, it also clarified for state social workers that individuals leaving nursing facilities who met the income guidelines would qualify for the state's Security Deposit Guarantee Program. DSS administers the Security Deposit Guarantee Program, which in the form of a voucher, guarantees payment of up to two month's rent to the landlord if there are damages or rent owed after the tenant moves out. This program has worked well, providing landlords with a guarantee rather than actual cash for the security deposit. Acceptance of the program by landlords has been positive.

### **A Success Story**

Tim had a spinal cord injury at age 15. At age 17 he was transferred from a rehabilitation facility to a nursing home. Multiple partners including Tim's family, transition facilitators,



representatives from vocational rehabilitation and his school, the Long Term Care Ombudsman's Office, and nursing facility staff worked with Tim to provide opportunities to finish his High School education. The Connecticut Department of Vocational Rehabilitation continued to assist Tim to start college while he was still in the nursing facility. Tim was eventually able to transition out of the nursing facility to a residence in the community with rental assistance from a tenant-based housing choice voucher. (Reported by Paul Ford, Connecticut Association of Centers for Independent Living.)

### **For More Information**

State of Connecticut Department of Social Services Rental Assistance program information - available online at: <http://www.ct.gov/dss/cwp/view.asp?a=2353&q=305206>

*What Worked in Connecticut? A Best Practice Report for CT's Nursing facility Transition Grant*, available online at: [http://www.ncsl.org/print/health/Final\\_Best\\_Practice\\_Manual%202005.pdf](http://www.ncsl.org/print/health/Final_Best_Practice_Manual%202005.pdf)

### **State Contact**

Paul Ford, Nursing Facilities Transition Program Manager, Connecticut Association of Centers for Independent Living, (860) 656-0430, [pford@cacil.net](mailto:pford@cacil.net)

## Part Two: Low Income Housing Tax Credits

*The Low Income Housing Tax Credits program is the largest source of funding available to states to support the creation of affordable rental housing for individuals and families with low income.*

### What are Low Income Housing Tax Credits?

The Low Income Housing Tax Credits (LIHTC) program is a federally funded program of tax credits administered by states. The federal government has expended the equivalent of \$5 billion dollars annually since the inception of the program in 1986. These dollars are used to support the acquisition, rehabilitation or new construction of affordable housing. Between 1999 and 2004, nearly 900,000 units of housing were made available through this program. LIHTC are allocated to states on a per capita basis and are competitively awarded in accordance with the State's Qualified Allocation Plan (QAP).

### How Can Low Income Housing Tax Credits be used to Assist People with Disabilities?

Tax credits can be used to develop housing with units for people with disabilities through set-asides. In order to create housing that is integrated, affordable, and accessible Housing Finance Agencies and developers need to understand that people with disabilities need and want only a portion of the units in each development set aside.

Tax credits offer developers a significant percentage of the dollars needed to construct new affordable housing. Therefore, the LIHTC program is highly competitive and developers are eager to do whatever it takes to have a winning application. If the state's QAP offers scoring points for projects that will create units which are affordable to households on SSI income or affordable to people with disabilities, this program becomes a huge asset in the effort to develop integrated housing for people with disabilities.

### Advantages and Disadvantages of the Low Income Housing Tax Credits Program

<u>Advantages</u>	<u>Disadvantages</u>
Integration is achieved through program income rules.	Complicated.
Developments often include computer rooms, community rooms, etc.	Need to hire a housing expert to assist in crafting the deal.
Tenant has choice of unit.	Tenants on SSI income will need an additional subsidy to afford the units.

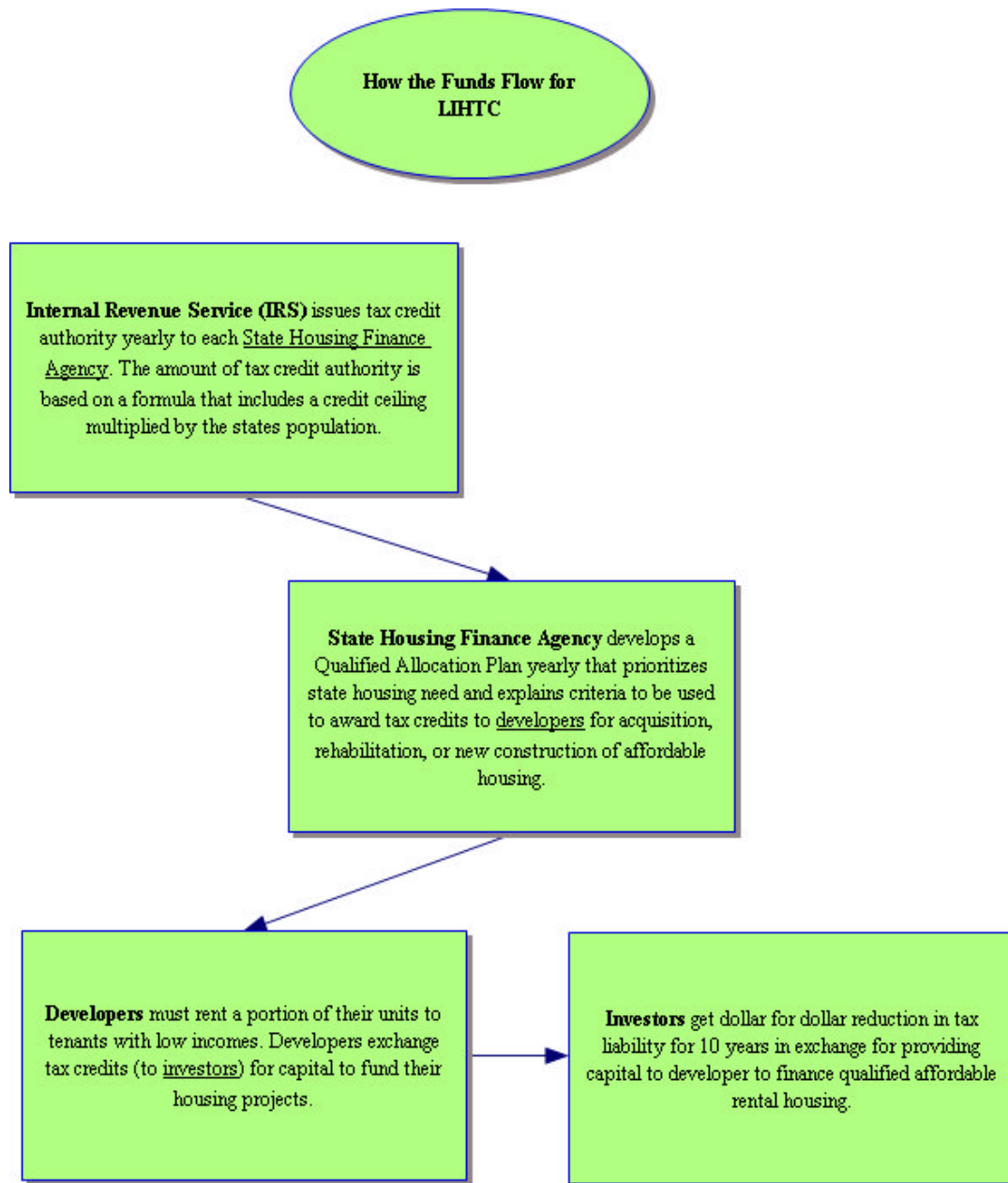
## **How Does the Low Income Housing Tax Credit Program Work?**

Each state's Housing Finance Agency allocates and distributes LIHTC to housing developers in accordance with a Qualified Allocation Plan (QAP) that identifies and prioritizes the state's housing needs. Non-profit agencies and for-profit housing developers are eligible to apply for the tax credits. Developers use the tax credits to help finance development, maintenance, and operating costs of rental housing units. Developers offer the tax credits to investors in exchange for equity or capital to finance development costs. The investors use the tax credits to get a dollar-for-dollar reduction in their federal tax liability. Figure 1 below depicts how the funds flow. Each dollar of LIHTC entitles the owner to a dollar of tax credit over a period of 10 years. Thus, every one dollar of LIHTC generates nine dollars in equity. In exchange for the tax credits, the property owner agrees to rent and income restrictions for a minimum of 15 years.

Funds generated from the sale of tax credits may be used to support construction of new rental housing and the acquisition and rehabilitation of existing rental housing for low-income households. Developers who receive LIHTC must reserve a percentage of total housing units for rent to low-income households. Specifically, developers must set aside a portion of the units for families with low income, as follows:

- At least 20 percent of the units in the project must have rents affordable to and be occupied by households with incomes no greater than 50 percent of area median income (adjusted for family size); OR
- At least 40 percent of the units must be affordable to and occupied by families with incomes no greater than 60 percent of median (adjusted for family size).

Despite the apparent affordability of LIHTC units, many household with extremely low income need additional rental assistance because rental fees based on area median income are still typically higher than the available income of individuals or households that have very low incomes or receive Supplemental Security Income (SSI). The LIHTC program in some states provides additional assistance in the form of operating subsidies paid directly to developers, or in the form of rental assistance available to tenants. Operating subsidies help housing developers cover operating and maintenance costs that exceed established LIHTC rental rates. Direct rental assistance to tenants helps very low-income households afford LIHTC units by enabling them to pay the established rates.



**FIGURE 1: How the Funds Flow for LIHTC**

### **Why are Low Income Housing Tax Credits Important?**

*The LIHTC program is a package of financial incentives that can be used by states to increase the availability of affordable housing for people with disabilities.*

LIHTC are ideally suited for promoting development of integrated, accessible, affordable community housing options because the tax credits must be used to create mixed-income population housing units rather than congregate settings for specific populations. In other words,

the income targeting within the program's regulations results in an automatic integration of individuals with multiple levels of income. In general, this supports the goal of integrated housing for people with disabilities, even though there is no specific provision referencing the integration of people with disabilities.

The LIHTC program is a vital source of support for developers of low-income rental housing. Developers typically have to obtain development capital from multiple funding sources. Rental income and returns from investment are often inadequate to cover the costs of construction, operation and maintenance of low-income rental units. Developers can use LIHTC to leverage additional local and federal funds, including funds from other HUD programs, such as the HOME Investment Partnerships Program and Community Development Block Grants, to help cover their operating expenses and debt service costs. This additional financing makes low-income housing projects viable for developers and operators at much lower rents than would otherwise be possible.

#### **Action Steps**

- Obtain a copy of and study the Qualified Allocation Plan (QAP) for your state. Does the plan provide incentives for creating integrated units for people with disabilities or units for households with extremely low income?
- Seek an informed partner. Engage a successful developer or consultant to advise you on strategies for changing the QAP to meet your needs.
- Obtain a list of LIHTC projects "in the pipeline" and seek out their developers. It may be possible to create strategic partnerships that will make more units available to people with disabilities.
- Explore options for obtaining rental assistance or up-front capital that will make tax credit units affordable for people on SSI-level incomes.

#### **For More Information:**

*Essential Guide to Housing Credit Compliance, Second Edition*, by Anthony S. Freedman; available through the National Council of State Housing Agencies (NCSHA) - [www.ncsha.org](http://www.ncsha.org)

*Analysis of State Qualified Allocation Plans for the Low-Income Housing Tax Credit Program* (2002) by Jeremy Gustafson and Christopher Walker. Washington, DC: U.S. Department of Housing and Urban Development.

*Resources for Affordable Housing – Low-Income Housing Tax Credit*, available from the National Association of Housing and Redevelopment Officials (NAHRO) - <http://www.nahro.org/home/resource/credit.html>

## ***Use of Low Income Housing Tax Credits in Combination with Targeting Plans and a Bridge Subsidy Program in 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.

Low Income Housing Tax Credits create over 2,000 affordable housing units per year in North Carolina.

### **LIHTC Set-Asides and Targeting Plans**

In 2002, NCHFA, via its Qualified Allocation Plan (QAP), provided bonus points for LIHTC applications that chose to set-aside 10% 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 (see below).

#### **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’
- 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.

### **Making LIHTC Units Affordable Through a State Bridge Subsidy Program**

In 2004, NCHFA 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 tenants with income based on disability can afford in rent (generally \$150 per month), and the revenue the developer or property manager needs from the rental unit. The operating subsidy serves as bridge subsidy until tenant-based rental assistance, usually in the form of Housing Choice Vouchers (formerly known as Section 8) can be obtained. Tenants in LIHTC targeted units are required to apply for Housing Choice

Vouchers, as 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.

### **Making LIHTC Units Accessible with Universal Design Features**

Early in North Carolina's involvement in the Targeting Program, it became clear that property managers, service providers, and persons with disabilities often did not fully understand their rights and responsibilities regarding reasonable accommodations under Federal Fair Housing Laws. In response, DHHS and NCHFA revised and expanded the state guide, *Fair Housing for Tenants with Disabilities: Understanding Reasonable Accommodations and Reasonable Modifications – 2005 Updated Edition*, which has been widely distributed and used in training.<sup>4</sup>

In 2003, NCHFA began to award bonus points to LIHTC developers who agreed to build additional units at higher accessibility standards than legally required. The Center for Universal Design at North Carolina State University assisted in design of LIHTC units with universal design features. These features include curb-less showers and full turnaround bathrooms that allow for parallel toilet transfers. In 2005, NCHFA made enhanced accessibility a requirement of all applications for LIHTC. Developers have come to realize that universal design is an effective marketing tool for rental units.

### **Partnership Roles and Responsibilities**

In 2004, CMS awarded North Carolina DHHS a Real Choice Systems Change Grant: Integrating Long Term Supports with Affordable Housing in North Carolina. DHHS used grant funds to create three full-time positions, bring staff capacity to local housing efforts, develop the cross-disability referral process for targeted units, help communities to develop county-specific resource guides to housing and services, and increase local ability to help constituents with housing needs. This initiative brought local partners together and provided education and training on housing issues, including local, state and federal resources, Fair Housing protections and Landlord-Tenant Law. DHHS also used grant funds to assist individuals to transition from institutional settings to the community.

DHHS assists in the development of Targeting Plans by organizing local human service agencies, making connections to property management, and providing technical assistance. DHHS reviews all targeting plans to ensure basic requirements have been met. NCHFA monitors ongoing compliance with the Targeting Program and set-aside requirements, and administers the Key Program operating subsidy.

The Lead Agency refers prospective tenants, protecting developers from people simply showing up and applying for the targeted units when they may not qualify. The Lead Agency confidentially verifies the applicant's disability status. Although the Lead Agency may serve a

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<sup>4</sup> Available at: [www.nchfa.com/Forms/index.aspx](http://www.nchfa.com/Forms/index.aspx) (Accessed September 21, 2007).

particular population, it must represent a local cross-disability group of human service providers in referring and screening tenants.

Property managers are responsible for contacting the Lead Agency prior to renting targeted units and as vacancies occur. Managers screen applicants for standard criteria such as rental, credit, and criminal histories as well as income eligibility. Eligible households must have a minimum monthly income of \$300 in order to qualify for the Key Program operating subsidy.

Tenant's responsibilities in targeted units are the same as for any other resident in the housing complex. Maintaining housing depends on the tenant's ability to comply with the terms of the lease, not compliance with a treatment or service plan. Participation in supportive services is not a condition of tenancy.

### **Program Benefits and Accomplishments**

#### **Results of the Targeting Program Partnership in North Carolina**

- 944 LIHTC rental units within 147 funded properties in 80 communities
- A growing number of units with enhanced accessibility features
- 462 LIHTC units completed and certified for occupancy
- Nearly 90% of LIHTC targeted units occupied by persons with disabilities and/or formerly homeless households

In 2006, The North Carolina General Assembly extended its commitment to creating affordable housing in integrated settings, adding \$10.9 million to the annual Housing Trust Fund appropriation (a 136% increase). Prompted by the success of the Key Program, the State budget included the state's first recurring funds for housing operating assistance. In 2006, the National Council of State Housing Agencies awarded NCHFA an Award for Excellence for innovative use of LIHTC to create affordable, accessible housing for persons with disabilities and homeless households.

### **Impact of North Carolina's Efforts**

North Carolina's success in using LIHTC to create integrated, accessible, and affordable housing opportunities is due to partnerships at the state level and local collaboration. NCHFA and DHHS work closely together in the design and operation of Targeting Plans and the Key Program. At the property level, linkages have been formed between management and local human service 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. Most states could fully or partially adopt this model with a minimal increase in resources.

#### **For More Information:**

NC Housing Finance Agency, *Targeted Units and Key Program Partnership* - [http://www.ncsha.org/uploads/06AW\\_NC\\_Needs\\_Special.pdf](http://www.ncsha.org/uploads/06AW_NC_Needs_Special.pdf)

Tassos, James. *Using the Housing Credit for Supportive Housing: An Assessment of 2005 State Policies* (2006) - [www.practitionerresources.org/cache/documents/637/63766.pdf](http://www.practitionerresources.org/cache/documents/637/63766.pdf)

#### **State Contacts:**

Julia Bick, Housing Coordinator, North Carolina Department of Health and Human Services, 919-733-4534, [julia.bick@ncmail.net](mailto:julia.bick@ncmail.net)

Mark Shelburne, Counsel and Policy Coordinator, Rental Housing; North Carolina Housing Finance Agency, 919-877-5645, [mshelburne@nchfa.com](mailto:mshelburne@nchfa.com)

### ***Maryland's Use of Low Income Housing Tax Credits in Combination with a Bridge Subsidy Program***

The Maryland Department of Mental Health and Hygiene, Developmental Disabilities Administration and the Maryland Department of Housing and Community Development (DHCD) have partnered to expand the production of integrated, affordable, and accessible housing for very low-income people with disabilities by combining LIHTC with a Bridge Subsidy Demonstration Program.

#### **Background**

In Maryland, household income from SSI is only 21% of what is needed to rent a moderately priced 1-bedroom housing unit. The Maryland Governor's Commission on Housing Policy is pursuing a three-pronged approach focused on increasing production of homeownership and rental housing, retooling of existing programs, and creating a bridge subsidy program. The use of Low Income Housing Tax Credits plays a pivotal role in this approach.

- Maryland's \$10.6 million allocation of LIHTC raises approximately \$90 million in private funding for affordable housing annually.
- Through LIHTC, Maryland has increased rental units to 542 units in 60 projects statewide, offering individuals with disabilities quality independent housing units of their choice at restricted rental rates.

In 2002, DHCD added bonus points for LIHTC applicants to target and market rental units to individuals with disabilities. Applicants commit to set aside and market up to 10 percent of housing project units to individuals with disabilities for at least 30 days. Applicants must document that they have made contact with service providers or advocacy groups, and that these groups have agreed to refer tenants for targeted rental units. Upon vacancy, the rental unit must again be marketed for 60 days solely to individuals with disabilities. These obligations are memorialized in the property's regulatory agreement.

### **Making LIHTC Rental Units Affordable**

In order to make LIHTC and other rental units affordable, Maryland developed a Bridge Subsidy Program to provide short-term rental assistance for individuals leaving institutions or provider-controlled housing. The Bridge Subsidy Demonstration Program receives funding from DHCD and from the Department of Health and Mental Hygiene.

LIHTC and other federal subsidies alone are not sufficient to make rental units affordable for people at SSI income levels. Restricted rental rates for LIHTC targeted units are approximately \$350 per month. However, 30% of monthly income for an individual with a disability receiving SSI is only \$181 per month.

The bridge subsidy "bridges the gap" between the restricted rental rates and what renters can actually afford to pay. Area service providers select participants for the Bridge Subsidy Program. In order to participate, a household must have an annual income of \$12,000 or less, be 25 years of age or older, and be receiving SSI or SSDI cash payment. Participating tenants must agree to comply with a service plan, including renter training. The participant pays 30% of his/her income toward rent and utilities. The bridge subsidy covers the difference for up to three years while the participant awaits a Housing Choice Voucher or public housing for permanent housing assistance.

### **Connecting Eligible Tenants with LIHTC Rental Units**

*Creating the tax credit program was simple; occupying the unit—that's the hard part.* —Diane Dressler, Statewide Training Coordinator and Housing Specialist, Maryland Developmental Disabilities Administration

Housing developers and service providers in Maryland initially experienced difficulty connecting eligible individuals with available LIHTC rental units, particularly in areas where public transportation is limited or not available. The required 30-day time period for holding the units open for applicants with disabilities has sometimes been too brief to identify and refer eligible tenants. In response to this challenge, DHCD issued a Request for Proposals (RFP) for

the development of a statewide Housing Registry to match eligible individuals with available rental units. The Registry lists rental units up to 150% of Fair Market Rent (FMR), making the use of this tool attractive to landlords and management companies. The registry can be searched based on address/zip code as well as affordability. Information about available units includes accessibility, local services, transportation etc. The registry, which is operated by *Socialserve.com* became active in April 2007.<sup>5</sup>

**For More Information:**

Maryland Department of Housing and Community Development -  
<http://www.dhcd.state.md.us/WebSite/programs/lihtc/lihtc.aspx>

**State Contacts:**

Diane Dressler, Statewide Training Coordinator and Housing Specialist, Maryland Department of Health and Mental Hygiene, Developmental Disabilities Administration; (410) 767-5568, [DresslerD@dhhm.state.md.us](mailto:DresslerD@dhhm.state.md.us)

Patricia Ryan Sylvester, Maryland Department of Housing and Community Development; (410)514-7481, [Sylvester@dhcd.state.md.us](mailto:Sylvester@dhcd.state.md.us)

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<sup>5</sup> The registry may be viewed at <http://www.mdhousingsearch.org>.

## **Part Three: Section 811**

### **Supportive Housing for Persons with Disabilities Program**

*Section 811 is a source of funding available to non-profit organizations to support housing opportunities for persons with disabilities with low incomes.*

#### **What is Section 811?**

HUD created the Section 811 Supportive Housing for Persons with Disabilities Program in the early 1990s to allow non-profit organizations to develop and operate rental housing combined with supportive services for very low-income adults with disabilities. Prior to Section 811, funding of rental housing for people with disabilities was combined with the funding of public housing for people who are elderly. HUD established Section 811 to support development of housing for persons with disabilities in the community.

It is unfortunate that most of the units created through this funding source have been in congregate and segregated settings. Indeed, the language describing the program in HUD's regulations states that the types of housing that are allowable are group homes, independent living facilities, and cooperative/condominium projects. Only the cooperative/condominium category has been used to create *integrated* housing.

Section 811 provides capital advances to finance construction, and project-based rental assistance tied to specific units to support ongoing operational costs. Section 811 requires that the developers have a strong supportive services partnership, although this program does not directly fund services.

#### **How Can the Section 811 Program be used to Assist People with Disabilities?**

The Section 811 program can be used to purchase condominiums or duplexes in scattered sites. The purchase of units is financed using the capital advance and ongoing operational costs are paid by project-based rental assistance tied to specific housing units.

#### **Advantages and Disadvantages of the Section 811 Program**

<b><u>Advantages</u></b>	<b><u>Disadvantages</u></b>
Provides a nearly complete funding package for housing for persons with disabilities.	Most common use has been the development of congregate <b>and segregated</b> settings. It takes extra effort to develop integrated housing.

#### **How to Use the Section 811 Program**

Section 811 funding includes development capital, project-based operating subsidies. HUD provides interest-free capital advances to non-profit organizations known as sponsors. HUD announces the availability of Section 811 funds through an annual Notice of Funding Availability (NOFA) to each HUD region. Eligible non-profit organizations apply, typically in

partnership with state and local housing development and finance agencies. The application process is highly competitive due to the limited availability of funds.

Section 811 sponsors use the interest-free capital advance to finance construction, rehabilitation, or acquisition of rental housing units. The sponsor is not required to repay the capital advance as long as the Section 811 housing units remain available to persons with disabilities with very low income for a minimum of 40 years.

To be eligible for Section 811 housing, a household must have very low income (within 50% of median income for the area). At least one member of the household must be an adult with a disability.

Sponsors applying for Section 811 funds are required to submit a Supportive Services Plan. Supportive services vary with the target population, and typically include case management, training in independent living skills, and employment assistance. The appropriate state or local agency reviews and certifies the potential sponsor's application to determine if the Supportive Services Plan is adequately designed to meet the needs of the targeted group of persons with disabilities with very low income. The sponsor may not require tenants to accept supportive services as a condition of occupancy and it should be noted that the program does not pay for the supportive services.

To make Section 811 housing units affordable for very low-income households, the sponsor may use a portion of the Section 811 funds to provide project-based operating subsidies tied to the rental housing units. The operating subsidy covers the difference between the HUD-approved operating cost of the Section 811 housing unit and the amount that tenants can afford to pay (typically 30% of adjusted income). The sponsor is required to enter into a project rental assistance contract with HUD. The initial term of the contract is three to five years. HUD may renew the project rental assistance contract based on availability of funds.

In addition to the project-based rental assistance available to sponsors directly through Section 811, each year a portion of Section 811 funds are made available directly to tenants through the Housing Choice Voucher (formerly Section 8) Mainstream Housing Opportunities Program. This program provides portable tenant-based rental assistance tied to the individual rather than to the rental housing project units.

### **Using Section 811 Funding to Develop Integrated Housing**

As noted above, the majority of sponsors have used Section 811 funds to create congregate housing. Section 811 funds are widely used to develop 30-40 unit rental apartment complexes and 4-6 bedroom group homes. Using Section 811 funds to create integrated community housing is not as profitable for housing developers based on simple economies of scale. The costs (appraisals, closing costs, etc.), of construction, purchase, or rehabilitation of individual units is typically higher than congregate living arrangements.

In recent years, traditional housing developers have begun to turn their attention to building housing for people who are elderly with HUD funds available through the Section 202 Supportive Housing for the Elderly Program. This trend has opened the door for interested and eligible non-profit organizations to pursue Section 811 funds to develop integrated housing for people with disabilities. Section 811 regulations encourage close partnerships between developers of housing and providers of supportive services. These partnerships have resulted in increased use of Section 811 funds to create scattered-site, mixed-use housing developments that promote opportunities for integration in the community of persons with disabilities with very low income.

### **Action Steps**

- **Don't take "No for an Answer"**—Be prepared for housing finance agencies and others to present barriers, such as saying "It's never been done this way before"; or "The rules don't allow it." Involve experienced housing people in the project who understand how it can be done. UCP Texas has been successful in using Section 811 funds because they didn't take "No" for an answer (see below).
- **Partner with Housing Experts**—If yours is a novice organization, try partnering with existing housing developers rather than trying to become housing developers yourselves.

*Disability housing developers don't need to know how to lay a foundation; they can work with others who do.*—Jean Langendorf,  
Executive Director, UCP of Texas

- **Create Positions Dedicated to the Development of Integrated Housing**—Ideally, larger organizations should hire a person to focus on development of housing that is coordinated with supportive services, including Medicaid home and community-based services for eligible people.

*Disability groups may not have expertise in housing and housing developers may not know the importance of integrated housing.  
Disability groups should consider hiring housing experts to work on the development of integrated housing options.*—Jean Langendorf

### **For More Information:**

*Section 811 Supportive Housing for Persons with Disabilities* - available from HUD at  
<http://www.hud.gov/offices/hsg/mfh/progdesc/disab811.cfm>

Handbook on Section 811 available from HUD - enter "Section 811" in Search Criteria at:  
<http://www.hudclips.org/cgi/index.cgi>

## ***UCP Texas - Creating Integrated Housing with Section 811 Funds through State and Local Partnerships***

In 2004, United Cerebral Palsy of Texas and Tekoa Partners, Ltd. collaborated to develop the first fully integrated Section 811 housing project for people with disabilities in Austin, Texas. Responding to the voices of consumers and advocates who requested housing choices that were not “like an institution,” UCP Texas purchased six units in a new construction condominium development in Austin, and leased the units to people with disabilities with very low income and their families at affordable rates. The Section 811 Supportive Housing for Persons with Disabilities Program provided a capital advance in the amount of \$413,000 to support the project. The condominiums are available to people with disabilities with very low income consistent with HUD requirements, on a first-come, first-served basis.

Project Location: Austin, Texas
Non-Profit Sponsor: UCP Texas, Inc.
Capital Advance: \$413,000
Five-Year Rental Subsidy: \$81,500
Type of Housing: Condominiums
Number of Units: Six

Tekoa Partners, Ltd., the complex’s private developer, played a key role in the success of the project. The company responded to the vision of UCP Texas to create integrated, affordable, accessible housing. The units purchased by UCP Texas are scattered throughout the condominium development, enabling residents with disabilities to be fully integrated in their neighborhood, rather than segregated in a separate location.

*People thrive when they are truly a part of the community. UCP Texas has always strongly supported full integration for people with disabilities and this project is born of that philosophy. We believe public-private partnerships such as this one will play an increasingly important role in the future of affordable housing in Texas and throughout the nation. – Jean Langendorf*

The City of Austin Neighborhood Housing and Community Development Department (NHCDD) and the Texas Department of Housing and Community Affairs (TDHCA) also played key roles in the integrated housing project. NHCDD contributed over \$180,000, providing funding to supplement the purchase of the condominium units and purchase accessible appliances. TDHCA provided capacity-building funds for staffing and a pre-development loan, allowing UCP Texas to focus on the development of the housing units.

*Our partnerships with NHCDD and TDHCA were critical for UCP Texas to be able to get the HUD Section 811 funding. The state and local housing agencies provided us with the capacity building, pre-development, and funding for staff to promote the project. –Jean Langendorf*

Building on the success of this partnership, in 2006 UCP Texas again applied for Section 811 funds to develop integrated housing opportunities for persons with disabilities with very low income. Project funds will be used to purchase 10 one-bedroom condominiums within an 18-unit housing development. The property is within walking distance of a grocery store, restaurant, and bus stop.

Project Location: Austin, Texas  
Non-Profit Sponsor: UCP Texas, Inc.  
Capital Advance: \$713,600  
Three-Year Rental Subsidy: \$87,300  
Type of Housing: Condominiums  
Number of Units: 10

#### **Use of Section 811 Funds by Other Sponsors in Texas**

The success of UCP Texas in using Section 811 funds has generated interest throughout the State of Texas. In 2006, UCP of Greater Houston applied for Section 811 funding to rehabilitate five three-bedroom homes for families with very low incomes in which a family member aged 18 years or older has a physical disability. Each three-bedroom home will be integrated in the community. In addition, each home will be made fully accessible, and will have Energy-Star rated appliances.

Project Location: Houston, Texas  
Non-Profit Sponsor: UCP of Greater Houston, Inc.  
Capital Advance: \$573,700  
Three-Year Rental Subsidy: \$47,400  
Type of Housing: Three-Bedroom Homes  
Number of Units: 5

#### **State Contact:**

Jean Langendorf, Executive Director, UCP Texas, [JeanL@ucptexas.org](mailto:JeanL@ucptexas.org)



## **Part Four: Housing Trust Funds**

### **What are Housing Trust Funds?**

Housing Trust Funds are dedicated pools of capital funding that receive ongoing public and private revenue specifically earmarked for housing initiatives. Housing Trust Funds are typically established by state or local governments through legislation, ordinance, or resolution to receive specific on-going revenues from sources such as taxes, fees, or loan repayments. Housing Trust Funds are generally tax-based, and can therefore be quite large. The capital pools generate ongoing income that is used to finance housing grants, loans, and loan guarantees.

Housing Trust Funds are a largely untapped source of financial support for development of integrated, accessible, and affordable housing. Most Housing Trust Funds have been initiated by forward-thinking state and local community organizations that have an awareness and understanding of the housing needs in their communities. Because housing development needs are determined and funded by state and local organizations, Housing Trust Funds are not restricted by federal funding priorities and regulations. Housing Trust Funds also attract sources of private funding. There are over 400 housing trust funds in the U.S., dedicating over \$750 million to housing opportunities each year.<sup>6</sup> Thirty-eight states and over 350 city and counties have trust funds ranging in size from \$1 million to \$50 million.

*Housing Trust Funds are as unique as the states and communities they serve.*

Housing Trust Funds are locally driven and locally administered. They all access funds differently and spend funds differently. Housing Trust Funds are often established to respond to the housing needs of target populations, including people who are homeless and people with disabilities, and/or targeted neighborhoods. Most Housing Trust Funds have an oversight board comprised of community representatives. The oversight board typically determines the dissemination and types of funding, eligible applicants, uses of funds, and application/reporting requirements. Because they are controlled at the state and local level, Housing Trust Funds can be responsive to community needs in determining priorities and uses of funds.

### **How Can Housing Trust Funds Be Used to Assist People with Disabilities?**

Housing Trust Funds are frequently the most flexible sources of funding available in terms of what they fund and who is eligible to apply. They may be used for homebuyer assistance, acquisition and rehabilitation of rental housing, new home construction and modification, home accessibility and repairs, rent subsidies, creation and improvement of homeless shelters, gap financing, provision of housing-related services, matching funds for federal or private funding, and to finance construction of housing. Housing Trust Funds are also sometimes used to fund pre-development loans.

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<sup>6</sup> See <http://www.communitychange.org/issues/housingtrustfunds/whatarehousingtf/>

*Housing Trust Funds are an excellent source of gap financing to make housing affordable for low-income populations.*

Gap financing may be used to provide operating subsidies, bridge subsidies to supplement rental costs, and some costs associated with purchasing a home. When used in this manner, Housing Trust Funds can bridge affordability gaps, giving people who have lower incomes the opportunity to live in integrated, accessible, and affordable housing.

State and local Housing Trust Funds are an ideal source of matching funds for federal housing assistance programs that require state or local matching contributions in order to receive funding. For example, the HOME Investment Partnerships Program requires a 25% local match. Housing Trust Funds may also receive and distribute federal funds to meet state and local housing needs.

### **Advantages and Disadvantages of Housing Trust Funds**

<b><u>Advantages</u></b>	<b><u>Disadvantages</u></b>
Very flexible, can be used to support almost any need.	Not every community or state has a housing trust fund.
Funded and controlled at state and local level.	Funding for the trust funds has in some cases been sporadic.

#### **Action Steps**

- Contact your state Housing Finance Agency to learn if your state has a Housing Trust Fund.
- Contact your county or city government, or local Public Housing Authority to find out if there are local housing trust funds in your area.
- Attend state and local meetings of Housing Finance Agencies and Public Housing Authorities to influence the use of housing trust funds.
- Inform Housing Trust Fund representatives of the need for integrated, affordable, accessible housing for people with disabilities.

### **For More Information:**

Center for Community Change, Housing Trust Fund Project - their Web site has a listing of State and Local Housing Trust Funds. The Housing Trust Fund Project offers publications that describe existing housing trust funds and the steps necessary to create a new housing trust fund. The project also provides several levels of technical assistance.

<http://www.communitychange.org/issues/housingtrustfunds/whatarehousingtf/>

National Low Income Housing Coalition (NLIHC) - dedicated to ending America's affordable housing crisis. NLIHC's advocacy is focused on people with the most serious housing problems and the lowest incomes. NLIHC is coordinating the National Housing Trust Fund Campaign through legislative advocacy. The National Housing Trust Fund will provide a dedicated source of funding for the production, preservation, and rehabilitation of 1.5 million affordable homes in 10 years. At least 75% of the funds will be for housing for households that have extremely low income, earning less than 30% of an area's median income. <http://www.nlihc.org>

Policy Link, *Equitable Development Toolkit: Housing Trust Funds* - created by the Illinois Housing Trust Fund which is administered by the Illinois Housing Finance Agency in partnership with the Mary Brooks from the Center for Community Change. The website includes information and advice for stakeholders interested in creating a Housing Trust Fund, including design considerations, potential funding sources, model legislation, and strategies for success. <http://www.policylink.org/EDTK/HTF/>

### ***Housing Trust Funds in Iowa***

Since 2003, the Iowa Housing Trust Fund has assisted in the creation of 1,200 housing units for people with disabilities.

The Iowa Housing Trust Fund, created in 1995 with funding first available in 2003, gives out grants to community-based organizations that support affordable housing. The Iowa Finance Authority holds moneys in the Trust Fund to encourage development of local housing trust funds and for the development and preservation of affordable housing for people with low income in the state. The Iowa Housing Trust Fund also receives funds from the Iowa State Legislature. There are no federal dollars in the Trust Fund; however, trust fund dollars may be used as a match for federal funding.

The Iowa Housing Trust Fund operates two distinct programs: the Local Housing Trust Fund Program and the Project-Based Housing Program.

#### **Local Housing Trust Fund Program**

The Iowa Housing Trust Fund allocates funding to local housing trust funds to serve persons with extremely low incomes under 30% of area median income. The Local Housing Trust Fund program provides funds through grants and loans to individual homeowners or renters, developers, and non-profit and for-profit agencies including homeless shelters. The grants are for a two-year time period, with the opportunity for a no-cost extension for an additional year.

Local housing trusts are required to develop a housing assistance plan that identifies housing assistance needs and gaps, and addresses economic, social and health related benefits. Extension agents and non-profit agency representatives on the Iowa Housing Trust Fund Board provide information and technical assistance to applicants and grantees. Plans may propose using funds for transitional housing, rental housing, homeownership, homelessness, and underserved areas or

populations. At least 30% of local housing trust funds must target homeless persons with extremely low income, domestic violence shelters, and persons with disabilities. Plans may also propose to serve parents of a child with a disability. Individuals may directly access Local Housing Trust Fund program allocations.

### **Project-Based Housing Program**

The Iowa Finance Authority sets aside 25% of the annual State Ceiling for Service Enriched Set-Aside Projects for rent restricted housing units for individuals with low income. The Finance Authority allocates tax credits from this 25 percent set-aside based on its Qualified Allocation Plan. To qualify for the set-aside program, a percentage of the housing units must be set aside for people with disabilities in integrated settings or settings that promote homeownership or transitional housing; or a percentage of the units must be set aside for people with disabilities in single-purpose settings or transitional housing. Projects are required to include a supportive service plan for residents. Unused tax credits may be returned to the general pool and allocated in the current year.

The Iowa Finance Authority has partnered with the University Extension Program to provide training, awareness, and technical assistance. The National Council of State Housing Agencies (NCSHA), a trade association, has provided critical information and support.

### **Bridge Subsidy Program**

The Iowa Trust Fund also allocates funds to provide Bridge Rental Subsidies for over 400 Medicaid Waiver eligible individuals awaiting Housing Choice Vouchers from HUD. The rent subsidy amount is capped at the amount HUD would pay for Housing Choice Vouchers. Persons are required to pay a minimum of \$25.00/month, however, the Trust Fund accepts people with no income or up to 30% of Area Median Income. Thirty percent of the funds must be targeted to homeless persons with extremely low incomes, and persons with disabilities transitioning to the community.

#### **Examples of Housing Trust Fund Projects Benefiting People with Disabilities**

- Construction of a duplex by Habitat for Humanity
- Construction of a home by Habitat for Humanity on donated land
- Financing owner-occupied repairs
- Apartment and Home Remodeling
- Furnace Replacement

### **Lessons Learned**

The Iowa Housing Trust Fund is not unique in how it uses and provides funding. Some states may not have a trust fund because it hasn't been politically in favor. Housing hasn't always been seen as a public policy issue. However, in the past five years, the Iowa Finance Authority has informed State legislators how housing impacts social issues.

*The challenge facing housing trust funds is to find ongoing sources of funding.* --Carla Pope, Director of Affordable Rental Production, Iowa Finance Authority

Local Housing Authorities are hesitant to establish housing trust funds when they don't know if they can count on ongoing funding. It is difficult for the Iowa Housing Trust Fund to commit funds to the Local Housing trust Fund program when they don't know how much funding will be available in a given year. As a result, local housing trust funds have not been established in all parts of the state.

In an effort to secure ongoing revenue, the Iowa Finance Authority recently submitted two proposals to the Iowa State Legislature. One proposal would increase public awareness of housing issues by earmarking a percentage of the Real Estate Transfer Tax to the Housing Trust Fund. The second proposal, for a direct legislative appropriation, would be subject to greater annual fluctuation with the State's economy.

Carla Pope administers Iowa Housing Trust Fund activities. She recommends that administrators of housing trust funds monitor local housing trust funds to ensure that funds are spent as planned, and that community events be held to celebrate results. State legislators are interested in the economic impact of the funds. Investment in housing reduces the cost of social services while increasing safety and access to the community and potentially lowering the costs of long-term supports funded through sources such as Medicaid.

Agencies and individuals committed to expanding integrated housing for people with disabilities need to determine how to influence local decisions regarding the use of housing trust funds. It is important to attend local meetings and assist with community planning.

**For More Information:**

Iowa Finance Authority - <http://www.iowafinanceauthority.gov>

**State Contact:**

Carla Pope, Director, Affordable Housing Production, Iowa Finance Authority; (800) 432-7230, [Carla.pope@iowa.gov](mailto:Carla.pope@iowa.gov)

## Part Five: Individual Development Accounts

### What Are Individual Development Accounts?

People with low incomes typically cannot benefit from federal incentives that reward middle and upper income people for saving money. These tax breaks include a mortgage deduction, IRAs and other such vehicles, and preferential capital gains. Low income and the lack of assets keep many people from achieving financial stability, and saving for a down payment on a home, a small business, or for college tuition for themselves or their children.

The concept of supporting individuals and families with low incomes to save and build assets for the future through Individual Development Accounts (IDAs) was first proposed by Michael Sherradan in his 1991 book, *Assets and the Poor: A New American Welfare Policy*. Sherradan argued that the best way for low-income populations to get ahead was to save money and acquire assets.

Individual Development Accounts are dedicated savings accounts in which individual and family savings are matched by a variety of public and private sources. IDAs are an ideal vehicle to assist poor working families to reach important life goals, including the goal of homeownership. IDAs are also used to promote savings for education, training, and business development.

### How Can Individual Development Accounts be used to Assist People with Disabilities?

Service and advocacy groups can seek support from banks, corporations, charitable organizations and philanthropists to help individuals with disabilities build personal assets through the use of IDAs. The savings accrued by individuals and families in locally funded IDAs can be used for such things as down payments for homeownership, seed money for a small business, or any other important life goal.

### Advantages and Disadvantages of Individual Development Accounts

<b><u>Advantages</u></b>	<b><u>Disadvantages</u></b>
Builds personal assets.	Some complexity in set-up.
Very flexible.	If federal funding is used by the IDA program then the savings can only be used for homeownership, starting a business, or post-secondary education.
The “match” for personal savings is often as high as \$3 or \$4 contributed for every dollar saved by the individual or family.	Most organizations working with people with disabilities lack knowledge of these funds.
If federal funding is not used then income and other restrictions placed on an IDA program can be changed at the state or local level.	The use of federal funding comes with restrictions including what types of income can be saved.

## **How Do Individual Development Accounts Work?**

Non-profit organizations administer IDA programs in partnership with financial institutions, charitable organizations, and philanthropies. The IDA program sponsor typically recruits IDA participants and provides them with education and training in financial literacy, goal setting and asset development. The partnering financial institution accepts deposits and contributions, and handles the disbursement of funds. The individual or family makes deposits towards personal savings goals. These goals may be short-term goals, such as home improvement and repair, or long-term goals such as purchasing a first home. A variety of government and private sector sources contribute donations to IDA programs to match individual and family savings. Contributing organizations typically receive a tax deduction for their contributions to IDA programs.

## **IDA Program Requirements**

There are over 250 Individual Development Account programs operating in the United States.<sup>7</sup> The required savings period, matching rates, and allowable uses of funds vary based on the priorities of the funding sources and the purposes of the IDA program. Some privately funded IDA programs allow funds to be used for transportation, assistive technology, and home repair/modification. IDA programs funded solely by private sources have greater flexibility in the use of funds.

Most IDA programs impose a maximum household income level for IDA applicants based on poverty levels or area median income. In addition, some IDA programs have asset limitations. In order to participate in an IDA, the individual or family must have some source of income. Income may come from a variety of sources including earnings, unemployment insurance, and Social Security Income/Insurance. Finally, some IDA programs require that applicants have a history of good credit, and/or be free of debt.

## **Benefits of Individual Development Accounts**

As individuals and families build savings and equity in assets, they achieve greater financial stability. This financial stability can assist individuals and families to weather difficult financial times. In addition, the individual contribution requirement promotes responsibility for the creation of personal wealth and pride of ownership in assets. The accelerated rate of savings through an IDA allows low-income individuals and families to reach important life goals far sooner than they would be able to on their own.

*The accelerated rate of savings through an IDA allows individuals and families with low income to reach important life goals far sooner than they would be able to on their own.*

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<sup>7</sup> Corporation for Enterprise Development (2007).

### **Action Steps**

- Find out about state and local IDA programs already in operation, and get information about criteria, eligibility, and application process.
- Ask IDA program about their knowledge and experience with providing assistance to people with disabilities.
- Offer to provide information and assistance to local IDAs on issues related to people with disabilities.
- Research program at the CFED website: <http://www.cfed.org>.

### **For More Information**

The Corporation for Enterprise Development (CFED) fosters widely shared and sustainable economic well-being. CFED promotes asset-building strategies, primarily in low-income and distressed communities, that bring together community practice, public policy, and private markets in new and effective ways.

The CFED Web site includes links to relevant information on economic and community development: IDA Fact Sheet, IDA Directory, and IDA Program Design Handbook - <http://www.cfed.org>

### ***Individual Development Accounts in New Hampshire***

*Individual Development Accounts are not new anymore. They're not innovative. But the IDA program is the best program out there to help people help themselves.* --New Hampshire Community Loan Fund

### **Sponsoring Organization**

The New Hampshire Community Loan Fund (The Loan Fund) is a non-profit organization that administers Individual Development Accounts (IDAs) in New Hampshire. The Loan Fund is one of 600 Community Development Financial Institutions (CDFIs) certified by the Community Development Financial Institutions Fund of the U.S. Department of the Treasury. A CDFI is a private-sector financial institution that focuses on markets historically underserved by traditional financial institutions, with the shared goal of community development.

The Loan Fund works with other non-profit organizations within the New Hampshire community. The IDA program offers eligible individuals and households the opportunity to save for future assets, obtain financial literacy and asset training, and receive assistance from a local community organization while having their savings dollars matched by donated funds from charitable organizations.



## **New Hampshire Program Specifics**

The IDA program helps families with low income to save money to buy homes, capitalize small businesses, or advance their education. For the three-to-one dollar match, IDA savers must attend personal finance and money management workshops, and receive training specific to their savings goal.

The Loan Fund offers IDAs to individuals who have low and moderate incomes, through the New Hampshire Statewide Individual Development Account Collaborative. The Collaborative is a statewide program that supports a community organization's ability to offer individual matched savings programs for individuals with low and moderate incomes.

Primary funding for the IDA program comes from Assets for Independence (AFI), which is a Federal grant program that enables community-based non-profit organizations and State, local, and Tribal government agencies to implement and demonstrate an asset-based approach for helping families with low incomes get out of poverty.

Eligibility Requirements - Individuals or households are eligible to participate in the IDA program if they meet one of the following criteria:

- TANF eligibility;
- EITC (Earned Income Tax Credit) eligibility; or
- 200% of poverty level or below and be a person with a disability.

Asset Test - Applicants must pass a Net Worth Test. The applicant cannot have more than \$10,000 in assets, excluding their residence and one vehicle.

Savings Match Rate - Savings by participants are matched at a rate of 3:1. For every dollar saved, the participant will receive an additional three dollars, up to \$2,000 saved.

Allowable Uses of Funds – Participants can save for homeownership, post-secondary education, or for small business development.

Training Requirements - Participants are required to develop savings goals/plans, access economic literacy training/education, and plan for asset management. Participants are required to be in a classroom once a month for 12 months to learn the asset and financial fitness curricula: saving, budget development, and future planning. Participants are required to be in educational classes every year until the asset is purchased.

Savings Opportunities – The IDA program has different segments which give participants the opportunities to save for homeownership, secondary education, and small business development. In addition, one segment of the program makes it possible for people to save for car purchases and home repairs. People with disabilities who participate in the IDA program are eligible for an enhanced match of four dollars to every dollar saved.

## **IDA Program Contributors and Collaborators**

Contributors to the Loan Fund include:

- AFI - Assets for Independence (Federal contributor)

- Citizens Bank (direct contributor)
- NH Community Finance Authority (administers State Tax Credit Program)
- Local partners who support the training and coordinate local services. In some settings the Loan Fund also coordinates training.

The Loan Fund works with over 20 organizations who are contributors or collaborators to the program.

### **Challenges and Lessons Learned**

Enrollment – Representatives of The Loan Fund reported that the main challenge they heard from other states was that it was difficult to enroll participants. People didn't understand that they could get "something, for nothing." To address this challenge The Loan Fund approached non-profit organizations that serve eligible populations to ensure program enrollment.

Record Keeping – Representatives of The Loan Fund reported that tracking participant information and financial data has been a big challenge. The Loan Fund is a signer for 864 custodial accounts. Over 250 individual bank statements are processed manually. Federal interest reporting requirements must be documented. To address this challenge The Loan Fund developed a match savings statement that provides critical information regarding the IDA savings budget. The Loan Fund is currently developing software to assist in managing participant and account information.

Attrition - From the beginning, The Loan Fund was concerned about participant attrition. Three years ago The Loan Fund conducted an extensive evaluation with all partners and IDA participants. Changes were made to improve the program, including baseline rules that may be modified by partners, and complaint tracking. The Loan Fund also changed how they conduct training. They now require that people to complete half of their training for Year One before they sign up for an IDA. The Loan Fund relaxed the training requirement for Years 3, 4, and 5. Despite these changes, attrition remains a concern.

Financial Challenges – Representatives of The Loan Fund reported that price increases in the recent housing market required potential homeowners to save larger amounts for a down payment on a home. Accordingly, The Loan Fund had to secure increased matching funds.

### **Program Results**

Despite these challenges, individuals and households in New Hampshire have achieved tremendous gains through the Individual Development Account Program.

### **IDA Program Accomplishments**

- Over \$1 million in individual savings
- Over \$27 million in matching funds have been leveraged
- 301 active participants
- 216 graduates purchased homes or vehicles (146 homes and 6 vehicles purchased)
- 13 graduates in postsecondary education
- 16 graduates in small business development

### **A Success Story**

Like many people who are 45 years old, one recent IDA participant was skeptical when first hearing about the Individual Development Account program.” When I was told that I would get three dollars for every one dollar that I saved in the IDA, I didn’t trust them.” The father of six took a chance anyway, and with his wife, started two IDA accounts. “My children didn’t enjoy the sacrifice but I said to them, ‘Just give me a year or two,’” he said.

Twelve months later, this IDA participant purchased a four-bedroom clapboard home in a quiet neighborhood in New Hampshire, with a lilac tree in the front yard and a garage apartment in the back for rent. “This is an absolutely great program,” said a representative from the Neighborhood Housing Services, an IDA partner. “It allows people to reach for the stars. They’re building an asset and building their future.” The family is happy with the result.

### **For More Information:**

Assets for Independence, a program of the United States Department of Health & Human Services, Administration for Children & Families - <http://www.acf.hhs.gov/assetbuilding/>

Community Development Financial Institutions Fund. The U.S. Department of the Treasury provides capital to certified CDFIs to help leverage private-sector investments to support housing, community facilities, jobs and essential services for people with low and moderate incomes - <http://www.cdfi.org>

### **State Contact:**

IDA Program Coordinator, New Hampshire Community Loan Fund – information available at <http://www.nhclf.org>

## **Part Six: HOME Investment Partnerships Program**

*The Home Investment Partnerships Program is the largest federal block grant program available to states and localities to promote affordable housing, providing over \$2 billion annually.*

### **What is the HOME Investment Partnerships Program?**

The U.S. Department of Housing and Urban Development (HUD) created the HOME Investment Partnerships Program to expand the supply of decent affordable housing for families with low and very low-incomes. HUD provides formula grants to states, municipalities, and consortia of local governments, called Participating Jurisdictions, based on size and population characteristics. Every state gets an allocation of HOME dollars. HOME dollars may be used for the construction, acquisition or renovation of rental housing; tenant based rental assistance; homeownership; and home repair and accessibility. Because the HOME Investment Partnership Program is federally funded, at least 5% of housing units developed using HOME dollars must be accessible to people with disabilities.

### **How Can the HOME Program be used to Assist People with Disabilities?**

The HOME program is an extremely important resource for people with disabilities. These funds can be used to support the development of integrated, affordable, and accessible housing in many ways, including:

- HOME funds can be offered as an incentive to developers using tax credits and other developers to create a percentage of the total units that are affordable for households with extremely low income.
- Provision of up-front capital for specific units in a large development, making the units affordable for people on an SSI income.

These funds can be used to support *access to existing units* in many ways, including:

- Creation of a bridge subsidy program, using the tenant-based rental assistance option, to assist individuals in transitioning from nursing homes and other institutions or to prevent an institutional placement.
- Provision of tenant-based rental assistance to persons with disabilities which makes it possible for them to choose to live in properties developed using tax credits. One successful strategy is for developers of tax credit properties to seek out recipients of tenant-based rental assistance.
- Provision of funds for home owners to allow accessibility modifications to existing properties.

## Advantages and Disadvantages of the HOME Program

<u>Advantages</u>	<u>Disadvantages</u>
Many allowable uses—can be used to incentivize integrated development or access existing housing units.	Typically, used only for development. Using tenant-based rental assistance may require determined advocacy.
Use of funds must be responsive to public input.	Can be complicated to manage.

### How does the HOME Investment Partnership Program work?

HUD allocates and distributes HOME dollars through State and local governments that become Participating Jurisdictions. The Participating Jurisdiction must ensure citizen participation in developing a Consolidated Plan through public hearings; demonstrate consultation with public and private agencies serving people with low incomes and people with disabilities; provide evidence that draft Consolidated Plans were available for public comment; and provide performance reports. Participating Jurisdictions must match every dollar of HOME funds used (except for administrative costs) with 25 cents from nonfederal sources. Up to 15% of HOME grant funds must be reserved for projects by eligible non-profit organizations known as Community Housing Development Organizations (CHDOs).

### Using HOME Dollars to Provide Tenant Based Rental Assistance

Tenant Based Rental Assistance works like a Housing Choice Voucher (formerly called Section 8 voucher). The rental assistance subsidizes the rent a person can afford to pay for an apartment or house. Tenants typically pay at least 30% of their adjusted monthly income. The rental assistance provides the difference between what the tenant can afford to pay and the established rental rates. Rental assistance may also be used for payment of security deposits. Rental assistance provided with HOME dollars is initially awarded for two years, and may be extended based on availability of funds. Tenants are required to apply for Housing Choice Vouchers for permanent housing assistance.

Participating Jurisdictions determine who will receive rental assistance, the amount of the subsidy, where the subsidy may be used, and whether the subsidy will be paid to the renter or to the property owner. Participating jurisdictions are required to consider a variety of factors, including the need for rental assistance, the availability of other resources and local housing market characteristics. Participating Jurisdictions may elect to provide rental assistance to targeted populations, such as individuals transitioning from nursing facilities.

### Why the HOME Investment Partnership Program is Important

The flexibility of the HOME Investment Partnership Program empowers communities to design and implement strategies tailored to state and local needs and priorities. HOME dollars can be effectively combined with other sources of funds, including Low Income Housing Tax Credits, to provide a comprehensive package of financing to develop integrated, affordable, accessible housing.

*Using HOME dollars to provide tenant based rental assistance allows people with low and very low-incomes and people with disabilities to afford rental payments in housing they choose.*

HOME funds can provide immediate rental assistance for persons transitioning from nursing facilities or other institutional settings to the community. Tenant based rental assistance provided with HOME dollars can serve as a bridge subsidy while tenants await the availability of a Housing Choice Voucher.

### **HOME Dollars: An Underutilized Resource for Integrated Housing**

The HOME Investment Partnerships Program has not been used to create integrated housing for people with disabilities to the fullest extent possible. States and local governments can prioritize allocation and distribution of HOME dollars for low income people with disabilities in response to public participation in the consolidated planning process.

According to Steve Gold's Information Bulletin #209 (2007) only 2% of the HOME congressional appropriation since 1992 has been used for tenant based rental assistance. This presents an opportunity for Participating Jurisdictions to work in collaboration with advocates and agencies providing personal assistance services to allocate additional funds for tenant based rental assistance to support accessible, affordable, integrated housing.

Some participating jurisdictions return HOME funds every year. Since 1992 nearly \$28.7 million in HOME funds have been returned to HUD.<sup>8</sup> This presents an opportunity for advocates and agencies providing personal assistance services to request that uncommitted and unused HOME dollars be used for tenant based rental assistance to create integrated, affordable, accessible housing.

In an era of increased state and local responsibility for development and financing of housing, public participation in the Consolidated Plan process is increasingly important. Participating Jurisdictions have a great deal of flexibility in how they allocate and distribute HOME dollars. Interested agencies, organizations, and advocates must actively participate in state and local planning processes to access HOME Dollars.

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<sup>8</sup> Gold (2007)

### **Action Steps**

- Learn the housing needs of people with disabilities in your Participating Jurisdiction (PJ)
- Present the housing needs of people with disabilities in language consistent with the Consolidated Plan, i.e. talk about households relying on SSI as “extremely low income” households.
- If your community has a need for housing subsidies, make the case for using tenant-based rental assistance to increase integrated, affordable, and accessible housing units.

### **For More Information:**

*Special Needs Housing and the HOME Program* (2001). U.S. Department of Housing and Urban Development.

State and local HOME Investment Partnership Programs and Contacts -

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/contacts/index2.cfm>

HUD’s HOME Program: Can it Really Work for People with Disabilities? *Opening Doors*, Issue 16, December 2001. Technical Assistance Collaborative and the Consortium for Citizens with Disabilities Housing Task Force - [www.tacinc.org](http://www.tacinc.org).

### ***HOME Investment Partnerships Program Activities and Tenant Based Rental Assistance in Arkansas***

Spa Area Independent Living Services combines HOME Investment Partnerships Program (HOME) funds with other funding sources to provide tenant based rental assistance that enables residents of nursing facilities to transition to integrated settings in the community. They also use tenant based rental assistance to support persons at risk of placement in nursing facilities to remain in the community. Spa Area Independent Living Services 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, accessible housing.

Brenda Stinebuck, Executive Director of Spa Area Independent Living Services, first learned of the Home Investment Partnerships Program at a training conducted by Independent Living Research Utilization on the U.S. Supreme Court ruling in *Olmstead v. L.C.*

*HOME dollars are a good fit for Centers for Independent Living that are actively engaged in assisting people to transition to the community.--*

Brenda Stinebuck

The Arkansas Development Finance Authority (ADFA) allocates and distributes HOME funds in Arkansas through an annual grant process. Spa Area Independent Living Services was able to apply for and receive HOME Tenant Based Rental Assistance Program funds because

local housing authorities showed little or no interest in the program. When the ADFA issued an initial request for proposals, no local housing authorities applied for the funds. The ADFA reissued the request for proposals and Spa Area Independent Living Services applied for and received HOME dollars.

### **How the Program Works**

For persons in the community to be eligible for HOME Tenant Based Rental Assistance, they must be at risk of placement in a nursing facility. Spa Area Independent Living Services obtains an independent assessment of each applicant's at-risk status from a physician or case management entity. Spa Area Independent Living Services locates eligible rental properties and determines if the property owners will accept the tenant based rental subsidies. Rental properties must pass inspection in accordance with criteria established by HUD. The ADFA pays the rental subsidies directly to property owners. Spa Area Independent Living Services conducts monthly phone calls to tenants and landlords to monitor satisfaction with the nursing home *diversion* program.

To identify interested and eligible individuals who wish to *transition* from nursing facilities, staff members from Spa Area Independent Living Services go to local nursing facilities to get to know the nursing facility staff. They also provide informational sessions for nursing facility residents to learn about community living options and home- and community-based services. During the transition process, Spa Area Independent Living Services staff members accompany people living in the nursing facilities on shopping trips to choose their home furnishings.

In an emergency situation, Spa Area Independent Living Services can complete the required paperwork to transition a person to a housing unit with HOME Tenant Based Rental Assistance in one day. Typically the process from start to finish can take up to a year or more.

Nursing homes now call Spa Area Independent Living Services when they identify a person wishing to transition to the community.

### **Lessons Learned**

Brenda Stinebuck states that the tenant-based rental assistance program has been a challenge. The application process for HOME funds is lengthy and complex, and initially, there was a delay in getting the rental subsidies to landlords in a timely fashion. However, ADFA and Spa Area Independent Living Services worked out an arrangement for landlords to receive the rent subsidies at the beginning of each month. As a result of the partnership with the ADFA, Spa Area Independent Living Services has achieved positive relations with area landlords who now call when they have vacancies.

In general, tenants report that they are very satisfied with the tenant based rental assistance program. Brenda Stinebuck describes the HOME Tenant Based Rental Assistance Program as a "perfect fit" for Centers for Independent Living committed to expanding housing opportunities for persons with disabilities with low income. Due in part to the success of Spa Area



Independent Living Services, the Arkansas Development Finance Authority now provides funding to other Centers for Independent Living throughout the State of Arkansas.

**For More Information:**

Information on HOME activities including the Tenant Based Rental Assistance program: available from the Arkansas Development Finance Authority - <http://www.state.ar.us/adfa/programs/hipp.html>.

**State Contact:**

Brenda Stinebuck, Executive Director, SpA Area Independent Living Services, Inc., (501) 624-7710, [bstinebuck@ar-sails.org](mailto:bstinebuck@ar-sails.org).

## Part Seven: First Time Homebuyer Programs

### What Are First Time Homebuyer Programs?

First time homebuyer programs are specially designed packages of financing options and purchase assistance to allow people who have low or moderate income to own a home.

*First time homebuyer programs are an excellent source of financing for people with disabilities to obtain integrated, affordable, accessible homeownership.*

First time homebuyer programs vary widely in their nature and scope but many generally include the following:

- Below market rate financing
- Little or no down payment requirement
- Assistance with closing costs
- Soft second loans to cover down payment and closing costs

Some first time homebuyer programs may also include rehabilitation and repair options. Many first time homebuyer programs are tailored for people with limited financial assets, less than perfect credit, or no credit history. When determining program eligibility, participating lending institutions will often consider non-traditional forms of credit, such as rental history or timely payment of utilities. Most first time homebuyer programs have maximum income limits. Some first time homebuyer programs are specifically targeted to special populations. Contrary to the name, some first time homebuyer programs serve people with a history of prior homeownership in targeted locations.

### How Can First Time Homebuyer Programs be used to Assist People with Disabilities?

First time homebuyer programs support efforts to offer homeownership opportunities to people with disabilities. Without the advantages offered by these programs many people with disabilities on SSI income may not be viewed as viable borrowers by lending institutions.

### Advantages and Disadvantages of First Time Homebuyer Programs

<u>Advantages</u>	<u>Disadvantages</u>
Many times accommodations are made for poor credit or no credit history.	Program rules may not be flexible enough, i.e. the amount of down payment available may not be sufficient for households with extremely low incomes.
Down payment and other forms of up-front costs may be covered.	
Interest rates can be below the market rate at any given time.	

### **Action Steps**

- Investigate particulars of existing First Time Homebuyer programs in your state and in your local community.
- Check with your state Housing Finance Agency to find out about current and upcoming first time home buying program initiatives.
- Create testimony to provide input to plans governing these programs. Testimony should include data to support the need for first time homebuyer assistance for people with disabilities.

### ***New Hampshire Housing's First Time Homebuyer Programs***

New Hampshire Housing, the state housing finance agency (SHFA), is a public benefit corporation whose mission is to promote, finance, and support safe affordable housing and related services. New Hampshire Housing offers a variety of homeownership programs to assist primarily first time homebuyers to attain the dream of affordable housing.

The Single Family Mortgage Program is New Hampshire Housing's largest homeownership program and includes different financing options, such as 30-year and 40-year mortgages at below market rates, options with points and no points, low down payment, and cash assistance. Participating lending institutions include banks, mortgage companies, and credit unions. The program includes limits for both income eligibility and housing purchase price. Single-family and multi-family housing are eligible properties for first time homebuyer assistance.

New Hampshire Housing's Cash Assistance Option offers borrowers a grant equal to 4% of the loan amount to help defray the cost of the down payment, closing costs, and pre-paid escrow expenses. Buyers are required to contribute a minimum of 1% of the purchase price of the home.

New Hampshire Housing also has a program targeted to borrowers with incomes at 60% or less of the State Median Income and at least one dependent child. The 2-Under Program provides a subsidy for eligible borrowers to buy down the already low Single Family Mortgage Program interest rate by another 2%. The program also includes first time homebuyer education and counseling services.

New Hampshire Housing's Purchase and Rehabilitation Program provides borrowers with up to \$40,000 at the time of purchase to make essential home repairs to plumbing, electricity, heating, etc. Funds may also be used to support home upgrades, such as remodeling bathrooms.

### **For More Information**

First time homeownership programs of New Hampshire Housing - <http://www.nhhfa.org>.

First time homebuyer programs in your state - contact your State Housing Finance Agency (<http://www.ncsha.org/section.cfm/4/39>) or local lending institutions directly.

## **Part Eight:**

### **Home of Your Own-A National Homeownership Initiative**

#### **What is the Home of Your Own (HOYO) Program?**

The Home of Your Own (HOYO) program is a coordinated set of activities designed to assist people with disabilities in purchasing a home. Although all HOYO programs are different many work to make sure the people who receive their services have access to pre and post homeownership and credit counseling, soft second mortgages, homeownership grants, down payment and closing cost assistance, obtaining a mortgage, below market mortgage rates, home modification funding, long term maintenance accounts, utility assistance, and other assistance to make homeownership possible.

#### **How Can the HOYO Program be used to Assist People with Disabilities?**

*While homeownership is not the answer for everyone, it is one way for many people with disabilities to gain greater control over their lives and to be seen as valued citizens, neighbors, and taxpayers.*

Homeownership for people with disabilities has gained acceptance because strategies to circumvent traditional hurdles to homeownership, such as developing a credit history, saving money for a down payment, and documenting a stable source of income have been demonstrated by many individuals across the country.

Homeownership provides a vehicle for achieving a number of the ideals that people with disabilities, their families, advocates, and professionals have labored long to achieve. Owning a home is culturally acceptable, socially typical, and status enhancing. In addition, homeownership provides a vehicle for creating identification with and similarity between persons who have disabilities and other community members. Homeownership moves people closer to full citizenship because it offers opportunities for more, and richer, participation in community life.

Homeownership initiatives have confirmed the importance of building partnerships between financial institutions, housing agencies, and organizations involved in service provision. Homeownership initiatives have demonstrated how federal, state, and local housing subsidies can be structured and blended to assist people with disabilities to purchase homes. By focusing on the housing needs of individuals, integrated, accessible, and affordable housing has become attainable by more people. Flexible underwriting criteria make it possible for individuals who depend on public benefits, who do not have savings or established credit, to qualify for loans and become homeowners.

Through homeownership, people traditionally excluded from the housing market have the stability owning a home can offer. Increasingly, people with disabilities are living in their own homes and receiving the assistance they need to live as valued members of their communities.

## Advantages and Disadvantages of the HOYO Program

<u>Advantages</u>	<u>Disadvantages</u>
HOYO can assist in putting together a complete package of financing and support to purchase a home.	Purchasing a home is complex and requires a major time commitment.
HOYO can assist with all aspects of the move to homeownership, including support for retaining the housing.	HOYO programs must coordinate many funding sources and obtain diverse community support. This can be a challenge.
Homeownership builds personal and family assets.	Homeownership can result in the loss of or new restrictions in the use of public benefits.
Homeownership strengthens one's status in the community.	Homeownership limits individual and family mobility.
With homeownership individual and family housing costs can stabilize.	Repair, maintenance, and property tax expenses can increase and must be planned for.

## History and Development

Because many people with disabilities have limited financial resources with which to own or lease their own homes, it is frequently necessary to identify and combine complex financial mechanisms to bridge the gap between their income and the real cost of integrated housing. Even when community housing is made affordable, it is often older and architecturally inaccessible because of narrow doors, limited space for wheelchairs to maneuver, non-accessible bathrooms, countertops and cabinets at fixed and inaccessible heights, and one or more steps at entrances. A movement that began in the early 1990s has made it possible for hundreds of people with disabilities throughout the United States to become homeowners.

In 1990, a national survey of people with developmental disabilities conducted for the Administration on Developmental Disabilities (ADD), U.S. Department of Health and Human Services (HHS) indicated that people with developmental disabilities who own or lease their own homes were more satisfied with their homes, the services they received, and their lives in general than people who lived in housing owned and controlled by others<sup>9</sup>. In response to the findings of this survey, ADD funded state demonstration projects in 23 states and supported the formation of the National Home of Your Own Alliance.

The National Home of Your Own Alliance (Alliance) was a national information and technical assistance center on homeownership, control, and personalized support. The goal of the Alliance was to promote exemplary practices and public and private sector partnerships linking the home mortgage and social service industries to better serve people with disabilities. In addition to state technical assistance, the Alliance developed a national information clearinghouse in collaboration with the Center for Universal Design, Co-op Initiatives, the Institute on Disabilities at Temple University, and Human Services Research Institute.

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<sup>9</sup> Administration on Developmental Disabilities (1990).

ADD wanted projects to generate approaches that would: (1) separate where one lives from the services and supports one receives; and (2) tailor supports to the individual's preferred residence, whether a purchased home, rented apartment, or some form of shared housing. States were required to raise matching funds, develop detailed plans, and create steering committees to implement their state's plan.

States participating in the Home of Your Own Program used monies accessed through Fannie Mae, HUD HOME, Housing Finance Agencies, Federal Home Loan Banks, Developmental Disabilities Planning Councils, and private mortgage companies.

### **Home of Your Own Primary Funding Sources**

Fannie Mae HomeChoice - HomeChoice is a mortgage product designed to accommodate the needs of individuals with disabilities and families who have a child with a disability.

Federal Home Loan Bank – Banks participating in the Federal Home Loan Bank system loan money to lenders involved with housing finance, primarily for low-income populations.

HOME Program – The HOME Investment Partnership Act (HOME Program) provides affordable housing funds through the U.S. Department of Housing and Urban Development (HUD) to states and local jurisdictions to fund state and local affordable housing initiatives.

Housing Finance Agencies – State Housing Finance Agencies (HFAs) address the affordable housing needs of low-income persons by financing development and preservation of affordable homeownership and rental housing.

State coalitions reported accessing over \$20 million in funding to assist over 900 people with disabilities to become homeowners during the five-year funded period<sup>10</sup>. Funds were used to:

1. Buy down mortgages;
2. Provide soft second loans for down payments, closing costs and rehabilitation;
3. Fund program operating costs;
4. Provide homeowner counseling; and
5. Offer below-market loans or grants.

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<sup>10</sup> Silver, Bradley, & Semple (1998).

### **Action Steps**

- Contact state and local housing agencies to locate HOYO or other homeownership assistance programs already in operation, and get information about criteria, eligibility, and application process.
- Ask homeownership assistance programs about their knowledge and experience with providing assistance to people with disabilities.
- Offer to provide information and assistance to state and local homeownership assistance programs on issues related to people with disabilities.
- Work with state and local PHAs to create a homeownership program that uses their allocation of Housing Choice Vouchers.
- Provide assistance to individuals and families to prepare for homeownership, develop action plans, develop a budget, shop for homes, obtain mortgages, close a loan, and obtain post homeownership counseling.

### **For More Information**

*AAMR Fact Sheet: "The Home of Your Own" Initiative.* This fact sheet provides an overview of the Home of Your Own Initiative, current activities of the National Home of Your Own Alliance<sup>11</sup>, and helpful references. The Fact Sheet is available online at: [http://www.aamr.org/Policies/faq\\_initiative.shtml](http://www.aamr.org/Policies/faq_initiative.shtml)

*A Home of Your Own Guide.* Developed by Fannie Mae and the National Home of Your Own Alliance, the Guide walks prospective home owners through the complex process of buying a home, from the initial decision to make the purchase, through the steps for acquiring a mortgage, and finally, to life as a homeowner. The Guide reflects a "person centered approach" to homeownership, which places people with disabilities at the center of the decision-making process on issues affecting their personal lives and living situations. The Guide is available online at: <http://alliance.unh.edu/Guide.htm>

*A Home of Your Own Guide: A Resource for Housing Educators and Counselors to Assist People with Disabilities.* Developed by Fannie Mae and the National Home of Your Own Alliance. This is a resource for housing educators and counselors to assist people with disabilities to purchase a home. Paper copies of the guide are available by calling the Fannie Mae Distribution Center at: (800) 471-5554. The Guide is also available on the Fannie Mae Web site at <http://www.fanniemae.com/housingcommdev/resourcehomeed/homeofyourown.jhtml>

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<sup>11</sup> When the original grant from the Administration on Developmental Disabilities ended in 1998 the Institute on Disability continued to fund the operation of a National Home of Your Alliance Clearinghouse. This clearinghouse continues to send out publications when they are requested, operate a Web site with publications and updated links, and moderate an active listserv.

Home of Your Own Alliance. Visit the Center for Housing and New Community Economics (CHANCE) online at: <http://chance.unh.edu/nhoyo.html>

### ***Home of Your Own Program in New Hampshire***

The Home of Your Own Program (HOYO) in New Hampshire reflects 17 years of collaboration between people with disabilities, social service agencies and financial institutions in assisting low-income people with developmental disabilities to realize their dreams of homeownership.

*The New Hampshire Home of Your Own Program (HOYO) is unique because the affordable housing sector rather than the disability service sector operates the program.*

The University of New Hampshire Institute on Disabilities started the Home of Your Own Program with a demonstration grant in 1991 from the United States Department of Health and Human Services, Administration on Developmental Disabilities. The New Hampshire Community Loan Fund took over the HOYO program in 1994 and made it a program of its organization.

HOYO provides a blend of homeownership counseling and financial support to eligible participants. Potential homeowners are assisted in obtaining loans or available grants for home purchases, repairs, or home modifications. HOYO has partnerships with local area agencies for people who have developmental disabilities and other social service and personal support “systems” to plan for homeownership. Homeowners take the responsibility for managing their finances, choosing and purchasing their homes, and maintaining their homes.

To be eligible for HOYO, the individual or a family member must have a developmental disability and connect with the local area agency if they need services or supports. HOYO is a first-time home buyer, single-family program for individuals with low or moderate incomes.

The HOYO team uses a person-centered process, focused on the purchaser’s needs and desires. The support team is made up of individuals who surround and support the potential homeowner in daily life such as family, friends, neighbors, care providers, and local area agency staff. Team members are valued for the expertise they bring to the table. HOYO staff members encourage purchasers who have never lived independently from their family to consider renting housing in an interim setting for six-months or more before committing to homeownership.

The traditional homeownership process differs for each potential homeowner. HOYO develops a personal profile with the potential homeowner so that accurate planning can be made for successful, long-term homeownership. Because of the time it takes to go through the purchasing process, HOYO is not well suited to meet a need for emergency housing.



### **Sources of HOYO mortgage financing and grants:**

- New Hampshire Housing Finance Authority
- U.S. Department of Agriculture—Rural Development
- Local Banks
- Federal Home Loan Bank of Boston
- New Hampshire Department of Health and Human Services, Bureau of Developmental Services
- New Hampshire Community Loan Fund.

### **Challenges and Lessons Learned**

The HOYO Program has faced many challenges during its 17 years of assisting people to purchase their own homes. A few of these challenges and the strategies developed to address them are highlighted below.

**Challenge:** Increased cost of housing in areas that have public transportation and more employment possibilities. In addition, the increased costs of property taxes and heating a home, and high cost of living pose significant challenges to homeowners with lower incomes.

**Strategy:** Public assistance programs and tax exemptions are utilized for those who are eligible. The increased availability of condominiums has provided affordable housing in higher cost areas in New Hampshire.

**Challenge:** High cost of major home repairs and home modification for accessibility.

**Strategy:** In 2005 the Loan Fund initiated a post-purchase counseling program to assist homeowners with ongoing housing issues. As part of their post-purchase assistance program, HOYO collaborates with many other organizations and programs available throughout the state to obtain assistance on behalf of homeowners. In recent years, as the number of home purchases have declined, the number of post-purchase assistance requests has increased.

HOYO has successfully assisted homeowners with long-term home maintenance needs through the establishment of home maintenance accounts. When a home is purchased, every new homeowner establishes a long-term maintenance account, which is held with a third party social service agency. These funds are attached to the address of the home rather than the homeowner, and are therefore not deemed to be an asset of the individual when eligibility for public benefits is considered. The third party social service agency releases funds from the accounts only for major repairs that have been identified by the homeowner or their support team.

**Challenge:** Building a new home requires more costs and technical assistance.

Strategy: HOYO purchasers rely primarily on existing housing stock rather than new home construction. The Loan Fund will assist the purchasers to construct a home if this is what they want and can afford. Of the more than 90 homes purchased by HOYO participants, only two were newly constructed.

Since the Community Loan Fund has taken over the HOYO Program in New Hampshire, over 90 people have purchased homes in every county and in over 40 towns throughout the state.

### **Success Stories:**

- A man who had been abandoned by his family at a young age realized his dream of having a safe place to call home. This man, who is visually impaired, now knows the security of owning his own home.
- A young person who has autism now demonstrates confidence and a sense of control of his life in his new home. His new attitude pleasantly surprised his family and the people providing him with assistance.
- A single dad who is homeless was able to purchase a home for his family. The father and his three children, one of whom has a disability, express deep gratitude for the opportunity to have a roof over their heads.
- A woman who sustained a brain injury in a serious car accident purchased her own home 11 years later. At the closing, she thanked HOYO for helping her assemble the team who assisted her to purchase the home, and said she couldn't have done it alone.

### **For More Information:**

New Hampshire's Home of Your Own Program. Visit the New Hampshire Community Loan Fund at: <http://www.nhclf.org/programs/housing/hoyo/index.html>

### **State Contact:**

Barbara Howard, HOYO Specialist, New Hampshire Community Loan Fund; (603) 224-6669, ext. 222, [bhoward@nhclf.org](mailto:bhoward@nhclf.org)

## ***Homeownership in Mississippi***

The Institute for Disability Studies (IDS) at the University of Southern Mississippi is a University Center for Excellence in Developmental Disabilities (UCEDD). IDS provides education, research, and community service throughout Mississippi. IDS has a long history of supporting people with disabilities to live in typical homes with their families and to participate fully in their community. Through its housing initiatives, IDS has assisted over 1,000 individuals

with disabilities and their families to find permanent housing or the living arrangement of their choice.

### **Housing Initiatives of the University of Southern Mississippi Institute for Disability Studies**

IDS housing initiatives range from public awareness and education to housing counseling and financing for homeownership. The initiatives are listed in the following text box:

#### **Institute for Disability Studies Housing Initiatives**

- Mississippi Home of Your Own (homeownership program)
- HOME Investment Partnership Program for the City of Jackson (modeled after the HOYO program)
- Shelter For All (assistance for homeless persons with disabilities)
- HousingSmart (education and outreach services)
- Comprehensive Housing Counseling Affiliate (housing counseling grant)
- Mississippi Delta Initiative
- Freddie Mac Counseling Services
- City of Hattiesburg Homebuyer Assistance
- Federal Home Loan Bank Disability Initiative
- ECD Home Again Phase II Homeowner Assistance Program
- Training and Technical Assistance (public awareness and education program).

### **Mississippi Home of Your Own: Opening Doors of Homeownership to Individuals with Disabilities**

The Mississippi Home of Your Own (HOYO) program assists people with disabilities and their families in locating counseling, community support, 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.

Since 1997, IDS has assisted more than 184 Mississippians across 37 counties in the State to achieve the “American Dream” of homeownership.

IDS staff and partners effectively combine homeownership vouchers (see page 7) with other sources of funding, including HOME dollars, Federal Home Loan Bank Grant, and private city grants. Financial assistance for qualified applicants 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.

### Homeownership Process

Due to the program requirements, the HUD Homeownership Voucher Program is not available to everyone wanting to participate in the Mississippi HOYO program. To qualify for a homeownership voucher, applicants must have received a project-based or tenant-based rental assistance voucher through the HUD Housing Choice Voucher Program (formerly Section 8) for at least one year. Although this requirement represents an initial barrier to program enrollment, it ensures that applicants have a rental history prior to homeownership.

The homeownership process begins with the applicant (household) saving for a down payment and closing costs. Applicants may apply by phone or mail, or through one of three satellite offices. IDS staff members determine if applicants are eligible for a mortgage based on credit history and income, and assist applicants in completing required paperwork. Applicants attend a homebuyer education class provided by IDS or other approved non-profit agencies. Person-centered assistance is available and tailored to the unique needs of the individual or family.

Once the lending institution approves a loan, the applicant selects a property and negotiates the details of the purchase. Following the required inspection and appraisal process, the applicant may purchase the home. The average time frame is eight weeks for a typical buyer to purchase a home. Homeowners are required to keep a reserve account for the first three years for essential home maintenance. IDS staff members provide post-purchase counseling assistance to ensure participant success, satisfaction, and compliance with program requirements.

### **Challenges and Strategies**

One of the biggest challenges encountered by the Mississippi HOYO program has been a lack of awareness of the HUD Homeownership Voucher Program. The program is not widely known by HUD workers, Public Housing Authorities (PHAs), community service agencies, and individuals with disabilities and their families. To address this, IDS developed a packet of information on homeownership opportunities to promote statewide awareness.

According to Cassie Hicks, Coordinator for Housing Initiatives at IDS, local PHAs report that there are over 5,000 people on various waiting lists for HUD voucher programs in

Mississippi. Unlike most other HUD voucher programs, there is not a large waiting list for homeownership vouchers. IDS staff members recommend that others interested in the Homeownership Voucher Program work with their local PHA from day one, educating them about homeownership vouchers. IDS has also learned the value of strong community partnerships, including partners in the lending community.

Another challenge is the amount of paperwork required. As a result, IDS staff have become experts on the Housing Choice Voucher Program and homeownership vouchers.

Negative credit ratings represent a barrier to homeownership for many people with disabilities. IDS staff members work with participants with limited credit or bad credit ratings to develop a credit action plan. Many participants receive credit counseling through the Consumer Credit Counseling Service or other debt management service. Applicants with bad credit may reapply once their credit improves.

For many people with disabilities and their families, the Homeownership Voucher Program provides a viable path to homeownership.

*We like to say that at the community level we are helping homeowners  
'grow wealth.'*--Cassie Hicks

By combining homeownership vouchers with other sources of funding, the Mississippi HOYO program is helping to make the dream of integrated community housing affordable for many applicants.

- IDS has assisted people with disabilities to access over \$1.6 million in funding for homeownership with lending partners providing over \$10 million in investment financing.
- The Mississippi Home of Your Own Program was recently awarded the 2007 Best Homebuyer Project during the Governor's Communities of Excellence Awards.

### **For more information**

Information on the housing initiatives of the University of Southern Mississippi Institute for Disability Studies is available online at: <http://www.usm.edu/ids/housing/index.html>

### **State Contact**

Cassie Hicks, Coordinator for Housing Initiatives, Institute for Disability Studies, The University of Southern Mississippi; (601) 266-5163, toll free or TTY (888) 671-0051,  
[Cassie.Hicks@usm.edu](mailto:Cassie.Hicks@usm.edu)

## **Part Nine: Funding for Assistive Technology and Home Modifications**

### **What is Assistive Technology and Home Modifications?**

Assistive technology includes devices and services such as environmental control units, voice-activated phones, flashing smoke detectors, grab bars, tub transfer seats, toilet seat raisers, bath chairs, ceiling track lifts, reaching devices, desk raisers, rolling carts, and jar openers and other kitchen items that may be designed a little differently. Home modifications include entry ramps, automatic door openers, wheelchair lifts, widened hallways and doors, half steps, railings, grab bars, roll-in showers, roll-under sinks, higher toilets, hand-held shower wands, and lowered mirrors and medicine cabinets.

### **How Can Assistive Technology and Home Modifications be used to Assist People with Disabilities?**

Providing assistive technology and home modifications can be vital to ensuring the accessibility of integrated community housing. Assistive technology and home modifications can increase safety, independence, and quality of life for people with disabilities. Assistive technology and home modifications may also increase the marketability and value of housing as the growing aging population seeks out homes and apartments that are fully accessible.

The National Assistive Technology Technical Assistance Partnership provides the following definitions relative to making homes accessible<sup>12</sup>:

#### **Definitions**

Universal Design – *‘The design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design.’* (Center for Universal Design, North Carolina State University, [http://www.design.ncsu.edu/cud/about\\_ud/about\\_ud.htm](http://www.design.ncsu.edu/cud/about_ud/about_ud.htm))

Accessible - *Accessible design generally refers to houses or other dwellings that meet specific requirements for accessibility. For example: building codes, housing regulations, and guidelines.*

Adaptable - *Adaptable design allows some features of a building or dwelling to be changed to address the needs of an individual with a disability or a person encountering mobility limitations as he/she ages. Such design features allow the change to be made quickly...without the use of skilled labor and without changing the inherent structure of the materials.*

Visitable - *Visitable refers to homes that are not only accessible to guests with disabilities visiting the homes of non-disabled hosts, but to the future needs of the non-disabled residents as well. Access features include zero-step entrances, accessible hallways, and accessible bathrooms.*

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<sup>12</sup> Retrieved on September 20, 2007 from RESNA National Assistive Technology Technical Assistance Partnership, <http://www.resna.org/tapproject/goals/community/HMRG.htm>

## **Advantages and Disadvantages of Assistive Technology and Home Modifications**

<b><u>Advantages</u></b>	<b><u>Disadvantages</u></b>
Can make home, work, and the community more accessible and usable by people with disabilities	Often requires coordination across multiple funding sources.
There are many low cost items on the open market that can adequately meet people's needs.	Many times needed assistive technology or home modifications are very costly.
Home modifications can be permanent so that all people will benefit from them.	Assistive technology and home modifications may not always work as intended.

## **Funding for Assistive Technology and Home Modifications**

A variety of federal, state, and private funding sources are available to support the purchase and installation of assistive technology and home modifications. Federal and state funding sources include funds available through the HOME Investment Partnership Program, the Community Development Block Grant (CDBG) program, Medicaid waiver programs, the vocational rehabilitation program, veterans programs, and state Housing Trust Funds. Readers are encouraged to contact state and local housing finance agencies (HFAs), public housing authorities (PHAs), and state-specific programs to determine the availability of funding for assistive technology and home modifications and the process for obtaining these funds. Frequently, multiple funding sources are available if they are needed to cover the costs of assistive technology and home modifications.

### **For More Information**

*Federal HOME MODIFICATION Funds for Accessibility - Information Bulletin # 64 (4/04), Steve Gold's Treasured Bits of Information Newsgroup Archives -*  
<http://www.stevegoldada.com/stevegoldada/archive.php?mode=A&id=93;&sort=D>

## ***Nebraska's Comprehensive Service Delivery Model for Assistive Technology and Home Modifications***

The Nebraska Assistive Technology Partnership (ATP) developed a comprehensive model that combines multiple sources of funding and assistance to provide home modifications and assistive technology for people with disabilities. The Comprehensive Service Delivery Model is statewide in scope, has multiple points of entry, uses multiple funding sources, and employs a person-centered team process. This comprehensive approach ensures maximum participant involvement, practical and timely solutions to housing needs, assessment of participant satisfaction, and achievement of desired community living outcomes.

Since 1997, the Nebraska Assistive Technology Partnership has assisted over 3,300 Medicaid waiver recipients to access over \$13.8 million in Medicaid Waiver funding for assistive technology and home modifications. ATP has leveraged an additional \$3.2 million in funding from other resources for a total of \$17 million.

### **The Assistive Technology Partnership**

The Nebraska Assistive Technology Partnership was established in 1989 through a federal grant from the National Institute on Disability Rehabilitation and Research (NIDRR) in the U.S. Department of Education. The ATP is housed within the Nebraska Department of Education, Department of Vocational Rehabilitation. The mission of the ATP is to enable individuals with disabilities across their life spans to function with greater independence at home, maintain greater control over their lives, and enhance community participation.

*People said, 'We love the computers, but we can't get in and out of our houses or in and out of the bathroom. What are you going to do for us?'--*

Mark Schultz, Director, Assistive Technology Partnership

Early in its history the ATP recognized the need for integrated, affordable, accessible housing in the community and began the process of locating funding to address this need.

### **The Comprehensive Service Delivery Model**

The Nebraska housing Developers Association, with funding from the Nebraska Department of Economic Development, contracts with the ATP to administer housing programs for people with disabilities. The Department of Health and Human Services contracts with ATP to provide services for Medicaid Aged and Disabled Waiver recipients. In 1997, the ATP established the Comprehensive Service Delivery Model with administrative funding provided by the State Medicaid Agency and service funding provided through the State's Aged and Disabled Waiver Program.

Funding for home modifications, technology, or services needed by people with disabilities is provided by numerous programs. Eligibility requirements and guidelines of these programs vary widely and are often overlooked as potential resources for housing assistance related to home modifications and assistive technology. The ATP now accesses 11 different funding sources based on individual qualifications and needs.



### **Funding Sources for Nebraska's Comprehensive Service Delivery Model**

- Medicaid Aged & Disabled Waiver Program
- Disabled Persons & Family Support
- Disabled Children's Program
- Aid to Aged, Blind & Disabled
- HOME Investment Partnership Program
- Housing Trust Funds
- Veteran's Rehabilitation Services
- Vocational Rehabilitation (Title I and Part B)
- Housing Opportunities for Persons with Aids (HOPWA)
- Community Development Block Grant (CDBG) Funds
- Enrichment Foundation (private funds)

**Housing Services** - The Comprehensive Service Delivery Model provides a wide array of services for renters, homeowners, and prospective homeowners. Rental assistance includes: assistance locating affordable, accessible rental units; identification of rental assistance resources; renter education; and landlord and tenant rights information. Homeownership assistance includes: credit counseling; budgeting and self-sufficiency education; counseling on financing assistance and the home-buying process; and funding for down payment assistance, closing costs, and home rehabilitation. Home modifications include structural alterations to make homes accessible and assistive devices to increase independence and safety in the home.

**Assistance Locating Affordable Housing** - <http://www.housing.ne.gov/> is a free online listing and locating service that provides easy access to information about housing opportunities throughout Nebraska. This service allows Nebraskans to locate available housing that best fits their needs. Individuals are able to easily search for housing using a wide variety of search criteria. The website also provides information on supportive services throughout the State, especially those services linked to housing needs. In addition, property owners and managers, including Housing Authorities, may use this service to manage their property listings.

**Assistive Technology and Home Modifications** - The ATP provides a wide variety of assistive technology and home modifications based on assessment of individual and family needs. A partial list of available devices and services is listed in the previous section.

**Equipment Services** - AT4ALL, formerly known as TechConnectors, is a free online classified listing of assistive technology and computers to be used by and distributed to individuals who experience a disability. Equipment is available for loan, sale, demonstration, or giveaway. See <http://www.at4all.com/>.

### **Process**

The ATP process includes home assessment, plan design, equipment recommendation, quote solicitation, payment authorization, equipment installation, and final inspection.

Referral and Assessment - The ATP receives referrals from a variety of sources, including Medicaid waiver service coordinators, rehabilitation counselors, and funding sources. Participants complete a simple survey to indicate their need for housing assistance, modifications, or assistive technology. ATP staff members assess individual needs and eligibility for funding and services. Staff members contact available programs and create a package of funding and services for the individual. A funding coordinator determines the availability of funding beyond funding that is available through Medicaid. The assessment process is usually completed within 30-45 days.

Project Bidding, Completion, and Follow-Up - When the assessment process is complete, ATP staff members obtain bids or quotes from contractors and vendors to provide the home modifications and assistive technology needed by the individual. Recycled or refurbished home modification and assistive technology devices such as porch lifts may reduce costs. ATP reviews and approves bids for accuracy and compliance with program requirements. In rural areas, it is often difficult for the ATP to locate a qualified contractor. ATP staff negotiate with contractors, some of whom have to travel great distances, to make the project reasonable. The bidding process typically takes three weeks.

Once the ATP has made an award for home modifications or assistive technology, the contractor completes the project. The type of modification needed and the availability of the contractor(s) determine the length of time of each project. Most projects are completed within 3-6 months. ATP monitors each project to address delays or issues if the project is not proceeding as planned. ATP surveys individuals six weeks after the project is completed to determine if the participants are still satisfied and are still using the home modifications and/or equipment. ATP follows up on any problems that are identified to resolve them. The average cost per project is \$3,250.

Nursing Home Transitions - The ATP has developed an expedited process for persons transitioning from nursing facilities. Medicaid waiver service coordinators identify the individual as a priority or emergency. ATP may select contractors or vendors on a sole-source basis, bypassing the lengthy bid process. The entire process may take less than two weeks.

## **Challenges and Lessons Learned**

In the 10 years since the creation of the Comprehensive Service Delivery Model, the ATP has learned many lessons and made many changes. The model has evolved from simply financing home modifications and assistive technology to a comprehensive process of assessment, assistance, and follow-up. A team of experts reviews the need for modifications and recommends low-cost, low-tech solutions wherever possible. ATP makes use of recycled or refurbished equipment wherever possible. The ATP has simplified the assessment process.

*We threw away the form and began to just listen to people.*--Mark Schultz,  
Director, Assistive Technology Partnership

ATP has demonstrated the power of leveraging multiple funding sources across traditional silos created by program rules and regulations. More expensive projects are made possible through leveraging and blending of funds. Medicaid Waiver funds for accessibility modifications can leverage housing rehabilitation program funds in order to complete a project that neither resource could complete on their own due to funding caps. For example, \$5,000 in Medicaid

Waiver funds could leverage \$25,000 of Housing Trust Funds to complete a \$30,000 project. ATP has developed a consistent process for communicating with representatives of each funding source to standardize the process and to minimize confusion.

Many projects cannot be completed within the Medicaid Waiver cap of \$5,000 for home modifications and \$5,000 for assistive technology per year of service eligibility. These projects may be spread across multiple years, based on the individual's priorities.

The ATP has recognized the need to fund infrastructure to support the Comprehensive Service Delivery Model. Core organizational financial support allows for staffing to provide program coordination and technical assistance. Without this infrastructure, funding for home modifications and assistive technology is not effectively utilized.

The ATP is maximizing use of the Internet to link people with available housing and equipment. The Websites <http://www.socialserve.com> and <http://www.housing.ne.gov> provide opportunities for landlords to list available properties and accessibility features. Individuals search these listings for properties for rent or sale. The Website <http://www.AT4all.com> connects individuals with available equipment.

### **A Success Story**

Through teamwork and blended resources, one nursing home resident in Lincoln, Nebraska was able to move back home after five years. She had moved to the nursing home after her mother became ill and her father was unable to provide the care that both needed. A 54 year old woman with multiple disabilities, she used a wheelchair most of the day.

When the mother died, the woman and her father worked with the director of social work at the nursing home and the Health and Human Services agency coordinator to explore options. The coordinator made a referral to the ATP for home entrance and bathroom, and vehicle modifications, indicating that the discharge from the nursing home was pending modifications to the home. One technology specialist recommended a cost effective automotive seating system which allowed the woman to be lifted into the family's van, enabling her to travel to medical appointments and other activities in the community. The Aged and Disabled Medicaid Waiver paid for the cost for the vehicle modifications, which totaled \$4,600.

Another technology specialist designed a ramp at the front entrance of the home which included a landing for transfers into the van. The Aged and Disabled Medicaid Waiver covered the \$3,929 cost of the ramp.

Bathroom modifications included swing clear hinges to maximize the opening in the doorway and to increase the space, a raised toilet with grab bars, and a tub lift (similar to the one used at the nursing home). Medicaid waiver funds were used to pay for the lift. Costs for the bathroom modifications (\$1,392) exceeded the remaining amount of waiver funds available for home modifications. ATP was able to identify funds through the State Vocational Rehabilitation program to cover the remaining balance of \$321 for the bathroom modifications.

The father stated, "My daughter was able to return home within several months thanks to the modifications. If we had received inadequate or inappropriate solutions, we would not have been

successful. My daughter has become part of the community again. She volunteers several times a month for the Meals-on-Wheels program.”

### **For More Information**

*Coordinating and Leveraging Long-Term Supports to Live More Independently with Assistive Technology and Home Modifications: Nebraska Case Study* by Michael Morris. Rutgers Center for State Health Policy and the National Academy for State Health Policy -

[http://hcbs.org/moreInfo.php/nb/doc/1841/Coordinating and Leveraging Long-Term Supports to](http://hcbs.org/moreInfo.php/nb/doc/1841/Coordinating_and_Leveraging_Long-Term_Supports_to)

This study describes the leveraging and coordinating of multiple funding resources to provide increased access to home modifications and assistive technology in response to an assessment of individualized need. The Nebraska Assistive Technology Project serves as a single provider to conduct program eligibility for all funders, and provide assessment, determine need, and develop a service plan for people with disabilities.

Nebraska Assistive Technology Partnership - <http://www.atp.ne.gov/>.

### **State Contacts**

Mark Schultz, Director, Nebraska Assistive Technology Partnership, (402) 471-0734, [mark.schultz@atp.ne.gov](mailto:mark.schultz@atp.ne.gov).

Kay Wenzl, Administrator, Nebraska Health and Human Services System, (402) 471-9360, [kay.wenzl@hhss.ne.gov](mailto:kay.wenzl@hhss.ne.gov).

Pat Compton, Housing Specialist; Nebraska Department of Economic Development, (308) 865.6511, [pat.Compton@ded.ne.gov](mailto:pat.Compton@ded.ne.gov).

## Part Ten: Housing Registries and Directories

### What are Housing Registries and Directories?

Housing registries and directories are centralized, Web-based searchable databases of housing units in defined locations. They are a means of connecting potential renters or prospective homeowners with the available supply of existing housing. Registries and directories are developed and maintained by a variety of entities including state government agencies, public housing authorities, housing developers and property managers, non-profit organizations, and advocacy groups. There is typically no cost for listing available properties or accessing information on the registry or directory.

Housing registries and directories contain a variety of search criteria such as location (city or county), building size and type, rental price, financial assistance and supportive services, accessibility features, available amenities, and target populations. They may also contain information on current and upcoming vacancies and whether there is a waiting list for the housing unit.

As a condition of obtaining public funding, many funding sources require developers and property managers to market targeted housing units to people with disabilities who have low incomes prior to releasing the units for sale or rent to the general public. Housing registries and directories provide developers, landlords, and property owners with an effective means of meeting the targeting requirements stipulated by the funding source(s).

### How Can Housing Registries and Directories be used to Assist People with Disabilities?

Housing registries and directories can be used to list housing units in a variety of ways. For example, many housing registries include information on units that have been developed through funding sources such as HOME, and Low Income Housing Tax Credits that accept households well below the Area Median Income. In addition, most housing registries are now listing units that are accessible.

### Advantages and Disadvantages of Housing Registries and Directories

<u>Advantages</u>	<u>Disadvantages</u>
Excellent resource for prospective tenants, allowing search by neighborhoods, price range and housing features.	There is a cost associated with set-up and maintenance of on-line housing registries.
Landlords and owners of properties can obtain free advertising to fill vacancies.	Not everyone has access to the Internet.
Can reduce the time it takes to search for and find “ideal” housing if the site is updated regularly.	Housing registries need to be updated often. Many depend on multiple people including landlords and owners to enter or provide updates.

## **Why are Housing Registries and Directories Important?**

Housing registries and directories provide a wide range of useful information regarding available housing units in a particular market area.

*Housing registries and directories play a pivotal role in matching supply (available housing units) with demand (potential renters and purchasers).*

On the supply side, housing registries and directories assist housing developers and property managers in marketing available housing units to a broad audience. Registries and directories also allow developers and managers to engage in targeted marketing to eligible tenants with disabilities. Developers and managers use housing registries and directories to inform prospective renters and purchasers of the accessibility features of specific housing units and the availability of financial subsidies, such as project-based and tenant-based rental assistance vouchers, to help make the housing units affordable for people with limited income.

*Housing registries and directories are essential tools to ensure that housing units, developed with public funds specifically to benefit people with disabilities who have low incomes, are marketed to and occupied by the intended populations.*

On the demand side, housing registries and directories provide prospective renters and purchasers with one-stop shopping for available housing units in their desired location(s) and price range. Information on the accessibility features and available financial subsidies tied to each unit allows prospective tenants to compare and contrast properties. The Web sites can allow prospective renters or purchasers to refine their search criteria to meet their specific housing interests and needs. Registries and directories are an invaluable aide for service coordinators, nursing home transition facilitators, and others to access real-time information on the availability, accessibility, and affordability of integrated housing.

## **Issues and Concerns with Housing Registries and Directories?**

Housing registries and directories require ongoing maintenance and upgrading. A housing registry or directory is only as good as the information contained in the database. If the information is inaccurate, incomplete, or outdated, the registry or directory will lead to frustration among users on all sides. The mechanism for updating and maintaining the information on registries or directories varies from state to state. Some states allow property managers to submit information directly. Other states have dedicated staff responsible for maintaining the information. Invariably, some of the information contained on a registry or directory may be inaccurate or out-of-date.

Although access to computers and the Internet is generally increasing, many people with disabilities who have low incomes still do not have access to this technology. Therefore, many potential renters and purchasers must rely on service coordinators, friends, or others to access the information meant to be targeted to them. Similarly, the organizations that develop and maintain housing registries and directories may not adhere to universal Internet accessibility design standards regarding the ease-of-use of information contained on the Web sites. Finally, although housing registries and directories are intended to advertise affordable properties, many of the

properties are not truly affordable to people with low incomes without financial subsidies, and these subsidies may not be readily available.

### **Selected Web-Based Housing Registries and Directories**

In addition to Nebraska (page 61) and Maryland (page 23), a growing number of states have developed Web-based housing registries and directories. Most housing registries and directories are state-specific. A few housing registries and directories encompass multiple states. The following section highlights key features of a few Web-based registries and directories.

Mass Access: The Accessible Housing Registry - The Mass Accessible Housing Registry helps people with disabilities find barrier-free, accessible housing in Massachusetts. Mass Access is maintained by Citizen's Housing and Planning Association. The registry includes information on the availability of affordable, accessible apartments throughout the State. Mass Access also includes announcements, fact sheets, resources, waiting list openings, information on homeownership opportunities, and links to housing registries in other states. Mass Access directs visitors to contact local Centers for Independent Living for further information and housing assistance. Mass Access is available online at: <http://www.mnip-net.org/registry>

Access Virginia: Virginia's Accessible Housing Registry - Access Virginia is sponsored by the Virginia Housing Development Authority and the Virginia Board for People with Disabilities. Access Virginia includes information on affordable, accessible apartments as well as information about accessibility requirements and Universal Design. The Web site includes an Accessible Apartment Finder, an index of accessible housing resources, and links to related Web sites, including housing services and retailers of accessible appliances. Accessible apartments in Virginia are listed in the National Accessible Apartment Clearinghouse, a multi-state registry. Access Virginia is available online at: <http://www.accessva.org/>

National Accessible Apartment Clearinghouse - The National Accessible Apartment Clearinghouse is a national database of over 80,000 accessible apartments in 50 states. The Clearinghouse is a public service program of the National Apartment Association, the Virginia Housing Development Authority, and other organizations. Information is available from the Clearinghouse via the Web, fax, or a toll-free hotline. The National Accessible Apartment Clearinghouse is available online at: <http://www.accessibleapartments.org>

Socialserve.com - Socialserve.com is a multi-state housing registry service. The Website includes listings of affordable rental properties in 20 states and affordable housing for sale in five states. Socialserve.com includes a toll-free call center with multilingual staff members that help landlords and tenants search the database. Socialserve.com can customize a housing registry or directory to particular state's or community's needs. Sponsors include The City of Charlotte, Charlotte Housing Authority, Fannie Mae, Foundation for the Carolinas, The Department of Housing and Urban Development, United Way, and the Centers for Medicare & Medicaid Services. Socialserve.com is available online at: <http://socialserve.com>.

### **For More Information:**

*A Comparison of State Housing Locator Web Sites* by A. L. Ray & V. Battista (2004, December). Gainesville, FL: Shimberg Center for Affordable Housing.  
<http://www.hcbs.org/files/59/2946/comparison.pdf>.

Additional resources and materials on housing registries and directories throughout the United States may be found online at the Clearinghouse for the Community Living Exchange Collaborative - <http://www.HCBS.org>.

### ***Pennsylvania Affordable Apartment Locator***

The Pennsylvania Affordable Apartment Locator is an example of a state-developed, state-specific Web site. The Pennsylvania Housing Finance Agency developed the Pennsylvania Affordable Apartment Locator as a tool to link prospective renters with affordable housing options throughout the Commonwealth. The Pennsylvania Housing Finance Agency developed the Affordable Apartment Locator with the assistance of grant funding from the Centers for Medicare & Medicaid Services (CMS). The Web site is free and easy to use.

The purpose of the Apartment Locator is twofold: 1) To assist potential renters who are searching for affordable and/or accessible apartments; and 2) To assist property managers and developers to market their affordable vacant units.

#### **Site Features**

The Pennsylvania Affordable Apartment Locator includes information on:

- Apartment Locations
- Rental Prices
- Accessibility Features
- Development Amenities
- Current Vacancies
- Waiting List Status

#### **Search Criteria and Results:**

Rental properties are searchable by the following criteria:

- Location (County, Zip Code, City)
- Number of Bedrooms (Single Room to Six Bedroom)
- Target Population (General, 55+, 62+, Designated Populations)
- Accessibility Features (Mobility Accessible, Hearing/Vision Accessible)
- Vacancy Status (Properties with Vacancies, All Properties)

The search results also provide: name and address of each property, wait list status, number of bedrooms, rental price and subsidies, occupancy restrictions, and accessibility features. Unique aspects of the Web site include the option of contacting property managers directly via e-mail and viewing photographs (when available) of the properties.

#### **Maintenance and Use of the Registry**

Pennsylvania Housing Finance Agency provides staff to maintain the Pennsylvania Affordable Apartment Locator. Property managers are responsible for updating the information on specific properties. The Web site has information on more than 55,000 apartment units and



includes properties funded by the Pennsylvania Housing Finance Agency, HUD, Rural Housing, and properties developed with Low Income Housing Tax Credits.

*Property managers are recognizing that the Pennsylvania Affordable Apartment Locator helps them to keep their occupancy rates at a high level. This really benefits their bottom line, while providing a great resource to consumers looking for affordable, accessible housing throughout the state.-- Jennifer Burnett, Policy Director; Pennsylvania Office of Long-term Living*

In addition to the Web site, Pennsylvania has created a toolkit to assist new renters to learn their rights and responsibilities as renters, and to learn ways to improve their credit rating.

**For More Information:**

The Pennsylvania Affordable Apartment Locator - <http://www.phfa.org/pal>.

**State Contact:**

Lisa Case, Supportive Housing Officer II, Pennsylvania Housing Finance Agency; 717.780.1808 or [lcase@phfa.org](mailto:lcase@phfa.org).

## Summary

A wide variety of funding sources are available to support the development of integrated, affordable, and accessible housing in the community. However, the world of community housing and supportive services is complex, with idiosyncratic systems of federal and state rules and regulations. These rules and regulations are unfamiliar to most people involved in health and human services and many individuals within the housing industry.

Recent changes in federal and state funding and regulation of public housing assistance, as well as in home- and community-based service delivery, have opened the door for states, in partnership with housing advocates and community human service organizations, to reshape the housing landscape in their communities. Control of housing funding sources and planning processes has increasingly shifted from the federal government to state and local governments. Partners in the process must become aware of and engaged in the planning processes that control housing resources. Long-term support services, traditionally bundled with residential services in institutional and congregate service settings, are now more readily available in integrated community settings. Housing financiers, developers, and community service providers must develop collaborative relationships in order to coordinate and provide housing with community supports effectively.

The Centers for Medicare & Medicaid Services (CMS) has identified access to integrated, affordable, and accessible housing as a critical element for state systems to support individuals with disabilities transitioning from institutional settings, such as nursing facilities, to the community. CMS has rightly observed that states are at "varying levels of sophistication" relative to this critical element, and that states will need "immediate assistance" in securing housing. CMS has also recognized the need for states to make "significantly more progress" in assuring the availability, affordability, and accessibility of integrated community housing, and coordinating or providing assistance with long-term housing supports. In its Money Follows the Person Rebalancing Demonstration, CMS has called for states to engage in housing planning processes at the state and community levels.

Similarly, The Secretary of the Department of Housing and Urban Development has called for Public Housing Authorities (PHAs) to work in collaboration with state housing finance agencies, CMS, and local disability organizations to provide integrated, affordable, and accessible community housing options. The Secretary has specifically encouraged PHAs to set local preferences, and to use public housing units, Housing Choice Vouchers, and Mainstream Vouchers to support people with disabilities in their transition to the community.

The state and local partners interviewed for this report have demonstrated effective collaboration, coordination, and integration of housing with community services and supports. These states have developed and pursued strategies that have successfully made it possible for people to have integrated, affordable, and accessible housing coordinated with community services and supports. Following is a summary of the key strategies collected from these states and their partners.

## Useful Strategies from Interviews with State and Local Partners

1. **Become knowledgeable about state and local housing agencies: programs, planning processes, timelines, and regulations.** It's been said that, "If you've seen one Public Housing Authority, you've seen one Public Housing Authority." The same can be said of State Housing Finance Agencies, Housing Trust Funds, and Medicaid Home and Community-Based Waiver programs. The state and local partners interviewed for this report took the time to build relationships and educate themselves on specific housing programs and community support services prior to attempting to address housing issues collectively.
2. **Engage in comprehensive assessment of state and local housing needs and the specific housing needs and preferences of people to whom you are providing services prior to developing strategies.** In most communities the supply of integrated, affordable, and accessible housing is insufficient to meet the demand of people with low and very low incomes. The state and local partners interviewed for this report assessed housing needs in their states and communities in order to determine availability, accessibility, and affordability of integrated community housing prior to developing strategies. The first question always asked by stakeholders in the housing organizations is, "Who are the people you are assisting and what do they need that we don't currently provide?"
3. **Influence state and local plans, rules, funding requests, and practices to address the need for integrated, affordable, and accessible housing.** State Housing Finance Agencies and state and local Public Housing Authorities are required to obtain public input in their process for allocating and disbursing public housing assistance. Housing trusts and non-profit affordable housing organizations request and welcome community input. Advocates and community organizations in the states interviewed for this report influenced these organizations in ways that resulted in the establishment of incentives and set-asides to create integrated, affordable, and accessible housing.
4. **Collaborate, cooperate, and partner whenever possible with any and all organizations and individuals who may have an interest in creating integrated, affordable, and accessible housing.** The state and local partners interviewed for this report cite collaboration, cooperation, and partnerships as the foundation of their accomplishments. They have successfully done all three of these things with numerous private and public national financial institutions, advocacy organizations, federal, state, and local agencies, foundations, civic and community associations, and others concerned with housing, economic equity, and community living for all Americans.
5. **Pursue a multi-pronged approach to address identified housing issues and blend funding.** Some funding sources are designed to address the supply side of the housing problem by increasing the availability and affordability of community housing stock. Other funding sources are designed to increase the accessibility of housing for people with physical disabilities. Still other funding sources and strategies are designed to connect prospective tenants with available housing. The state and local partners interviewed for this report have developed a multi-pronged approach to address housing needs and worked with their new colleagues in housing organizations to blend funding to create integrated, affordable, and accessible housing.

6. **Promote the use of multiple funding sources to promote the development of affordable, accessible and integrated community housing.** Housing developers and property managers often must pursue multiple public and private funding sources to make integrated, affordable, and accessible housing economically viable. A combination of tax credits, rental assistance, and operating subsidies is often blended together to create community housing. The state and local partners interviewed for this report frequently leverage public and private dollars to support the development of integrated, affordable, and accessible housing.
7. **Provide deep subsidies to make housing opportunities truly affordable for some individuals with very low incomes.** Community housing that is both accessible and integrated is typically well beyond the economic reach of individuals and families with very low incomes. These individuals and families often require multiple sources of public and private assistance and personal money management strategies to make housing truly affordable. State and local partners interviewed for this report combine significant public and private subsidies, individualized budgeting, credit counseling, and the promotion of saving incentives to assist people with very low incomes to access integrated, affordable, and accessible housing.
8. **Create opportunities for people to choose where and with whom they want to live in the community.** The state and local partners interviewed for this report have worked with housing organizations to use public and private funding in flexible ways that have resulted in individuals and families living in integrated, affordable, and accessible housing in neighborhoods and communities that they choose.
9. **Promote access to assistive technology and home modifications in existing housing, and promote Principles of Universal Design in new construction.** States are increasingly offering assistive technology and home modifications as a covered Medicaid-funded home and community-based service. More and more, public housing, vocational rehabilitation, education, economic development, human service agencies as well as private housing trusts, housing developers, property managers, and others are realizing the benefits of assistive technology and home modifications in promoting self-determination and self-sufficiency. Many of the state and local partners interviewed for this report are pooling their funding with other organizations to fund assistive technology and home modifications which creates a greater number of opportunities for integrated, affordable, and accessible housing.
10. **Create opportunities for people with disabilities to achieve wealth and attain homeownership.** Homeownership is considered by many people to be an essential part of the American dream. In recent years, federal, state, and local public and private organizations, including HUD, Secondary mortgage lenders, the Federal Home loan bank, State Housing Finance Agencies, banks, mortgage companies, policy makers, human service agencies and providers, people with disabilities, advocates, and other housing and human service related professionals and organization have partnered to make it possible for large numbers of people with disabilities who have limited incomes to own their own homes.

This report has highlighted state and local partners who have been patient, persistent, and creative, and who taken time to celebrate their successes. They have done this despite the fact that substantial competition for available and limited public and private resources exists in most

areas. They have forged ahead without committed or available funds, and even though there are often lengthy or closed waiting lists for housing assistance. Despite these barriers, state and local partners interviewed for this report have found ways to blend available resources with other resources. They have left no stone unturned and have not taken “No” for an answer when confronted with a lack of knowledge or apathy about housing, human services, advocacy, or people with disabilities.

These state and local partners have parlayed individual success stories into opportunities for lasting policy changes that will affect generations to come. They have become the pioneers in building communities that are inclusive, and are welcoming and accommodating to each and every one of its citizens. Undoubtedly, the world will be a better place for their efforts.

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