

Special Needs Rental Production Program Special Needs Housing: Housing for Persons with Special Needs

The Challenge:

Rhode Islanders with disabilities face numerous challenges throughout their day-to-day lives, including the challenge of overcoming barriers to housing. Accessing safe, healthy, affordable homes which meet their special needs proves even more difficult in tough economic times when affordable homes are needed by an increasing number of Rhode Island individuals and families.

Individuals with disabilities face additional barriers to housing that greatly impacts their ability to earn a living and to be self-sufficient. A 2005 study conducted by the Rhodes to Independence Housing Workgroup identified key barriers including: 1.) lack of affordable, accessible and available housing; and 2.) the need for increased support services and education. The study noted that it is incredibly difficult to navigate the housing system in Rhode Island with or without a disability. Waiting lists for resources and assistance are extremely long, and the process is confusing and difficult. Additionally, when individuals do receive housing, it is often not safe and healthy.¹ In a state like Rhode Island, where approximately 40% of the existing housing stock is nearly 60 years old (approximately 80% of the housing units are almost 30 years old), the housing that is the most affordable tends to be housing that is the least accessible.

Twenty percent of Rhode Islanders, approximately 195,805 individuals, live with disabilities. A significant proportion of these individuals are living below the federal poverty level. From 2003 to 2004, the poverty rate for working-aged individuals in Rhode Island with disabilities increased from 25.7% to 26.5%. This population desperately needs permanent housing specifically designed for their needs.²

The Solution:

Special Needs, or supportive housing, is traditionally difficult to develop and sustain: community opposition, inability to support debt, high staffing, supportive services and operating costs, high maintenance and low rents make it a daunting undertaking for even the most dedicated developers and service providers. To encourage development of rental housing for the homeless, disabled and/or very low income individuals and families, Rhode Island Housing established the Special Needs Rental Production Program in 2007. This incentive to developers works to provide housing choices previously unavailable to this population.

This Program helps to fill the capital funding gap by earmarking funds to create affordable apartments linked to service plans for very low-income homeless persons with chronic mental illness or substance abuse. The Program responds to the growing need for safe and healthy housing

¹ Ibid.

² Healthy Housing: Why Rhode Island should invest in the vision, Rhode Island Department of Health's Childhood Lead Poisoning Prevention Program in partnership with the Healthy Housing collaborative, January 2007.

specifically designed for persons with special needs. Stated simply, permanent housing for people with special needs works best when combined with services. The emphasis of the Program is on ensuring that there is an adequate supply of apartments, addressing the first and most pressing of needs: shelter. By addressing this need, the Program frees service providers to concentrate on what they do best: assisting those with special needs or other challenging circumstances. The intent of the Program is to provide housing while helping those on the fringes of society become secure and settled participants in their communities.

Program Details:

Initially funded in fiscal year 2007 with \$2,000,000 of Rhode Island Housing funds and reauthorized in fiscal year 2008 for an additional \$2,000,000, the Program provides cash flow and deferred loans to developers for the acquisition and development of housing with supportive services for special needs populations. The Program illustrates the financial commitment of this HFA to address a statewide need through the direct allocation of funds to encourage production. Program evaluation criteria include developer capacity, readiness to proceed, financial feasibility, extent of leveraged capital, consistency with state's Consolidated Plan or a community's Affordable Housing Plan, adherence to smart growth principles and quality of the services plan. The Service Plan is integral to the development proposal, which must include a detailed plan and commitment to provide safe, healthy housing combined with social services such as case management, adult education, employment training, behavioral health counseling, life skills development and supervision. Developers must commit to creating partnerships to ensure a comprehensive service team that will address the specific needs of residents. Eligible developers include state, municipal or local public housing authorities, non-profit housing and/or service agencies, and partnerships including one between a for-profit entity working with a non-profit service provider. Applications are accepted on a rolling basis.

Special Needs Program funds, up to \$50,000 per unit, provide for the acquisition, rehabilitation and new construction of affordable rental housing. The funds do not cover operating or supportive services costs. However, the funds are often used with the state Neighborhood Opportunities Program (NOP) that provides an operating subsidy to cover annual operating deficits. The federal HOME Program is also frequently used in conjunction with the Special Needs Program.

Success to Date:

The initial goals of the Program have been met in the first year alone. The Program has resulted in the creation of safe, healthy and affordable homes in conjunction with supportive services for homeless and disabled individuals and families. Demand for the financing is strong. To date 13 projects sponsored by a combination of community development corporations and service providers have received over \$3 million for the development of 88 permanent supportive units (approximately \$34,831/unit). This funding has leveraged over \$17 million in state, federal and private funds. To date, \$4 million has been authorized by the agency's Board of Commissioners for the SNRP Program. All proposals recommended by the review committee must be approved by the Rhode Island Housing Board of Commissioners.

This successful model is easily replicable and meets a growing need that most states face. Nationally, the disabled population has grown dramatically in recent decades. The growth is due in large part to

an expanding definition of what constitutes a disability but also to the aging of the overall population.³

In the long-run, the program costs are outweighed by the benefits: people are able to find safe, healthy homes that meet their needs. Studies show that these types of programs offset rising healthcare costs as well as lost potential, which leaves a nation poorer in countless ways. In addition to improving the lives of individuals, the key goal is to reduce chronic homelessness and its devastating effects upon society. Supportive services combined with decent, safe and affordable housing has the potential to transform lives and entire communities.

Attachment:
Program Regulations

³ "Housing First, A Special Report," National Public Radio Series, 2002.