

"VHDA's program for people with disabilities allows Kim to live independently in the community. I had looked and prayed for such a program for years. My biggest fear was that she would have to live in a state institution when I died."

Linda R., Kim's mother

Independent Living — Rental Housing for People with Disabilities

What happens when disabilities threaten our independence and require us to rely on others for help with the ordinary routines of life? One answer, as Virginia moves from institutional to community-based care, is VHDA's Independent Living Initiative.

This **innovative** and successful Virginia Housing Development Authority (VHDA) financing model for multifamily rental housing reinvents the idea of care for this vulnerable population. It does so by creating a structured home environment that is the personal preference for most people with disabilities.

Creating Real Solutions for Real People

Supportive placement housing is a unique housing and service combination that grew out of specialized foster care waiver programs. It is a type of permanent rental housing designed to meet the specific needs of people with disabilities. Typically, one or two developmentally disabled adults live in a sponsor-family setting similar to foster care. Each resident has his/her own private bedroom and shares a living room, and dining and kitchen facilities.

Providers, such as Supportive Services of Virginia, recruit and license the sponsor-family. This sponsor, as the mortgage applicant, is the landlord in a tenant-landlord relationship where the person with a disability is the tenant. VHDA is able to offer the sponsor-family a multifamily mortgage because of the landlord-tenant relationship that makes the supportive placement program a rental transaction.

The Independent Living Initiative is funded through VHDA's REACH *Virginia* (Resources Enabling Affordable Community Housing in Virginia) subsidy program initiated in 2005. VHDA contributes a portion of our earnings to REACH *Virginia* as subsidy to support critical housing programs. The REACH *Virginia* subsidy is the overall amount VHDA provides to lower interest rates for strategic programs like this one that fund multifamily rental and homeownership.

Since FY2008, VHDA has made available **\$12 million** in REACH *Virginia* dollars to our Multifamily Specialized Housing for People with Disabilities program. This program provides 100 percent of the financing for the Supportive Placement Housing program. With some 1.5 million Virginians living with disabilities, according to U.S. Census Bureau statistics, VHDA's Supportive Placement Housing program **responds to the critical statewide need** for more affordable, accessible housing options for disabled citizens.

How it Works

Because our Independent Living Initiative is a rental program, the sponsor-family becomes either a non-profit 501(c)3 or a for-profit Limited Liability Corporation (LLC). VHDA can loan non-profit sponsors 100 percent of the appraised value of the property—or the total development costs—whichever is less. Total development costs include the cost of the residence, any rehabilitation cost and "soft" costs such as engineering studies or home inspections. For-profit sponsors can receive 90 percent of the appraised value, or 95 percent of the total development costs, whichever is less. Many supportive placement sponsor-

families are organized as a LLC and, as required by VHDA, are single-asset entities.

Our experience shows us that Supportive Placement Housing is most effective when services are closely integrated with the property and delivered both on-site and through service providers in the neighborhood. Residents are usually individuals with significant histories of long-term health issues and typically have incomes below 30 percent of the area median income.

Meeting the Challenges of Olmstead and Beyond

Two decades after passage of the Americans with Disabilities Act and 10 years after the U.S. Supreme Court determined in *Olmstead v. L.C.* that waiting lists for waiver services must move at a “reasonable pace,” Virginia maintains a waiting list of more than 3,000 individuals. These people with disabilities have housing waivers, but are unable to leave group homes or other institutionalized housing because the housing they need is not available.

Funding this type of specialized housing is one way VHDA is **achieving our strategic objectives** to increase the availability of affordable, accessible housing options for people with disabilities and to be fully engaged in federal Olmstead implementation efforts.

Our commitment to this unique program began in 2008 when VHDA financed our first supportive placement home. The sponsor-family received a loan to purchase a new home and add accessibility features. Services for the home’s two developmentally disabled tenants, which include training and assistance with daily living skills, are provided by the family and paid for by a monthly Medicare stipend.

Today we have established a **track record of success in the community** by financing **66** properties across Virginia, with an average loan amount of \$158,000, including:

- Lori Way in Bedford
- Campus Drive in Virginia Beach
- Jolly Pond in Williamsburg

“The Independent Living Initiative program is great because it gives people with disabilities a choice and, in many cases, the only family they have ever known. The VHDA program helped us buy a bigger house and gave us the chance to open our family to people with serious disabilities.”

Bedford County sponsor family

“We’re proud to be a part of the VHDA Independent Living Initiative and look forward to bringing more affordable, safe and accessible living conditions to the people of Virginia.”

Philip Dodd, CEO, Support Services of Virginia

Testimonials such as these are typical of the enthusiastic response to VHDA’s Independent Living Initiative and **demonstrate the program’s measurable benefits to HFA targeted customers.**

Building Partnerships Dedicated to the Freedoms of Everyday Life

Innovative financing is just one way VHDA addresses the Commonwealth’s diverse affordable housing challenges. Another equally important way is with experienced professionals who are providing outreach and managing project facilitation. This hands-on strategy centers on a VHDA Senior Community Housing Officer who partners with advocates across Virginia. By providing information about Supportive Placement Housing, as well as financial resources, VHDA makes it possible to expand opportunities that empower

disabled individuals to live successfully in communities while receiving services to prevent unwanted institutionalization.

VHDA collaborates with dozens of private non-profit groups licensed to operate supported resident services in Virginia. Through our Olmstead Implementation Team, VHDA also joins forces with:

- Department of Medical Assistance Services (DMAS), which provides Medicaid waivers to state agencies.
- The Virginia Department of Behavioral Health and Developmental Services (DBHS), which controls licensing and works with providers.
- Local community service boards (CSBs), such as Support Services of Virginia, which works with sponsor-families.

We bolster these partnership efforts by providing one-on-one training and a variety of educational materials including a handbook available on vhda.com, as well as on CDs and printed copies. The combination of in-depth training and easy-to-comprehend materials is critically important in our ability to fully and successfully explain the concept of the program and important program specifics such as the application process, underwriting standards and the role of licensing.

The benefits outweigh the costs because VHDA's Independent Living Initiative significantly improves the lives of its residents; supportive services are usually more effective when those being served have safe and stable housing. In addition, the Independent Living Initiative enables residents to experience a more traditional neighborhood environment with the accompanying positive quality-of-life opportunities. The Independent Living Initiative also generates considerable public savings because it is a proven, cost-efficient way of giving people with disabilities a way back into their communities and out of expensive, institutionalized housing.

Our unique rental program **demonstrates an effective use of resources** because VHDA is able to help provide a home for an individual with a disability for under \$200,000 (excluding the cost of supportive services). Placement in a comparable accessible apartment or group home would cost a minimum of \$125,000 to \$150,000 per person per year, according to a 2005 report by the Virginia Board for People with Disabilities.

As proven by the **66** Independent Living Initiative mortgages we have already financed, this type of multifamily rental program **is replicable** by any HFA committed to the belief that each person with a disability deserves to enjoy the same benefits and freedoms of everyday life enjoyed by those without disabilities.

Conclusion

VHDA's Independent Living Initiative's unique and successful model is an outcome of both the "independent living" movement begun by people with physical disabilities and the "support/empowerment" movement that emerged in the fields of developmental disabilities and mental health. We're playing a critical role in advancing supportive yet independent living, with mortgage loans that make this alternative-housing option affordable, accessible and practical for Virginians who traditionally have spent their adult lives in state institutions.

Attachments: VHDA Independent Living Initiative (Supportive Placement Housing) Flyer