

Category: **Special Needs Housing – Persons with Special Needs**  
2009 Entry: **Supportive Placement Housing**  
**Financing Dignity and Independence**

### ***Supportive Placement — Rental Housing for People with Disabilities***

A fall on the stairs, an automobile accident, a stroke – any of us could end up with life-changing disabilities as a result. 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 America moves from institutional to community-based care, is Supportive Placement Housing.

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

### ***Creating Real Solutions for Real People***



*Lori Way in Bedford,  
supportive housing  
financed by VHDA.*

VHDA’s Supportive Placement Housing is a type of permanent rental housing designed to meet the specific needs of people with disabilities. Typically, one or two developmentally disabled adults will live in a sponsor-family setting similar to foster care. Each resident has his/her own private bedroom and share a living room, dining room and kitchen facilities.

The provider, such as Supportive Services of Virginia, recruits and licenses the sponsor-family. This sponsor, as the mortgage applicant, is the landlord and 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.

Supportive Placement Housing is funded through our REACH *Virginia* (Resources Enabling Affordable Community Housing in Virginia) subsidy program. For FY 2010, the REACH *Virginia* subsidy dedicated to our Multifamily Specialized Housing for People with Disabilities program is \$15.25 million. This amount can finance approximately 75 houses at \$200,000 per house. With some 239,860 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 this vulnerable population.

Because Support Placement Housing is a rental program, the sponsor-family must become either a non-profit 501(c)3 or a for-profit Limited Liability Corporation. VHDA can loan non-profit sponsors 100 percent of the appraised value of the property or the total development cost, 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 market value, whichever is less. Many supportive placement sponsor-families are organized as a LLC and are, as required by

VHDA, a single asset entity.

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 nine 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 2007 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 15 properties across Virginia, with an average loan amount of \$158,000, that include:

- Lori Way in Bedford
- Chesapeake Boulevard in Chesapeake
- Jolly Pond in Williamsburg

*"The Supportive Placement 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."*

Lori Way, Bedford County sponsor family

*"We are proud to be a part of the VHDA Supportive Placement Housing 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 Supportive Placement Housing 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 REACH *Virginia* addresses the Commonwealth's diverse affordable housing challenges. Another equally important way is with experienced professionals who provide outreach and nurture 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 the community while receiving services to prevent unwanted institutionalization.

VHDA collaborates with dozens of private non-profit groups licensed to operate supported resident services in Virginia. We also join forces with providers such as Support Services of Virginia, local community service boards and state agencies such as the Virginia Department of Behavioral Health and Developmental Services. We bolster these efforts by providing one-on-one training and a variety of educational materials including a handbook on rental housing available on [vhda.com](http://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 Supportive Placement Housing Program significantly improves the lives of its residents; supportive services are usually more effective when those being served have safe and stable housing. It 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, discriminatory institutionalized housing.

Our unique rental program ***demonstrates an effective use of resources*** because it is financed using our innovative REACH *Virginia* subsidy. Through Supportive Placement Housing, VHDA is able to help provide a disabled individual with a home 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.

Supportive placement is just one of many alternative-housing options emerging for people who traditionally have spent their adult lives in state institutions. VHDA is playing a critical role in this important trend with mortgage loans that make this alternative-housing option affordable, accessible and practical.

As proven by the 15 Supportive Placement Housing 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.