

Creative Approaches to Affordable Housing and the Role of CMS in Assuring More Housing Options



Challenges and Opportunities

THE IMPACT OF THE NEW HCBS RULES ON HOUSING NEEDS

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Overview of New HCBS Rules

How is community defined?

CMS is moving away from defining home and community-based settings by “what they are not,” and toward defining them by the nature and quality of individuals’ experiences. The home and community-based setting provisions in this final rule establish a more outcome-oriented definition of home and community-based settings, rather than one based solely on a setting’s location, geography, or physical characteristics.

Fact Sheet: Summary of Key Provisions of the Home and Community-Based Services (HCBS) Settings Final Rule (CMS 2249-F/2296-F) January 10, 2014

www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Long-Term-Services-and-Supports/Home-and-Community-Based-Services/Downloads/HCBS-setting-fact-sheet.pdf

Settings Requirements

The rule requires that all home and community-based settings meet certain qualifications

- The setting is integrated in and supports full access to the greater community;
- Is selected by the individual from among setting options;
- Ensures individual rights of privacy, dignity and respect, and freedom from coercion and restraint;
- Optimizes autonomy and independence in making life choices; and
- Facilitates choice regarding services and who provides them.

Settings Requirements

Additional requirements for provider-owned or controlled home and community-based residential settings

- The individual has privacy in their unit including lockable doors, choice of roommates and freedom to furnish or decorate the unit;
- The individual controls his/her own schedule including access to food at any time;;
- The individual can have visitors at any time; and
- The setting is physically accessible.

Challenge: Changes in State DD System Priorities

Many states are establishing “Tiered Standards” – state-initiated incentives to encourage greater opportunities for community inclusion

Included are efforts to promote “housing separate from services” where service recipients rent, own or live with friends or family

- People control where they live, who they live with and have greater flexibility in who provides supports
- Changing supports providers does not result in the need to move to a new home

Challenge: Affordability

Priced Out in 2014 - The Technical Assistance Collaborative (TAC) and the Consortium for Citizens with Disabilities Housing Task Force (CCD)

- Average annual income of a single individual receiving SSI payments was \$8,995
 - Equal to only **20.1% of the national median income** for a one-person household
- National average rent for a modest one-bedroom rental unit was \$780
 - Equal to 104% of the national average monthly income of a one-person SSI household
- In 17 states and the District of Columbia, average one-bedroom rents were higher than monthly SSI payments (DC, MD, NJ, NY, VA, DE, CA, MA, NH, CT, FL, IL, VT, CO, NV, WA, RI)

Challenge: Affordable Housing Resources

Housing Development

- The Low Income Housing Tax Credit (LIHTC): Federally-allocated affordable housing development fund
 - Creates units affordable to households with income between 40% and 60% of area median
 - People whose primary source of income is SSI cannot afford to live in the affordable housing our nation builds

New National Housing Trust Fund

- Requires funds be used to develop housing for people with income at or below 30% of Area Median Income (AMI)
- 36 states received the minimum allocation of \$3 million; 10 states received between \$3 million and \$4 million, 4 states received more than \$4 million

Rent subsidies

- Housing Choice Vouchers (Section 8) are scarce, with many waitlists are years long
- The new HUD Section 811 Project Rental Assistance, specifically for people with disabilities, is available in 33 states and DC, however, no new funding has been allocated by Congress since 2013

Challenge: Accessibility

Most communities lack sufficient rental units that are physically accessible

Even fewer units are both accessible and affordable

Accessibility needs vary by individual, requiring many people with disabilities to pay for additional features in order to make the unit work for them

Landlords sometimes refuse to allow a renter to modify a unit

Landlords can require a person to return the unit to its original condition, adding costs people with extremely-low income can ill afford

Challenge: Availability

Priority

- Communities may prioritize resources for persons experiencing homelessness, veterans and seniors, making affordable housing even more scarce for people with disabilities

Inclusive Zoning

- Most communities do not have “inclusive zoning” requirements for affordable housing. Inclusive zoning requires all new residential construction to include units affordable to households with low income.

Source of Income

- Most communities do not have “source of income” requirements which require landlords to consider SSI, SSDI and rent subsidies as valid sources of income

Opportunities to Address Challenges

Partner with local Public Housing Authorities to establish priorities or set-asides for people with disabilities

Become familiar with the Consolidated Planning process in your state and local participating jurisdictions and advocate for resources to be allocated to extremely low-income people with disabilities

Work with the State Housing Finance Administration to revise LIHTC priorities

- Establish incentives for units at or below 30% AMI
- Require set-asides of units for people with disabilities
- Require all developments comply with Section 504

Opportunities to Address Challenges

Create a fund to pay for accessibility modifications in rental properties

Create “Housing Only” organizations to develop/obtain housing affordable to people with disabilities

CMS Guidance on Medicaid Coverage for Housing-Related Services

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DIVISION OF COMMUNITY SYSTEMS TRANSFORMATION

DISABLED AND ELDERLY HEALTH PROGRAMS GROUP

CENTER FOR MEDICAID AND CHIP SERVICES

Housing Benefits Disclaimer

Consistent with statute, CMS does not provide Federal Financial Participation for room and board in home and community-based services, but can assist states with coverage of certain housing-related activities and services.

What are Housing-Related Benefits and Activities?

- Individuals Transitioning to the Community
- Individual Housing Sustaining Services
- State-level Housing Related Collaborative Activities

Person-Centered Plan of Care

The person-centered care plan should be comprehensive and include both physical and behavioral care needs and developed with the individual and others as appropriate.

Should include individualized case management and care coordination in accordance with the person-centered care plan and the individual housing support plan.

Developing a crisis support plan that includes prevention and early intervention to address unmet care needs that may arise on an emergency basis is critical to the planning process.

Other Initiatives Supporting Integration of Housing and Health

Medicaid Innovation Accelerator Program

- Reducing Substance Use Disorders
- Beneficiaries with Complex Needs
- Community Integration-Long-Term Services and Supports
- Physical and Mental Health Integration

Money Follows the Person Demonstration

Transformed Medicaid Statistical Information

System (T-MSIS) and the HITECH Administrative Matching Funds

Creating Quality Housing

RECOGNIZING NEEDS

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Agencies

High cost of maintenance and repairs on housing

- After personnel costs, usually the second highest portion of operating budget

Lack of access to public funds for housing

- Requires large fundraising efforts
 - Many funders limit amount of bricks and mortar donations
 - Providers are not able to participate directly in HUD and other real estate development programs
- Overhead from waived funding must cover all operational funds above and beyond direct staffing
- State and county programs do not have discretionary funds available to ensure ongoing, sustainable models of grants and bonds for housing maintenance and expansion costs for community services providers

Agencies - continued

Rents are rising

Ownership provides secure assets often tied to lines of credit and other “rainy day” funding

Professional and Lay Leadership must embrace the pending changes

- Boards of Directors may not understand changes
- Families may be resistant to community focus

Finances have driven decisions about housing choices for supported individuals

State Waivered Funding

Must be held accountable to the new rules

- Group home funding may be less costly
- Providers are not providing appropriate documentation
 - Outcomes vs. Satisfaction as a measure of service quality

New rules focus expenditures on services because overhead is probably built into fees

Individuals Receiving Services

Choice - a new concept for individuals and their families

Personal resources

- Waiver eligibility consequences associated with some reliance on personal resources
- Limited personal resources
- Financial vehicles potentially available
 - Special Needs Trusts
 - ABLE funds

Opportunities for those with resources to partner with those without

Jubilee Association Model for Separating Housing and Services

PRESENTED BY TIM WIENS

Jubilee Model

How and why Jubilee explored new models for residential services

It was the right thing to do - It met our core value of self determination

Preparing for viability in a changing world

- We saw this coming
- Our job as leaders is to prepare our organizations for the future
- Board of Directors buy-in
- Supporting people in their own apartments & homes for 25 years

Jubilee has tripled in size in the past 10 years without adding ALUs or Group Homes

Building Partnerships

Experience with local Public Housing Authority and local affordable housing developers

What do we do with our group homes?

Current Jubilee Housing Arrangements

Homes with 24/7 supervision

- 4 HOC homes with a total of 12 people
- 3 Rosaria homes with a total of 9 people
- 5 Rental homes with a total of 14 people
- 2 homes owned by the individual or their family with a total of 3 people

One-bedroom apartments: 13

Two-bedroom apartments: 10 people

- One lives with a friend
- One lives with someone supported by another agency

Apartments with live-in staff: 9

People living in their own homes: 4

People living with parents receiving in home supports: 14

86 people receiving Personal Supports, 46 people living in 15 ALUs/Group Homes

Model Housing Partnership

Housing Advisory Committee

Opportunities

Challenges

- Housing organizations are not familiar with working with providers

Equity Sharing Proposal

Form a corporation to acquire and manage residential properties for adults who have developmental disabilities

- These individuals could rent from this corporation
- Individuals would be free to move from home to home, as homes were available
- Individuals would be free to live elsewhere

Service provider agencies could transfer homes into this corporation and in return have an equity share in the corporation.

Opportunities

Preserves affordable housing

Agencies could still provide services in two, or three or four person homes

This arrangement could be transitional for agencies and people receiving services

Agencies would have financial equity in the new corporation

A management company would be hired to maintain the properties

- Unique “wear and tear” issues
- Accessibility issues

Opportunities

The housing agency could develop affordable housing beyond just the equity provided by group homes

- This creates affordable housing beyond just for those receiving services from participating agencies

The rules surrounding this model would comply with all CMS/HCBS and Maryland DDA regulations

Agencies that transfer at least \$1 million worth of properties into the housing agency would have a seat on the governing Board of Directors

Challenges

Financial structure

- Details regarding equity sharing are being worked on.
- Capital for acquisition of additional affordable housing will be needed

Financial viability

- Currently, many ALUs/group homes operate at a deficit
- Funds for liquidating mortgage debt may be needed
- Maintenance must be cost-effective

Prior financial commitments

- State-financed mortgages and/or grants for acquisition of provider-owned housing need to be re-negotiated
- Donated houses with covenants need to be addressed

Challenges

Legal structure

- Non Profit Corporation with possible CHCO compliance features
- Rules for equity sharing and provider agency entrance and exit from the housing agency are being worked on.
 - Cash below market value would be provided to agencies up front as part of the sale.
 - Opportunity to buy back the property as part of an exit strategy.

QUESTIONS
