




Expanding Housing Opportunities for Persons with Disabilities

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Supportive Housing is decent, safe and affordable housing linked to a variety of individualized, flexible support services.

Housing and access to supports

Two separate but related issues




Housing and Supports

- **Permanent**
- **Rights and responsibilities** of ownership or tenancy
- **Well managed**
- **Affordable**
- **Accessible**
- **Individualized**
- **Flexible**
- **Voluntary**



Affordable Housing Costs for a Single Person at SSI Level

- When speaking of access to housing, the individual's poverty, and not disability, is most often the operative barrier.
- 30% of \$637 a month = **\$191 a month**
- No market in NC where you can rent without assistance at this income level

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- The need for decent, safe affordable housing cuts across disability categories.
 - 504 Rehabilitation Act Regulations prohibit, in the absence of Federal law or regulation, targeting Federal housing resources to a particular disability group to the exclusion of any other disability group.



DHHS Housing Coordination

- 2002 the Office of Housing Coordinator created
- DHHS Housing Work Group, with representation from all DHHS Service Divisions convened to:
 - Reduce fragmentation of DHHS Housing efforts
 - Build the housing capacity of the service system
 - Expand housing opportunities



LIHTC Program

- IRS, not HUD, program created in 1986
- Credit authority distributed to the states on a per capita basis
- Credits sold to investors, who take a dollar for dollar credit against their federal income tax over the next ten years
- Proceeds from the sale of credit supply cash for the development of low - moderate income housing
- Developments are monitored for compliance

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- LIHTC units must be “for the use of the general public.”

HUD Handbook 4350.3 Residency Preferences

- Owners may adopt a preference to select families that include a person with a disability.
- Owners may not create preferences for persons with a specific type of disability unless allowed in the controlling documents of the property. (HUD 811, etc.)
- Owners may not apply a preference for persons without a disability.



Qualified Allocation Plan

- Sets out state criteria for receiving the credits.
- Using a competitive point system
 - project standards/design, location, market need, etc.
 - serving lowest income tenants
 - serving tenant populations with “special needs”
- Requires annual updates with public hearing and public comment.



Basics of Partnership

- Owners of LIHTC properties must set-aside 10% of units for persons with disabilities
- Local human service agencies make referrals to available units through a collective process
- This cross-disability group is represented by one agency
- The lead agency and property management enter into a memorandum of understanding



NC LIHTC Targeting Plans

Developer, Management and Local Lead Agency agree:

- Tenancy cannot be conditioned on service compliance.
- Confidentiality protected, no disability information, beyond eligibility, is communicated to management.



Architectural Accessibility

- 2003-2005 Bonus points available for making units accessible in addition to FHA legal minimums.
- 2006 became a threshold requirement

Additional five percent (5%) of all project units must:

- (a) be fully accessible
- (b) full turn around in bathrooms
- (c) curbless showers



Key Program Assistance

- Targeted to persons with disabilities
- Production based
 - attached to Housing Credit units coming on line
- Operating subsidy
 - Pays the difference between tenant income and an operating standard
- Designed as “bridge” until the tenant can access permanent and portable Federal assistance.



Why did we do it?

- The federal Housing Credit is the nation's largest production resource
- People with disabilities have the greatest need for affordable housing
- NCHFA had always wanted to match these two but didn't have a way until 2002
- DHHS and advocates rose to the challenge of presenting a workable solution



How was it possible?

- Needed to gain support from LIHTC development community
- Owners and managers
- Reluctant at first but accepted quickly
- Have become supporters of the program
- DHHS staff capacity in local communities



Role of Management

- Handles referrals from the lead agency the same as any other applicant
- Applies normal screening criteria, including reasonable accommodations
- Keeps units open for short periods
- Once under lease, treats the same as any other tenant
- Requests operating assistance funds each month for occupied units



Role of Local Lead Agency

- Public or nonprofit agency that can represent the wider service community
- Defined role as referral agent, coordinator and/or provider of supportive services to assure tenants have access to services they may need to be successful in the community.
- Agrees to act as contact for development management during the 30 year compliance period.



Why does it work?

- Each side of the state and property-level partnerships focus on **what they do best**
 - NCHFA allocates LIHTCs and monitors for compliance
 - DHHS works with local agencies and on-site property management
 - Owners and property managers build and manage rental housing
 - Human service agencies provide services and support to individuals and families
- State-funded operating assistance



What doesn't happen?

- Owners and management:
 - have no medical information
 - do not provide services, treatment, etc.
- No compliance problem if the lead agency has no referrals
- No reason to avoid remedies for lease default, including eviction (subject to reasonable accommodations)



How do owners benefit?

- Many tenants have disabilities regardless of set-aside requirement; having a connection to the services community helps:
 - serve these tenants,
 - other residents, and
 - solve problems
- Better understanding of reasonable accommodations requirements
- First units leased, low turnover



Community Integration

- Supportive housing units are part of larger LIHTC properties
- Nothing identifies them as different
- Other residents, let alone neighborhood, are not aware that some occupants have disabilities
- Result is no NIMBY, other than against affordable housing in general



What are the numbers?

- 7 annual award cycles
- 1,451 funded units (750 currently available)
- 113 different cities and towns
- 92% of available units occupied by referrals
- <1% eviction rate
- Key Program cost per unit \$220 a month



Benefits

- Tax Credits have an efficient system for the production of high-quality, professionally managed housing.
- Provides integrated housing choices
- Separates housing from services
 - Lease controls occupancy
 - Linkage to services



Challenges

- Standard tenant screening criteria.
- **Fair Housing for Tenants with Disabilities:
Understanding Reasonable Accommodations
and Reasonable Modifications**

Guide created in partnership with NC Apartment Association, Legal Services, DHHS and the NC Housing Finance Agency

www.nchfa.com/Forms/index.aspx



Housing 400 Initiative

- In 2006 NC Legislature challenged NCHFA and DHHS to create 400 units of permanent independent supportive housing affordable to persons on SSI income.
- Legislative support continued in 2007 and 2008 to add additional units.



Legislative Parameters

- For adults with disabilities
- Apartments (not licensed facilities)
- Affordable to people on Supplemental Security Income (SSI)
- 400 units receive operating subsidy (rent assistance)



Requirements

- Potential tenants have income below 30% of area median
- Disability-based income (SSI, SSDI, VA) or meet HUD SHP standards
- Apartments include kitchen facilities and bathrooms
- Tenants hold lease with all standard legal rights and responsibilities



Tools (2006-2009)

- Capital Funds: \$25 mil (Non-Recurring)
- Key Operating Subsidy: \$6.7 mil (Recurring)
- Operating subsidy currently limited to NCHFA-financed units



Roles

- DHHS evaluates sites, approves targeting plans, and coordinates local referral process
- NCHFA evaluates sites, underwrites financing package, awards construction and permanent loans, monitors properties and administers the Key Program



Supportive Housing Development Program 400

- SHDP 400 is a program that assists homeless and non-homeless persons with disabilities
- Loan to value ratio can be up to 100%
- Loan amount can be up to \$1.2 million with a \$90,000 per unit cost cap
- Construction loans are available
- Key Operating subsidy integrated into application



Preservation Loan Program 400

- PLP 400 is a rental rehabilitation program for properties built with federal/state subsidies
- Loan amounts can be up to \$1 million
- 10% of each property's units (5 unit minimum) are set aside for tenants with disabilities (targeted units)
- Key Operating subsidy is available for targeted units



Housing Credit Program

- Utilizes existing Targeting program within regular Housing Credit awards cycle
- 10% of each property's units are set aside for tenants with disabilities
- Key Operating subsidy is available for targeted units



Results

- SHDP400 162 units
- PLP/Key 185 units
- Housing Credits 1,451 units
- NCHFA and DHHS Report to the NC Legislature



Challenges

- To assure tenants have access to services we must marshal the resources of a limited and fragmented service system.
 - Public human service systems are funded and organized around particular sub-populations.
 - Services provided based upon individual eligibility and need. Provide services to people, not to buildings.



Challenges

- To secure a continuing source of operating and rental assistance.
- You cannot create community housing for persons with incomes as low as SSI without some source to pay the difference between what the tenant can afford to pay and what it costs to operate the units.



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