Funding Sources Successfully Used by States to Support Development of Integrated, Affordable, and Accessible Community Housing

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# Funding Sources Successfully Used by States to Support Development of Integrated, Affordable, and Accessible Community Housing

## Introduction

The lack of integrated, affordable, and accessible housing is frequently cited by people in the independent living field as the single largest barrier to full inclusion and community integration of persons with disabilities.

The affordable housing crisis is not unique to people with disabilities. In 2015, there was no state where a minimum wage worker, working full time, could afford a one-bedroom apartment.[[1]](#footnote-1) For people relying on Supplemental Security Income (SSI), the crisis is even more acute. In 2014, the average annual SSI income was $8,995—twenty-three percent (23 percent) below the federal poverty level. The average national rent for an efficiency apartment was $674, which was 90 percent of the federal SSI benefit. In 17 states and the District of Columbia, average one-bedroom unit rents were higher than the monthly SSI payment.[[2]](#footnote-2)

Even though states, communities and the private sector receive millions of dollars in funding for affordable housing, there are barriers to using these funds to develop housing for households at the greatest economic need. HUD defines these extremely low-income households as those making 30 percent or less of the area median family income. In almost every community, households on SSI are in this HUD category. Communities receive funding, but are not required to fund housing affordable to people at the lowest level of income. As a result, there remains an undeniable lack of integrated, affordable, accessible, and visitable housing from which people with disabilities and people who are elderly may choose. People with disabilities who desire to move to the community from nursing facilities and other institutions, and those attempting to support them, experience housing barriers most acutely. Individuals and families with extremely low and very low incomes have been priced out of the housing market, requiring deep subsidies to make their dreams of integrated community housing an affordable reality.

Individuals residing in restrictive settings, such as nursing facilities, intermediate care facilities, and group homes, receive housing packaged with services, whereas individuals who live in homes that they lease or own must largely depend on public housing supports.

Even when housing options in the community are available, people are often not afforded control over, or even a voice in, the most basic decisions regarding where they live, with whom they live, and how they spend their time. Much of the new housing development available to people with disabilities remains congregate, segregated, and service system controlled.

When personal support services are available, they are often “one size fits all” and linked to the housing, making it nearly impossible for persons receiving assistance to exercise choice about their housing options. Because assistance is determined by the place in which one lives, changing support needs often necessitate a change of residence. Development of integrated, affordable, and accessible housing options coordinated with personal supportive services is slow, inadequate, and generally not meeting the demand of individuals with disabilities.

## Federal Policy

In the last decade, we have seen beneficial changes to federal policy and guidance that can be used to advocate for a fair share of housing resources for people with disabilities, especially those at extremely low levels of income. The legal bases for these changes include the Americans with Disabilities Act and the Fair Housing Act.

The Olmstead v. L.C. Supreme Court decision, handed down in 1999, directs states to serve people in the most integrated setting possible. When individuals encounter clinically unwarranted segregation, states may be seen as in violation of Olmstead. In response to Olmstead, states are required to develop plans that include an adequate supply of affordable, accessible housing in integrated settings coordinated with personal supportive services. Meaningful compliance with Olmstead requirements has been so poor that the U.S. Department of Justice is involved with Olmstead cases in nearly every state, and has entered into binding Settlement Agreements in 14 states.

In 2013, HUD issued guidance on Olmstead, titled Statement of the Department of Housing and Urban Development on the Role of Housing in Accomplishing the Goals of Olmstead: “HUD is committed to offering individuals with disabilities housing options that enable them to make meaningful choices about housing, health care, and long-term services and supports so they can participate fully in community life. As more states facilitate the transition of individuals with disabilities from institutional or other segregated settings into their communities, the need for meaningful choice among housing options is critical. For communities that have historically relied heavily on institutional settings and housing built exclusively or primarily for individuals with disabilities, the need for additional integrated housing options scattered throughout the community becomes more acute.”

HUD has also made steady progress in guiding public housing agencies (PHAs) and other housing organizations about criminal backgrounds. In 2011, HUD issued a letter from the Secretary that emphasized the importance of giving people with criminal histories “second chances.” In 2015, HUD issued Guidance for Public Housing Agencies (PHAs) and Owners of Federally-Assisted Housing on Excluding the Use of Arrest Records in Housing Decisions. This guidance states that arrests are not necessarily evidence of criminal activity and policies that exclude people based on arrests may not be defensible. The 2015 guidance also clarified that HUD does not require “one strike” policies for applicants or participants. In 2016, HUD issued guidance that states, in part, that the practice of denying access to housing on the basis of criminal histories may violate the Fair Housing Act. This guidance is based on the concept of disparate impact, which is the idea that if a practice or policy has a discriminatory effect, even if the discrimination was unintended, the practice or policy is unlawful.[[3]](#footnote-3)

In 2014, the Centers for Medicare & Medicaid Services (CMS) issued a final rule that set forth requirements for settings that could be occupied by waiver participants. The intent is to maximize the opportunities for home- and community-based services (HCBS) program participants to have access to the benefits of community living and reinforced the Olmstead language of “most integrated setting.” CMS states that this rule will promote the provision of alternatives to institutional care.

## Housing System

Centers for independent living (CILs or Centers) and statewide independent living councils (SILCs) work to expand the availability of integrated, affordable, and accessible housing. Centers address the issue locally. The role of SILCs is both to engage in planning processes with the CILs to assure that resources and services meet the needs of the independent living community within the state, and to monitor and review the implementation of that plan. This often includes planning for the availability, affordability, and accessibility of integrated housing options with community supports.

At a minimum, independent living planners and those fostering systems change should understand the myriad funding sources available. It is also necessary to have working knowledge of how the housing system works.

### Affordable housing:

* Most affordable housing units have federal financial assistance infused during the development phase. This up-front financial assistance serves to make individual units more affordable than market rate units, usually for decades. This is the development strategy.
* Market rate units can be made affordable through the use of a tenant-based voucher. This method provides funding – a voucher – to a landlord that pays the difference between what the tenant can afford to pay according to HUD’s affordability standards, and the HUD Fair Market Rent. This is the rental assistance strategy.

### Funding sources:

Federal funding for affordable housing, both for development and rental assistance, comes from many sources.

* HUD provides funding to public housing agencies (PHAs), to states and communities through formula grants, and to developers and providers through competitive awards such as the local homelessness assistance Continuum of Care. Over the years, HUD has funded a large portfolio of assisted housing. The portion of assisted housing that is targeted to people who are elderly or who have disabilities is found at: <http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/hto/inventorysurvey>.
* The United States Department of Agriculture Rural Development program has developed more than 440,000 multifamily rental units in 15,000 complexes in nonurban communities. These units provide safe and decent housing for more than 750,000 individuals who otherwise could not afford it. USDA also provides rental assistance on behalf of 270,000 low and very low-income families that enables those families to live in apartments financed through Rural Development. Specific county and unit information can be found at: <http://rdmfhrentals.sc.egov.usda.gov/RDMFHRentals/select_state.jsp>.
* Low-Income Housing Tax Credits (LIHTC) are used to create a funding stream that supports the development of affordable housing. LIHTC developments are everywhere, and are designed to have units that are affordable for people at very low incomes. The only problem is that the subsidies don’t often make housing affordable to people on SSI incomes. So, someone on SSI might want to move in, but would have to have a voucher, or be willing to pay a higher percentage of their income toward rent.

Important funding sources include Housing Choice Voucher Program (formerly known as the Section 8 Rental Voucher Program), HOME Investments Partnerships Program, Section 811 Housing with Supportive Services for Persons with Disabilities Program, state housing trust funds, Low-Income Housing Tax Credits, USDA resources and state bridge subsidy programs. Almost always, making housing units affordable, integrated, and accessible, housing developers and their state and local partners must use multiple sources of funding in combination, including tax credits, operating subsidies, bridge subsidies and housing vouchers.

Planners of independent living options and services should understand current housing rules and regulations, and understand the systems that have responsibility for the development of low-income housing. In recent years, this responsibility has increasingly shifted from the federal government, primarily the U.S. Department of Housing and Urban Development, to state and local government entities. State Housing Finance Agencies and Public Housing Agencies play an ever-increasing role in determining the availability and affordability of community housing.

This guide offers a quick reference on housing resources that can be used to create integrated, affordable, and accessible housing and basic information on how to use these resources.

Community strategies that increase the amount of integrated, affordable, and accessible housing units usually fall into three general categories:

* Development of housing units, including multifamily housing and single family housing developed for ownership or rental.
* Access to existing housing units, including various forms of rental assistance.
* Asset Development, including homeownership and the use of individual development accounts.

There are a number of leaders in independent living and HCBS who are creatively using a variety of funding sources to develop community housing that is integrated, affordable, and accessible, and coordinated with personal supportive services. The programs interviewed for this guide were selected for their exemplary partnerships and innovation in creating and using these funding sources and strategies effectively. Leaders in these states have successfully led collaborative efforts to change the way low-income housing and personal supportive services are financed, developed, and marketed. The guide also includes examples of funding sources and strategies that have been drawn from the literature and the authors’ experiences.

Although some of the funding sources described in this guide are being used elsewhere to create congregate and segregated single population living arrangements, this is not the focus of this guide.

### How to Use This Guide

The guide is organized into distinct parts that permit the reader to quickly find a topic area of interest and read only that section if preferred, or to read the entire document and then easily find a reference later. The guide presents a brief description of each funding source along with helpful resources and sources of information. The guide also includes a few specific examples of state and local use of the funding source, often in combination with other funding.

## Part One: Housing Choice Voucher Program

The rental assistance strategy, in which market rate housing is made affordable through the provision of a rental voucher, is supported through a variety of funding sources. These include vouchers linked to USDA housing, temporary vouchers available through the HOME program, short-term and permanent assistance available to people experiencing homelessness, and a variety of state-funded vouchers, including bridge subsidies.

| Sources of Tenant-based Rental Assistance  HUD   * Housing Choice Vouchers (PHAs) * HOME Program * Homelessness Assistance   + Rapid Rehousing   + Shelter plus Care   Mainstream vouchers  USDA Rental Assistance  Bridge Subsidies available in some States |
| --- |

This section is focused on the Housing Choice Voucher program. This is probably the most well-known rental assistance strategy.

### What is the Housing Choice Voucher Program?

The United States Congress developed the Housing Choice Voucher Program (formerly known as the Section 8 Rental Voucher Program) as a way of assisting people with low incomes to obtain safe, decent, and affordable housing. The Housing Choice Voucher (HCV) Program is administered by participating public housing agencies (PHAs) under contract with the Department of Housing and Urban Development (HUD). The HCV Program makes it possible for eligible participants to live in housing of their choice.

A housing choice voucher is a form of rental assistance or mortgage payment assistance available for low-income households to use towards the cost of rental housing or homeownership.

PHAs receive an allocation for the HCV program and make choices about how to administer the program. These choices include decisions about how the program is administered, such as whether or not the PHA will establish preferences within the program’s waiting list. Also, the PHA can choose to include different types of rental assistance or whether to have a homeownership program under the HCV program.

This chapter discusses three types of rental assistance and the homeownership program. PHAs can also choose to provide vouchers designated for people with disabilities (mainstream housing vouchers). Finally, a PHA may designate that up to 20 percent of their total allocation can be used for project based assistance. This chapter explores these options in detail.

### How Can the Housing Choice Voucher Program be Used to Assist People with Disabilities?

The HCV Program provides direct rental or homeownership assistance to qualifying households that allows those households to pay no more than 30 percent of their income for rent or toward a mortgage.

### Advantages and Disadvantages of the Housing Choice Voucher Program

|  |  |
| --- | --- |
| Advantages | Disadvantages |
| Quick access to existing housing units | Many communities have long waiting lists or waiting lists that are closed. |
| Portable | PHAs may not want to take dollars away from their tenant-based rental assistance program to operate homeownership or project-based activities. |
| Promotes real choice | Owners/landlords do not have to accept a voucher as a partial payment of rent. Therefore, units that accept vouchers may not be in areas a voucher holder wants to live. |

### Who is Eligible to Apply?

Housing choice vouchers are public subsidies earmarked for households (individual or family) with low and very low incomes, including people who are elderly, and people with disabilities. Typically, eligible households must have income that is 50 percent or lower than the Area Median Income (AMI). The median divides the income distribution into two equal parts: one-half of the population of a given area falls below median income and one-half of the population falls above the median. As we have seen, households relying on SSI income are in the extremely low-income category in most areas. Participating PHAs are required to make 75 percent of vouchers available to extremely low-income households (with incomes below 30 percent of AMI).

Participating PHAs may establish “local preferences” and applicants who qualify for these preferences may be able to bypass the general waiting list. Examples of local preferences are: people who work in, or are residents of a specific locality (known as residency preferences); people who are homeless; people living in substandard housing; people paying more than 50 percent of their income for rent; a person with a disability; people who are single and age 62 or older; and people who are seeking to transition from institutional settings (such as nursing facilities) to integrated settings in the community.

### How Does the Housing Choice Voucher Program Work?

A housing choice voucher is a public subsidy that covers a portion of a low-income household’s monthly rent or mortgage. The PHA establishes the actual dollar amount of the housing choice voucher (called the payment standard) for the size (i.e., one bedroom, two bedroom, etc.) of the eligible housing unit. PHAs can establish the payment standard at any level between 90 and 100 percent of the Fair Market Rents published by HUD. As a reasonable accommodation, a PHA may allow a payment standard up to 110 percent of the Fair Market Rent without requesting HUD approval. A PHA can set the payment standard higher or lower by requesting approval from HUD.

The PHA gathers information on household income, assets, and family composition. The PHA determines a household’s eligibility for specific housing choice voucher programs (described below). Once the PHA identifies a household as eligible for an available housing choice voucher, the potential voucher holder selects suitable housing in the community. The potential voucher holder is free to choose any housing that meets HUD program requirements, including their current residence. Eligible properties include single-family homes, townhouses, and apartments. The voucher holder is responsible for reaching agreement with the landlord or seller regarding the rental amount or purchase price.

The PHA inspects the housing unit to determine compliance with program requirements in HUD health and safety standards, and to determine if the rental or purchase amount is reasonable. The PHA pays the subsidy directly to the landlord or mortgage company, on behalf of the voucher holder. The voucher holder is responsible for paying the difference between the fair market rent or mortgage and the subsidy provided by the voucher. In most situations the voucher holder will be required to contribute 30 percent of their household’s adjusted income to the cost of the housing. Voucher holders may use the voucher in another qualifying location (with some restrictions).

### Types of Housing Choice Vouchers

As stated above, a variety of housing choice vouchers may be provided by participating PHAs. The housing choice voucher programs most often used and applicable to persons with disabilities and people who are elderly include the following:

1. Tenant-Based Vouchers
2. Homeownership Vouchers
3. Project-Based Vouchers

#### Tenant-Based Vouchers

Participating PHAs apply annually to HUD for funding (when available) for tenant-based vouchers. A tenant-based voucher is a form of portable rental assistance. A tenant-based voucher is essentially a “ticket” worth a certain amount of money to be applied toward the cost of rental housing. The PHA pays the rental subsidy directly to the landlord or owner. The tenant-based voucher covers the difference between 30 percent of adjusted family income and the PHA payment standard or total rent for the unit, whichever is lower. A voucher holder may choose a housing unit with a higher rent than the payment standard and pay the owner the difference.

Once an eligible household receives a tenant-based voucher, the voucher holder may essentially use the voucher to rent HUD-approved housing anywhere in the country; this is called portability. Individuals or families interested in using their voucher through a PHA in another jurisdiction need to be aware of the portability requirements at the initial and receiving PHA. For example, if an individual has not used their voucher yet in the initial PHA’s jurisdiction, they may still be eligible for portability to another PHA if they were a resident of the initial jurisdiction at time of application.

The eligibility process for tenant-based vouchers varies from one PHA to another, as there is no standard application required by HUD. Waiting lists also vary from one PHA to another. Accordingly, households should apply to as many different PHAs as possible.

| Tenant-Based Vouchers: Key Points   * Portable (tied to the tenant, not to the housing unit) * May be used as a homeownership voucher if the receiving PHA participates in the homeownership program * Availability and eligibility varies by PHA |
| --- |

#### Homeownership Vouchers

A homeownership voucher is a form of tenant-based assistance administered by a PHA for the purpose of helping an eligible household to purchase a home. The PHA must use the same formula for calculating rental assistance to renters and home owners. This means that the homeownership voucher will not exceed the rental payment made by the PHA for a comparable unit.

To apply for a homeownership voucher, a household must apply for and be on the waiting list for the housing choice voucher program, or be a current voucher holder. An applicant with a disability or who is elderly must be a first-time homeowner and must have income equal to or greater than the monthly Federal Supplemental Security Income (SSI) benefit for an individual living alone, multiplied by 12 (the PHA may establish a higher minimum income requirement); and the family or individual must complete a pre-purchase homeownership and housing counseling program.

The voucher assistance may be available for the full term of a loan for a person with a disability or a person who is elderly. The homeownership voucher may be used for the following monthly homeownership expenses.

* Mortgage principal and interest
* Mortgage insurance premium, real estate taxes, and homeowner insurance
* PHA allowance for utilities
* PHA allowance for routine maintenance costs
* PHA allowance for major repairs and replacements
* Principal and interest on debt to finance major repairs and replacements
* Principal and interest on debt to finance costs to make the home accessible for a family member with disabilities (as a reasonable accommodation)

The Homeownership Voucher Program is an excellent opportunity for eligible households to obtain integrated, affordable, and accessible community housing. However, the program is not widely known, advertised or utilized by PHAs. Independent living program planners may need to help educate their local PHA about the Homeownership Voucher Program.

| Homeownership Vouchers: Key Points   * Form of tenant-based voucher for mortgage payment and other homeownership expenses * Applicants must be on Housing Choice Voucher waiting list or be a voucher holder * PHA with a Housing Choice Voucher program has the option of whether or not to participate in the Homeownership Voucher Program |
| --- |

#### Project-Based Vouchers

Project-based vouchers are a form of rental assistance provided directly to the owners of housing developments under contract with the PHA. Project-based vouchers are linked to specific units and are not portable. HUD allows a PHA to attach up to 20 percent of its voucher assistance to specific housing units if the owner agrees to either rehabilitate or construct the units, or the owner agrees to set aside a portion of the units in an existing development.

The PHA refers eligible individuals and families on the housing choice voucher waiting list to properties with vacancies in contracted units. The PHA typically pays the owner of the housing the difference between 30 percent of adjusted household income and the total rent for the housing unit.

Once an eligible household occupies a contracted housing unit with a project-based voucher for one year, they may qualify for a tenant-based voucher (if available) to move to another residence. Used in this manner, project-based vouchers provide an effective means for individuals and families to transition to permanent, portable housing assistance in the community setting of their choice. Project-based vouchers may also be used to secure accessible or affordable units for voucher recipients by designating a unit for individuals or families with those needs.

### Summary and Recommendations

The Housing Choice Voucher Program is one of the largest and most important sources of public financing available to assist people with disabilities and people who are elderly to obtain integrated, affordable, and accessible housing in the community. However, PHA participation in the Housing Choice Voucher Program is optional and not all PHAs participate. In addition, each PHA has a great deal of flexibility in setting policies and application requirements for Housing Choice Vouchers. As a result, the availability of Housing Choice Vouchers varies widely from one PHA to the next.

Often, people have been deemed ineligible because of arrests or convictions. This is where the policy guidance from HUD (referenced in the Introduction) is important. In the 2016 guidance, HUD seems to caution housing providers that if the policy of excluding people on the basis of criminal backgrounds has a discriminatory effect on a protected class under Fair Housing, then this practice may be a violation of Fair Housing.

In many areas of the country there are lengthy waiting lists for Housing Choice Vouchers. It is quite common for these waiting lists to be as long as one or two years. In some areas, where the demand for vouchers far exceeds the PHA’s financial resources for the foreseeable future, the PHA may close the waiting list.

Despite these challenges, the Housing Choice Voucher Program remains an important source of public financial assistance for people with disabilities and people who are elderly. IL planners and those fostering systems change should consider the option of Housing Choice Vouchers in their efforts to support expansion of the availability of integrated, affordable, and accessible housing in the community. Whenever possible, it is important to help people get on waiting lists for these and other resources, even when real assistance seems to be years away. Here is one example of why that might be important: In 2011, HUD released one-time “Non-elderly Disabled” vouchers for people with disabilities and included a subset of vouchers for people exiting institutions. One of the implementation issues was that people had to have been on the PHA list in order to be selected.

HUD requires participating PHAs to consider the needs of the community in their annual applications to HUD for Housing Choice Voucher assistance. This provides an excellent opportunity for IL planners to present information about the needs of persons with disabilities.

| Action Steps   * Develop a collaborative relationship with each PHA in your area. * Request copies of the planning documents used by each PHA in establishing local preferences and priorities. * Provide information to each PHA on the community housing needs and preferences of people with disabilities and people who are elderly, including priority populations such as individuals transitioning out of nursing homes. |
| --- |

### For More Information

For a database of vouchers targeted to people with disabilities, see: <http://www.tacinc.org/knowledge-resources/vouchers-database/>

Housing Choice Vouchers Program, U.S. Department of Housing and Urban Development Homes and Communities website – <http://www.hud.gov/offices/pih/programs/hcv/about/index.cfm>

* To find contact information about PHAs in your area: <http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/pha/contacts>

HUD Housing Choice Voucher Program Guidebook – <http://www.hud.gov/offices/pih/programs/hcv/forms/guidebook.cfm>

##### The Use of Tenant-Based Vouchers to Support

##### Nursing Facility Transitions in Connecticut

In Connecticut, Housing Choice Vouchers are administered by over 40 public housing agencies and statewide by the Connecticut Department of Housing (DOH) and its agent, J. D’Amelia & Associates, LLC. JDA subcontracts operation of the HCV program to six local PHAs and one Community Action Agency in the state.

One of the special programs offered through the DOH/JDA is a Nursing Facility Transition Preference. The DOH collaborates with Connecticut Association of Centers for Independent Living to make available Housing Choice Vouchers for persons with disabilities transitioning from licensed nursing facilities into private rental units. If an individual who is on a voucher waiting list and who resides in a licensed nursing facility develops a service plan and is determined eligible by the PHA to receive a voucher, the person is invited to participate in the program in accordance with HUD regulations and other program requirements.

### For More Information

State of Connecticut Department of Housing Section 8 Housing Choice Voucher Program – <http://www.ct.gov/doh/cwp/view.asp?a=4513&Q=530586>

[Finding](file:///C:\Users\djones\Documents\INDEPENDENT%20LIVING%20CENTERS%20AND%20SILCS\IL-NET\A_CIL-NET%20TOPICS\HOUSING\UPDATES%20TO%20MANUALS\Finding) Your Home: A Guide to Housing Resources in Connecticut – <http://www.ct.gov/brs/lib/brs/pdfs/school2work/findingyourhome.pdf>

Connecticut Association of Centers for Independent Living – 203-729-3299

## Part Two: Low-Income Housing Tax Credits

The Low-Income Housing Tax Credits program is the largest source of funding available to states to support the creation of affordable rental housing for individuals and families with low income.

### What are Low-Income Housing Tax Credits?

The Low-Income Housing Tax Credits (LIHTC) program allows private equity investment in the development of affordable rental housing. Investors provide funding in return for tax credits. Since its creation in 1986, the LIHTC has helped finance more than 2.4 million affordable rental-housing units for low-income households.[[4]](#footnote-4) The federal government has expended the equivalent of $8 billion dollars annually since the inception of the program in 1986. These dollars are used to support the acquisition, rehabilitation, or new construction of affordable housing. LIHTC are allocated to states on a per capita basis and are competitively awarded in accordance with the state’s Qualified Allocation Plan (QAP).

### How Can Low-Income Housing Tax Credits Be Used to Assist People with Disabilities?

Tax credits can be used to develop housing with units for people with disabilities through set-asides. In order to create housing that is integrated, affordable, and accessible, Housing Finance Agencies and developers need to understand that people with disabilities need and want only a portion of the units in each development set aside.

Tax credits offer developers a significant percentage of the dollars needed to construct new affordable housing. Therefore, the LIHTC program is highly competitive and developers are eager to do whatever it takes to have a winning application. If the state’s QAP offers scoring points for projects that will create units that are affordable to households on SSI income or affordable to people with disabilities, this program becomes a huge asset in developing integrated housing for people with disabilities.

### Advantages and Disadvantages of the Low-Income Housing Tax Credits Program

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| --- | --- |
| Advantages | Disadvantages |
| Integration is achieved through program income rules. | Complicated. |
| Developments often include computer rooms, community rooms, etc. | Need to hire a housing expert to assist in crafting the deal. |
| Tenant has choice of unit. | Tenants on SSI income will need an additional subsidy to afford the units. |

### How Does the Low-Income Housing Tax Credit Program Work?

Each state’s Housing Finance Agency allocates and distributes LIHTC to housing developers in accordance with a QAP that identifies and prioritizes the state’s housing needs. Nonprofit agencies and for-profit housing developers are eligible to apply for the tax credits. Developers use the tax credits to help finance development, maintenance, and operating costs of rental housing units. Developers offer the tax credits to investors in exchange for equity or capital to finance development costs. The investors use the tax credits to get a dollar-for-dollar reduction in their federal tax liability. Figure 1 below depicts how the funds flow. Each dollar of LIHTC entitles the owner to a dollar of tax credit over a period of 10 years. Thus, every one dollar of LIHTC generates nine dollars in equity. In exchange for the tax credits, the property owner agrees to rent and income restrictions for a minimum of 15 years.

Funds generated from the sale of tax credits may be used to support construction of new rental housing and the acquisition and rehabilitation of existing rental housing for low-income households. Developers who receive LIHTC must reserve a percentage of total housing units for rent to low-income households. Specifically, developers must set aside a portion of the units for families with low income, as follows:

* At least 20 percent of the units in the project must have rents affordable to and be occupied by households with incomes no greater than 50 percent of area median income (adjusted for family size); OR
* At least 40 percent of the units must be affordable to and occupied by families with incomes no greater than 60 percent of median (adjusted for family size).

Despite the apparent affordability of LIHTC units, many households with extremely low incomes need additional rental assistance because rental fees based on area median income are still typically higher than the available income of individuals or households that have very low incomes or receive Supplemental Security Income (SSI). The LIHTC program in some states provides additional assistance in the form of operating subsidies paid directly to developers, or in the form of rental assistance available to tenants. Operating subsidies help housing developers cover operating and maintenance costs that exceed established LIHTC rental rates. Direct rental assistance to tenants helps very low-income households afford LIHTC units by enabling them to pay the established rates.

From IRS to State Housing Finance Agency to Developers to Investors

FIGURE 1: How the Funds Flow for LIHTC

[Image description: Box 1—Internal Revenue Service (IRS) issues tax credit authority yearly to each State Housing Finance Agency. The amount of tax credit authority is based on a formula that includes a credit ceiling multiplied by the state’s population. Box 2—State Housing Finance Agency develops a Qualified Allocation Plan yearly that prioritizes state housing need and explains criteria to be used to award tax credits to developers for acquisition, rehabilitation, or new construction of affordable housing. Box 3—Developers must rent a portion of their units to tenants with low incomes. Developers exchange tax credits (to investors) for capital to fund their housing projects. Box 4—Investors get dollar for dollar reduction in tax liability for 10 years in exchange for providing capital to developer to finance qualified affordable rental housing.]

### Why Are Low-Income Housing Tax Credits Important?

The LIHTC program is a package of financial incentives that can be used by states to increase the availability of affordable housing for people with disabilities.

LIHTC are ideally suited for promoting development of integrated, accessible, affordable community housing options because the tax credits must be used to create mixed-income population housing units rather than congregate settings for specific populations. In other words, the income targeting within the program’s regulations results in an automatic integration of individuals with multiple levels of income. In general, this supports the goal of integrated housing for people with disabilities, even though there is no specific provision referencing the integration of people with disabilities.

The LIHTC program is a vital source of support for developers of low-income rental housing. Developers typically have to obtain development capital from multiple funding sources. Rental income and returns from investment are often inadequate to cover the costs of construction, operation, and maintenance of low-income rental units. Developers can use LIHTC to leverage additional local and federal funds, including funds from other HUD programs, such as the HOME Investment Partnerships Program and Community Development Block Grants, to help cover their operating expenses and debt service costs. This additional financing makes low-income housing projects viable for developers and operators at much lower rents than would otherwise be possible.

| Action Steps   * Obtain a copy of and study the Qualified Allocation Plan (QAP) for your state. Does the plan provide incentives for creating integrated units for people with disabilities or units for households with extremely low income? * Seek an informed partner. Engage a successful developer or consultant to advise you on strategies for changing the QAP to meet the needs of people with disabilities. * Obtain a list of LIHTC projects “in the pipeline” and seek out their developers. It may be possible to create strategic partnerships that will make more units available to people with disabilities. * Explore options for obtaining rental assistance or up-front capital that will make tax credit units affordable for people on SSI-level incomes. |
| --- |

### For More Information:

To find LIHTC units in your area, go to: <http://lihtc.huduser.gov>.

Essential Guide to Housing Credit Compliance, Second Edition, by Anthony S. Freedman; available through the National Council of State Housing Agencies (NCSHA) – <http://www.ncsha.org>.

Analysis of State Qualified Allocation Plans for the Low-Income Housing Tax Credit Program (2002) by Jeremy Gustafson and Christopher Walker. Washington, DC: U.S. Department of Housing and Urban Development.

National Association of Housing and Redevelopment Officials (NAHRO) – leading housing and community development advocate for the provision of adequate and affordable housing – <http://www.nahro.org>.

##### Use of Low-Income Housing Tax Credits in Combination with Targeting Plans and a Bridge Subsidy Program in North Carolina

The North Carolina Housing Finance Agency (NCHFA), in collaboration with the North Carolina Department of Health and Human Services (DHHS), has effectively combined LIHTC with a state-funded operating subsidy program and other enhancements to create integrated, accessible, affordable community housing for low-income persons with disabilities.

### LIHTC Set-Asides and Targeting Plans

In 2002, NCHFA, via its Qualified Allocation Plan (QAP), provided bonus points for LIHTC applications that chose to set aside 10 percent of the units in their development for rent to very low-income persons with disabilities and homeless persons. NCHFA required developers who opted for these bonus points to partner with a local human service agency (Lead Agency) in developing a Targeting Plan for the LIHTC units.

| Targeting Plan Basics   * Relationships between developers, managers, and service providers * Lead agency tenant referral process * Access to services, transportation, and amenities * 90-day reservation of units for eligible tenants with disabilities during initial rent-up; 30-day reservation when targeted units “turn over.” * Targeted units must be affordable to persons with incomes as low as SSI. |
| --- |

In 2004, NCHFA made the set-asides and Targeting Plan a requirement of all applications for LIHTC.

### Making LIHTC Units Affordable Through a State Bridge Subsidy Program

In 2004, NCHFA and DHHS created the Key Program to provide project-based operating subsidies for LIHTC units. Each agency contributed non-recurring state funds. The operating subsidies make up the difference between what tenants with income based on disability can afford in rent, and the revenue the developer or property manager needs from the rental unit. The operating subsidy serves as bridge subsidy until tenant-based rental assistance, usually in the form of Housing Choice Vouchers can be obtained. Tenants in LIHTC-targeted units are required to apply for Housing Choice Vouchers, as the goal is to transition households to permanent portable rental assistance. The average per-unit operating subsidy of $250 per month is less than the cost of tenant-based vouchers, and substantially less than the alternative of continued homelessness or facility-based residential services.

### Making LIHTC Units Accessible with Universal Design Features

In 2003, NCHFA began to award bonus points to LIHTC developers who agreed to build additional units at higher accessibility standards than legally required. The Center for Universal Design at North Carolina State University assisted in design of LIHTC units with universal design features. These features include curb-less showers and full turnaround bathrooms that allow for parallel toilet transfers. In 2005, NCHFA made enhanced accessibility a requirement of all applications for LIHTC. Developers have come to realize that universal design is an effective marketing tool for rental units.

### Impact of North Carolina’s Efforts

North Carolina’s success in using LIHTC to create integrated, accessible, and affordable housing opportunities is due to partnerships at the state level and local collaboration. NCHFA and DHHS work closely together in the design and operation of Targeting Plans and the Key Program. At the property level, linkages have been formed between management and local human service providers. The result is a collective referral process open to persons with a wide range of disabilities, and coordination of an array of community-based services and supports. A key to this success is that neither party has to step far outside of its normal role.

Developers and property managers focus on building and managing rental housing, leaving human service agencies to do what they do best—providing support to individuals and families in their communities.

Making housing affordable to people whose only income is SSI requires some form of rental or operating assistance. In North Carolina the Key Program fund fills this need, and the other essential ingredients of this housing partnership (such as having human service agencies make referrals for targeted units and offering community supports to eligible tenants) require limited additional state expenditures. The major investment has been in staff time spent educating property managers and organizing local human service agencies to take advantage of LIHTC units.

### For More Information:

North Carolina Housing Finance Agency – <http://www.nchfa.com>

Tassos, James. Using the Housing Credit for Supportive Housing: An Assessment of 2005 State Policies (2006) – <http://www.enterprisecommunity.com/resources/ResourceDetails?ID=63766.pdf>

## Part Three: Section 811 Supportive Housing for Persons with Disabilities Program

Section 811 is a source of funding available to nonprofit organizations to support housing opportunities for persons with disabilities with low incomes.

### What is Section 811?

HUD created the Section 811 Supportive Housing for Persons with Disabilities Program in the early 1990s to allow nonprofit organizations to develop and operate rental housing combined with supportive services for very low-income adults with disabilities. Up until new legislation in 2010, this program was used to create group homes and segregated independent living apartments for people with disabilities. With the passage of the Frank Melville Supportive Housing Investment Act in 2010, the 811 program was transformed into a resource that now allows the creation of integrated supportive housing. The goal of these reforms is the creation of integrated housing in which no more than 25 percent of the units in the Section 811 assisted property can be set aside for people with disabilities.

The reformed Section 811 program incentivizes the development of more integrated housing units through two methods. The new Project Rental Assistance activity funds state housing agencies, which must partner with state health and human services agencies, including Medicaid. The resulting partnership then provides funding to support integrated development. The new multifamily approach provides capital advance funding and project rental assistance directly to nonprofits to develop integrated housing. Both methods cannot exceed the 25 percent set-aside limit for people with disabilities. It is important to note that the Section 811 program can still also be used to develop group homes and segregated multifamily options. Working with your state housing agency and nonprofits, to persuade them to choose integrated options, is an opportunity for advocacy.

In many communities, there is an inventory of “old style” housing units that were funded under this program, frequently independent living apartments in which all tenants have disabilities. When looking for housing choices for people, it is important to know where these resources are and provide information about them. One of the benefits of these old style 811 properties is that they are affordable in that the tenant pays one-third of their income toward rent. These units are included in HUD’s Multifamily Inventory – Elderly/Handicapped Units at <http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/hto/inventorysurvey>.

### Advantages and Disadvantages of the Section 811 Program

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| --- | --- |
| Advantages | Disadvantages |
| Provides a nearly complete funding package for housing for persons with disabilities.  New-style Section 811 programs result in affordable, integrated housing options. | As with all housing development strategies, the creation of new units takes time. “New-style” projects are just now becoming available following the 2010 reforms. |

### For More Information:

The Technical Assistance Collaborative maintains a resource center in support of the Section 811 program – <http://811resourcecenter.tacinc.org>.

Although properties funded through the Melville reforms are just beginning to become available in 2016, case studies with features similar to new-style 811 units are available here: <http://811resourcecenter.tacinc.org/media/16039/case_studies_state_approaches.pdf>.

## Part Four: Housing Trust Funds

### What Are Housing Trust Funds?

Housing Trust Funds are dedicated pools of capital funding that receive ongoing public and private revenue specifically earmarked for housing initiatives. Housing Trust Funds are typically established by state or local governments through legislation, ordinance, or resolution to receive specific ongoing revenues from sources such as taxes, fees, or loan repayments. Housing Trust Funds are generally tax-based, and can therefore be quite large. The capital pools generate ongoing income that is used to finance housing grants, loans, and loan guarantees.

Housing Trust Funds are a largely untapped source of financial support for development of integrated, accessible, and affordable housing. Most Housing Trust Funds have been initiated by forward-thinking state and local community organizations that have an awareness and understanding of the housing needs in their communities. Because housing development needs are determined and funded by state and local organizations, Housing Trust Funds are not restricted by federal funding priorities and regulations. Housing Trust Funds also attract sources of private funding. In 2006, the Center for Community Change reported that there were over 400 housing trust funds in the U.S., dedicating over $750 million to housing opportunities each year. Thirty-eight states and over 350 cities and counties have trust funds ranging in size from $1 million to $50 million.

Most Housing Trust Funds are locally driven and locally administered. They all access funds differently and spend funds differently. Housing Trust Funds are often established to respond to the housing needs of target populations, including people who are homeless and people with disabilities, and/or targeted neighborhoods. Most Housing Trust Funds have an oversight board comprised of community representatives. The oversight board typically determines the dissemination and types of funding, eligible applicants, uses of funds, and application/reporting requirements. Because they are controlled at the state and local level, Housing Trust Funds can be responsive to community needs in determining priorities and uses of funds.

### National Housing Trust Fund – 2016

The National Housing Trust Fund (NHTF) is a new federal housing program that will be a block grant to states, administered by state housing agencies. There is an immediate and real opportunity for advocacy with these funds that will be implemented by state housing agencies for the first time beginning in 2016. The NHTF was authorized by Congress primarily to address the critical shortage of rental housing units affordable to Extremely Low-Income households – defined as households with incomes between 0 –30 percent of area median income (AMI).

### How Can Housing Trust Funds Be Used to Assist People with Disabilities?

Housing Trust Funds are frequently the most flexible sources of funding available in terms of what they fund and who is eligible to apply. They may be used for homebuyer assistance, acquisition and rehabilitation of rental housing, new construction and modification, home accessibility and repairs, rent subsidies, creation and improvement of homeless shelters, gap financing, provision of housing-related services, and matching funds for federal or private funding. Housing Trust Funds are also sometimes used to fund predevelopment loans.

Housing Trust Funds are an excellent source of gap financing to make housing affordable for low-income populations.

Gap financing may be used to provide operating subsidies, bridge subsidies to supplement rental costs, and cover some costs associated with purchasing a home. When used in this manner, Housing Trust Funds can bridge affordability gaps, giving people who have lower incomes the opportunity to live in integrated, accessible, and affordable housing.

State and local Housing Trust Funds are an ideal source of matching funds for federal housing assistance programs that require state or local matching contributions in order to receive funding. For example, the HOME Investment Partnerships Program requires a 25 percent local match. Housing Trust Funds may also receive and distribute federal funds to meet state and local housing needs.

### Advantages and Disadvantages of Housing Trust Funds

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| --- | --- |
| Advantages | Disadvantages |
| Very flexible, can be used to support almost any need. | Not every community or state has a housing trust fund. |
| Funded and controlled at state and local level. | Funding for the trust funds has in some cases been sporadic. |

| Action Steps   * Contact your state Housing Finance Agency to learn if your state has a Housing Trust Fund. * Contact your county or city government, or local Public Housing Agency to find out if there are local housing trust funds in your area. * Attend state and local meetings of Housing Finance Agencies and Public Housing Agencies. * Inform Housing Trust Fund representatives of the need for integrated, affordable, accessible housing for people with disabilities. |
| --- |

### For More Information:

Center for Community Change, Housing Trust Fund Project – <http://www.communitychange.org/issues/housingtrustfunds/whatarehousingtf/> has a listing of state and local Housing Trust Funds. The project offers publications that describe existing housing trust funds and the steps necessary to create a new housing trust fund. The project also provides several levels of technical assistance.

National Low Income Housing Coalition (NLIHC) – dedicated to ending America’s affordable housing crisis. NLIHC’s advocacy is focused on people with the most serious housing problems and the lowest incomes. NLIHC is coordinating the National Housing Trust Fund Campaign through legislative advocacy. The National Housing Trust Fund will provide a dedicated source of funding for the production, preservation, and rehabilitation of 1.5 million affordable homes in 10 years. At least 75 percent of the funds will be for housing for households that have extremely low incomes, earning less than 30 percent of an area's median income. <http://www.nlihc.org>

Policy Link—Equitable Development Toolkit: Housing Trust Funds (2001) – created by the Illinois Housing Trust Fund, which is administered by the Illinois Housing Finance Agency in partnership with the Center for Community Change. The website includes information and advice for stakeholders interested in creating a Housing Trust Fund, including design considerations, potential funding sources, model legislation, and strategies for success. <http://www.policylink.org>

##### Housing Trust Funds in Iowa

The Iowa Housing Trust Fund, created in 1995 with funding first available in 2003, gives out grants to community-based organizations that support affordable housing. The Iowa Finance Authority holds moneys in the Trust Fund to encourage development of local housing trust funds and for the development and preservation of affordable housing for people with low income in the state. The Iowa Housing Trust Fund also receives funds from the Iowa State Legislature. There are no federal dollars in the Trust Fund; however, trust fund dollars may be used as a match for federal funding.

The Iowa Housing Trust Fund operates two distinct programs: the Local Housing Trust Fund Program and the Project-Based Housing Program.

### For More Information:

Iowa Finance Authority – <http://www.iowafinanceauthority.gov>

## Part Five: Individual Development Accounts

### What Are Individual Development Accounts?

People with low incomes typically cannot benefit from federal incentives that reward middle and upper income people for saving money. These tax breaks include a mortgage deduction, IRAs and other such vehicles, and preferential capital gains. Low income and the lack of assets keep many people from achieving financial stability, and saving for a down payment on a home, or a small business, or for college tuition for themselves or their children.

The concept of supporting individuals and families with low incomes to save and build assets for the future through Individual Development Accounts (IDAs) was first proposed by Michael Sherraden in his 1991 book, Assets and the Poor: A New American Welfare Policy. Sherraden argued that the best way for low-income populations to get ahead was to save money and acquire assets.

IDAs are dedicated savings accounts in which individual and family savings are matched by a variety of public and private sources. IDAs are an ideal vehicle to assist poor working families to reach important life goals, including the goal of homeownership. IDAs are also used to promote savings for education, training, and business development.

### How Can Individual Development Accounts Be Used to Assist People with Disabilities?

Service and advocacy groups can seek support from banks, corporations, charitable organizations, and philanthropists to help individuals with disabilities build personal assets through the use of IDAs. The savings accrued by individuals and families in locally funded IDAs can be used for such things as down payments for homeownership, seed money for a small business, or any other important life goal.

### Advantages and Disadvantages of Individual Development Accounts

|  |  |
| --- | --- |
| Advantages | Disadvantages |
| Builds personal assets. | Some complexity in setup. |
| Very flexible. | If federal funding is used by the IDA program, then the savings can only be used for homeownership, starting a business, or post-secondary education. |
| The “match” for personal savings is often as high as $3 or $4 contributed for every dollar saved by the individual or family. | Most organizations working with people with disabilities lack knowledge of these funds. |
| If federal funding is not used, then income and other restrictions placed on an IDA program can be changed at the state or local level. | The use of federal funding comes with restrictions including what types of income can be saved. |

### How Do Individual Development Accounts Work?

Most IDAs are offered through programs that involve partnerships between local nonprofit organizations and financial institutions, charitable organizations, and philanthropies. The IDA program sponsor typically recruits IDA participants and provides them with education and training in financial literacy, goal setting, and asset development. The partnering financial institution accepts deposits and contributions, and handles the disbursement of funds. The individual or family makes deposits toward personal savings goals. These goals may be short-term goals, such as home improvement and repair, or long-term goals such as purchasing a first home. A variety of government and private sector sources contribute donations to IDA programs to match individual and family savings. Contributing organizations typically receive a tax deduction for their contributions to IDA programs.

### IDA Program Requirements

The required savings period, matching rates, and allowable uses of funds vary based on the priorities of the funding sources and the purposes of the IDA program. Some privately funded IDA programs allow funds to be used for transportation, assistive technology, and home repair/modification. IDA programs funded solely by private sources have greater flexibility in the use of funds.

Most IDA programs impose a maximum household income level for IDA applicants based on poverty levels or area median income. In addition, some IDA programs have asset limitations. In order to participate in an IDA, the individual or family must have some source of income. Income may come from a variety of sources, including earnings, unemployment insurance, and Social Security Income/Insurance. Finally, some IDA programs require that applicants have a history of good credit, and/or be free of debt.

### Benefits of Individual Development Accounts

As individuals and families build savings and equity in assets, they achieve greater financial stability. This financial stability can assist individuals and families to weather difficult financial times. In addition, the individual contribution requirement promotes responsibility for the creation of personal wealth and pride of ownership in assets. The accelerated rate of savings through an IDA allows low-income individuals and families to reach important life goals far sooner than they would be able to on their own.

| Action Steps   * Find out about state and local IDA programs already in operation, and get information about criteria, eligibility, and application process. * Ask IDA programs about their knowledge and experience with providing assistance to people with disabilities. * Offer to provide information and assistance to local IDAs on issues related to people with disabilities. |
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### For More Information

The Corporation for Enterprise Development (CFED) fosters widely shared and sustainable economic well-being. CFED promotes asset-building strategies, primarily in low-income and distressed communities, that bring together community practice, public policy, and private markets in new and effective ways.

The CFED website includes links to relevant information on economic and community development: IDA Fact Sheet, IDA Directory, and IDA Program Design Handbook – <http://www.cfed.org>.

## Part Six: The HOME Program and the New National Housing Trust Fund

The Consolidated Plan (ConPlan) is a HUD-mandated process designed to help states and local jurisdictions assess their affordable housing and community development needs, including an assessment of market conditions. The ConPlan then governs the use of dollars from four programs: HOME Investment Partnership Program, Community Development Block Grant, the Emergency Solutions Grant, and Housing Opportunities for Persons with AIDS (HOPWA). Beginning in 2016, the ConPlan includes planning for the new National Housing Trust Fund allocations.

Which jurisdictions must create a ConPlan is based on population size, linked to various programs. In general, communities at or above 50,000 in population develop a ConPlan. The state then develops a plan for the balance of the state that is not covered by another jurisdiction’s plan.

The ConPlan is an opportunity for input and advocacy. Most ConPlans do not address directly the needs of extremely low-income households. HUD’s general requirement is that dollars be used to meet the needs of “low-income” households, defined as 80 percent of the area median family income. This is often above the federal poverty line. It takes assertive and intentional action in the ConPlan to ensure that ELI households are included.

### What Is the HOME Investment Partnerships Program?

The U.S. Department of Housing and Urban Development (HUD) created the HOME Investment Partnerships Program to expand the supply of decent affordable housing for families with low and very low incomes. HUD provides formula grants to states, municipalities, and consortia of local governments, called Participating Jurisdictions, based on size and population characteristics. Every state gets an allocation of HOME dollars. HOME dollars may be used for the construction, acquisition or renovation of rental housing; tenant-based rental assistance; homeownership; and home repair and accessibility. Because the HOME Investment Partnerships Program is federally funded, at least five percent of housing units developed using HOME dollars must be accessible to people with disabilities.

Unfortunately, the HOME program funding has been steadily reduced since 2010. The overall reduction has been more than $635 million dollars, or a 50 percent decline in funding. The HOME program can still be useful for people with disabilities, but advocacy must take place within this context.

### How Can the HOME Program Be Used to Assist People with Disabilities?

The HOME program can be an important resource for people with disabilities. These funds can be used to support the development of integrated, affordable, and accessible housing in many ways, including:

* As an incentive to developers using tax credits and other developers to create a percentage of the total units that are affordable for households with extremely low income.
* Provision of up-front capital for specific units in a large development, making the units affordable for people on an SSI income.

These funds can be used to support access to existing units in many ways, including:

* Creation of a bridge subsidy program, using the tenant-based rental assistance option, to assist individuals in transitioning from nursing homes and other institutions or to prevent an institutional placement.
* Provision of tenant-based rental assistance to persons with disabilities, which makes it possible for them to choose to live in properties developed using tax credits. One successful strategy is for developers of tax credit properties to seek out recipients of tenant-based rental assistance.
* Provision of funds for home owners to allow accessibility modifications to existing properties.

### Advantages and Disadvantages of the HOME Program

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| --- | --- |
| Advantages | Disadvantages |
| Many allowable uses—can be used to incentivize integrated development or access existing housing units. | Typically, used only for development. Using tenant-based rental assistance may require determined advocacy. |
| Use of funds must be responsive to public input. | Can be complicated to manage. |

### How Does the HOME Investment Partnerships Program Work?

HUD allocates and distributes HOME dollars through state and local governments that become Participating Jurisdictions. The Participating Jurisdiction must ensure citizen participation in developing a Consolidated Plan through public hearings; demonstrate consultation with public and private agencies serving people with low incomes and people with disabilities; provide evidence that draft Consolidated Plans were available for public comment; and provide performance reports. Participating Jurisdictions must match every dollar of HOME funds used (except for administrative costs) with 25 cents from nonfederal sources. Up to 15 percent of HOME grant funds must be reserved for projects by eligible nonprofit organizations known as Community Housing Development Organizations (CHDOs).

### Using HOME Dollars to Provide Tenant-Based Rental Assistance

Tenant-Based Rental Assistance works like a Housing Choice Voucher (formerly called Section 8 voucher). The rental assistance subsidizes the rent a person can afford to pay for an apartment or house. Tenants typically pay at least 30 percent of their adjusted monthly income. The rental assistance provides the difference between what the tenant can afford to pay and the established rental rates. Rental assistance may also be used for payment of security deposits. Rental assistance provided with HOME dollars is initially awarded for two years, and may be extended based on availability of funds. Tenants are required to apply for Housing Choice Vouchers for permanent housing assistance.

### Why the HOME Investment Partnerships Program is Important

The flexibility of the HOME Investment Partnerships Program empowers communities to design and implement strategies tailored to state and local needs and priorities. HOME dollars can be effectively combined with other sources of funds, including Low-Income Housing Tax Credits, to provide a comprehensive package of financing to develop integrated, affordable, and accessible housing.

Using HOME dollars to provide tenant-based rental assistance allows people with low and very low incomes and people with disabilities to afford rental payments in housing they choose.

HOME funds can provide immediate rental assistance for persons transitioning from nursing facilities or other institutional settings to the community. Tenant-based rental assistance provided with HOME dollars can serve as a bridge subsidy while tenants await the availability of a Housing Choice Voucher.

### National Housing Trust Fund

The National Housing Trust Fund (NHTF) is planned for implementation in 2016 to make funds available for rental housing that is affordable to extremely low-income households. This is very important for people receiving SSI, as housing in most communities is out of reach for this group. The NHTF is a block grant to states, the District of Columbia, and the U.S. territories. In 2016, the amount available for block granting is approximately $170 million. The amount is expected to grow in subsequent years.

The NHTF is linked to the state ConPlan. The NHTF Allocation Plan is to be submitted by the state as part of the annual Action Plan for the ConPlan. According to statute, NHTF activities must meet the state’s priority housing needs in the ConPlan.

### For More Information

HOME Investment Partnerships Program – <http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/programs/home>

National Council of State Housing Agencies – <https://www.ncsha.org>

Consolidated Plans – http://[www.hudexchange.info/consolidated-plan/con-plans-aaps-capers/](http://www.hudexchange.info/consolidated-plan/con-plans-aaps-capers/). Once on this site, select a state. You will be presented with a menu of grantees. For NHTF, look for the state level plan. For the date, click on “select all” and you will be given a link to a copy of the most recent ConPlan.

##### HOME Investment Partnerships Program Activities

##### and Tenant-Based Rental Assistance in Arkansas

Spa Area Independent Living Services (SAILS) combines HOME Investment Partnerships Program (HOME) funds with other funding sources to provide tenant based rental assistance that enables residents of nursing facilities to transition to integrated settings in the community. They also use tenant based rental assistance to support persons at risk of placement in nursing facilities to remain in the community. SAILS is an example of a local nonprofit organization that has successfully obtained funding from the State Housing Finance Agency to enable individuals to obtain integrated, affordable, accessible housing.

HOME dollars are a good fit for Centers for Independent Living that are actively engaged in assisting people to transition to the community.—Brenda Stinebuck, SAILS Executive Director

The Arkansas Development Finance Authority (ADFA) allocates and distributes HOME funds in Arkansas through an annual grant process. SAILS was able to apply for and receive HOME Tenant-Based Rental Assistance Program funds because local housing authorities showed little or no interest in the program. When the ADFA issued an initial request for proposals, no local housing authorities applied for the funds. The ADFA reissued the request for proposals and SAILS applied for and received HOME dollars.

### How the Program Works

For persons in the community to be eligible for HOME Tenant-Based Rental Assistance, they must be at risk of placement in a nursing facility. SAILS obtains an independent assessment of each applicant’s at-risk status from a physician or case management entity. The Center locates eligible rental properties and determines if the property owners will accept the tenant based rental subsidies. Rental properties must pass inspection in accordance with criteria established by HUD. The ADFA pays the rental subsidies directly to property owners. SAILS conducts monthly phone calls to tenants and landlords to monitor satisfaction with the nursing home diversion program.

To identify interested and eligible individuals who wish to transition from nursing facilities, staff members from the CIL go to local nursing facilities to get to know the nursing facility staff. They also provide informational sessions for nursing facility residents to learn about community living options and home- and community-based services. During the transition process, SAILS staff members accompany people living in the nursing facilities on shopping trips to choose their home furnishings.

In an emergency situation, SAILS can complete the required paperwork to transition a person to a housing unit with HOME Tenant-Based Rental Assistance in one day. Typically the process from start to finish can take up to a year or more.

### Lessons Learned

Brenda Stinebuck states that the tenant-based rental assistance program has been a challenge. The application process for HOME funds is lengthy and complex, and initially, there was a delay in getting the rental subsidies to landlords in a timely fashion. However, ADFA and Spa Area Independent Living Services worked out an arrangement for landlords to receive the rent subsidies at the beginning of each month. As a result of the partnership with the ADFA, SAILS has achieved positive relations with area landlords who now call when they have vacancies.

In general, tenants report that they are very satisfied with the tenant-based rental assistance program. Brenda Stinebuck describes the HOME Tenant-Based Rental Assistance Program as a “perfect fit” for centers for independent living committed to expanding housing opportunities for persons with disabilities with low income. Due in part to the success of Spa Area Independent Living Services, the Arkansas Development Finance Authority now provides funding to other centers for independent living throughout the State of Arkansas.

### For More Information

Arkansas Development Finance Authority – <http://www.state.ar.us/adfa/programs/hipp.html>

Brenda Stinebuck, Executive Director, Spa Area Independent Living Services, Inc., (501) 624-7710, bstinebuck@ar-sails.org.

## Part Seven: First Time Homebuyer Programs

### What Are First-Time Homebuyer Programs?

First-time homebuyer programs are specially designed packages of financing options and purchase assistance to allow people who have low or moderate income to own a home.

First-time homebuyer programs are an excellent source of financing for people with disabilities to obtain integrated, affordable, and accessible homeownership.

First-time homebuyer programs vary widely in their nature and scope but many generally include the following:

* Below-market rate financing.
* Little or no down payment requirement.
* Assistance with closing costs.
* Soft second loans to cover down payment and closing costs.

Some first-time homebuyer programs may also include rehabilitation and repair options. Many first-time homebuyer programs are tailored for people with limited financial assets, less than perfect credit, or no credit history. When determining program eligibility, participating lending institutions will often consider nontraditional forms of credit, such as rental history or timely payment of utilities. Most first-time homebuyer programs have maximum income limits. Some first time homebuyer programs are specifically targeted to special populations. Contrary to the name, some first-time homebuyer programs serve people with a history of prior homeownership in targeted locations.

### How Can First-Time Homebuyer Programs Be Used to Assist People with Disabilities?

First-time homebuyer programs support efforts to offer homeownership opportunities to people with disabilities. Without the advantages offered by these programs many people with disabilities on SSI income may not be viewed as viable borrowers by lending institutions.

### Advantages and Disadvantages of First-Time Homebuyer Programs

|  |  |
| --- | --- |
| Advantages | Disadvantages |
| Many times accommodations are made for poor credit or no credit history. | Program rules may not be flexible enough, i.e. the amount of down payment available may not be sufficient for households with extremely low incomes. |
| Down payment and other forms of up-front costs may be covered. |  |
| Interest rates can be below the market rate at any given time. |  |

| Action Steps   * Investigate particulars of existing first-time homebuyer programs in your state and in your local community. * Check with your state Housing Finance Agency to find out about current and upcoming first-time home buying program initiatives. * Share data that you have collected about the needs of people with disabilities to support the necessity for first-time homebuyer assistance in your state. |
| --- |

##### New Hampshire Housing’s First-Time Homebuyer Programs

New Hampshire Housing, the state housing finance agency (SHFA), is a public benefit corporation whose mission is to promote, finance, and support safe affordable housing and related services. New Hampshire Housing offers a variety of homeownership programs to assist primarily first-time homebuyers to attain the dream of affordable housing.

The Single Family Mortgage Program is New Hampshire Housing’s largest homeownership program and includes different financing options, such as 30-year and 40-year mortgages at below-market rates, options with points and no points, low down payment, and cash assistance. Participating lending institutions include banks, mortgage companies, and credit unions. The program includes limits for both income eligibility and housing purchase price. Single-family and multifamily housing are eligible properties for first-time homebuyer assistance.

New Hampshire Housing’s Cash Assistance Option offers borrowers a grant equal to 4 percent of the loan amount to help defray the cost of the down payment, closing costs, and prepaid escrow expenses. Buyers are required to contribute a minimum of 1 percent of the purchase price of the home.

New Hampshire Housing also has a program targeted to borrowers with incomes at 60 percent or less of the state median income and at least one dependent child. The 2-Under Program provides a subsidy for eligible borrowers to buy down the already low Single Family Mortgage Program interest rate by another two percent. The program also includes first-time homebuyer education and counseling services.

New Hampshire Housing’s Purchase and Rehabilitation Program provides borrowers with up to $40,000 at the time of purchase to make essential home repairs to plumbing, electrical, heating, etc. Funds may also be used to support home upgrades, such as remodeling bathrooms.

### For More Information

First-time homeownership programs of New Hampshire Housing – <http://www.nhhfa.org> and <https://gonewhampshirehousing.com>.

First-time homebuyer programs in your state: contact your State Housing Finance Agency or local lending institutions directly – <https://www.ncsha.org/housing-help>.

## Part Eight: Home of Your Own—A National Homeownership Initiative

### What Is the Home of Your Own (HOYO) Program?

The Home of Your Own (HOYO) program is a coordinated set of activities designed to assist people with disabilities in purchasing a home. Although all HOYO programs are different, many work to make sure the people who receive their services have access to pre- and post-homeownership and credit counseling, soft second mortgages, homeownership grants, down payment and closing cost assistance, obtaining a mortgage, below-market mortgage rates, home modification funding, long-term maintenance accounts, utility assistance, and other assistance to make homeownership possible.

### How Can the HOYO Program Be Used to Assist People with Disabilities?

While homeownership is not the answer for everyone, it is one way for many people with disabilities to gain greater control over their lives and to be seen as valued citizens, neighbors, and taxpayers.

Homeownership for people with disabilities has gained acceptance because strategies to circumvent traditional hurdles to homeownership, such as developing a credit history, saving money for a down payment, and documenting a stable source of income have been demonstrated by many individuals across the country.

Homeownership provides a vehicle for achieving a number of the ideals that people with disabilities, their families, advocates, and professionals have labored long to achieve. Owning a home is culturally acceptable, socially typical, and status enhancing. In addition, homeownership provides a vehicle for creating identification with and similarity between persons who have disabilities and other community members. Homeownership moves people closer to full citizenship because it offers opportunities for more, and richer, participation in community life.

Homeownership initiatives have confirmed the importance of building partnerships between financial institutions, housing agencies, and organizations involved in service provision. Homeownership initiatives have demonstrated how federal, state, and local housing subsidies can be structured and blended to assist people with disabilities to purchase homes. By focusing on the housing needs of individuals, integrated, accessible, and affordable housing has become attainable by more people. Flexible underwriting criteria make it possible for individuals who depend on public benefits and who do not have savings or established credit to qualify for loans and become homeowners.

Through homeownership, people traditionally excluded from the housing market have the stability owning a home can offer. Increasingly, people with disabilities are living in their own homes and receiving the assistance they need to live as valued members of their communities.

### Advantages and Disadvantages of the HOYO Program

|  |  |
| --- | --- |
| Advantages | Disadvantages |
| HOYO can assist in putting together a complete package of financing and support to purchase a home. | Purchasing a home is complex and requires a major time commitment. |
| HOYO can assist with all aspects of the move to homeownership, including support for retaining the housing. | HOYO programs must coordinate many funding sources and obtain diverse community support. |
| Homeownership builds personal and family assets. | Homeownership can result in the loss of or new restrictions in the use of public benefits. |
| Homeownership strengthens one’s status in the community. | Homeownership limits individual and family mobility. |
| With homeownership, individual and family housing costs can stabilize. | Repair, maintenance, and property tax expenses can increase and must be planned for. |

### History and Development

Because many people with disabilities have limited financial resources with which to own or lease their own homes, it is frequently necessary to identify and combine complex financial mechanisms to bridge the gap between their income and the real cost of integrated housing. Even when community housing is made affordable, it is often older and architecturally inaccessible because of narrow doors, limited space for wheelchairs to maneuver, non-accessible bathrooms, countertops and cabinets at fixed and inaccessible heights, and one or more steps at entrances. A movement that began in the early 1990s has made it possible for hundreds of people with disabilities throughout the United States to become homeowners.

In 1990, a national survey of people with developmental disabilities conducted for the Administration on Intellectual and Developmental Disabilities (AIDD), the U.S. Department of Health and Human Services (HHS) indicated that people with developmental disabilities who own or lease their own homes were more satisfied with their homes, the services they received, and their lives in general than people who lived in housing owned and controlled by others.[[5]](#footnote-5) In response to the findings of this survey, AIDD funded state demonstration projects in 23 states and supported the formation of the National Home of Your Own Alliance.

The National Home of Your Own Alliance (Alliance) was a national information and technical assistance center on homeownership, control, and personalized support. The goal of the Alliance was to promote exemplary practices and public and private sector partnerships linking the home mortgage and social service industries to better serve people with disabilities. In addition to state technical assistance, the Alliance developed a national information clearinghouse in collaboration with the [Center for Universal Design](http://www.design.ncsu.edu/cud/), Co-op Initiatives, the [Institute on Disabilities at Temple University](http://www.temple.edu/instituteondisabilities/), and [Human Services Research Institute](http://www.hsri.org/).

AIDD wanted projects to generate approaches that would: (1) separate where one lives from the services and supports one receives; and (2) tailor supports to the individual's preferred residence, whether a purchased home, rented apartment, or some form of shared housing. States were required to raise matching funds, develop detailed plans, and create steering committees to implement their state’s plan.

| Home of Your Own Primary Funding Sources  Fannie Mae HomeChoice – HomeChoice is a mortgage product designed to accommodate the needs of individuals with disabilities and families who have a child with a disability.  Federal Home Loan Bank – Banks participating in the Federal Home Loan Bank system loan money to lenders involved with housing finance, primarily for low-income populations.  HOME Program – The HOME Investment Partnership Act (HOME Program) provides affordable housing funds through the U.S. Department of Housing and Urban Development (HUD) to states and local jurisdictions to fund state and local affordable housing initiatives.  Housing Finance Agencies – State Housing Finance Agencies (HFAs) address the affordable housing needs of low-income persons by financing development and preservation of affordable homeownership and rental housing. |
| --- |

States participating in the Home of Your Own Program used monies accessed through Fannie Mae, HUD HOME, Housing Finance Agencies, Federal Home Loan Banks, Developmental Disabilities Planning Councils, and private mortgage companies.

Funds were used to:

1. Buy down mortgages;
2. Provide soft second loans for down payments, closing costs and rehabilitation;
3. Fund program operating costs;
4. Provide homeowner counseling; and
5. Offer below-market loans or grants.

| Action Steps   * Contact state and local housing agencies to locate HOYO or other homeownership assistance programs already in operation, and get information about criteria, eligibility, and application process. * Ask homeownership assistance programs about their knowledge and experience with providing assistance to people with disabilities. * Offer to provide information and assistance to state and local homeownership assistance programs on issues related to people with disabilities. * Work with state and local PHAs to create a homeownership program that uses their allocation of Housing Choice Vouchers. |
| --- |

### For More Information

A Home of Your Own Guide: A Resource for Housing Educators and Counselors to Assist People with Disabilities. Developed by Fannie Mae and the National Home of Your Own Alliance – <http://www.iod.unh.edu/pdf/CHANCE/NHOYOGuide.pdf>.

##### Home of Your Own Program in New York

The Home of Your Own Program (HOYO) in New York is open to income-eligible people with intellectual and developmental disabilities, their parents or legal guardians, and income-eligible employees of the Office for People with Developmental Disabilities’ (OPWDD) workforce and Voluntary Agencies. Through partnerships with the State of New York Mortgage Agency and the U.S. Department of Agriculture Rural Development, they offer attractive mortgages for eligible buyers.

The Office of Home and Community Living assists with credit and budget counseling, pre-homeownership education and counseling, and assistance with the application processes. OPWDD also assists with loan modification and foreclosure prevention when needed.

### For More Information:

New York Office of Home and Community Living – Housing (518) 473-1973 or [Housing.Initiatives@OPWDD.ny.gov](mailto:Housing.Initiatives@OPWDD.ny.gov).

##### Homeownership in Mississippi

The Institute for Disability Studies (IDS) at the University of Southern Mississippi is a University Center for Excellence in Developmental Disabilities (UCEDD). IDS provides education, research, and community service throughout Mississippi. IDS has a long history of supporting people with disabilities to live in typical homes with their families and to participate fully in their community. Through its housing initiatives, IDS has assisted over 1,000 individuals with disabilities and their families to find permanent housing or the living arrangement of their choice.

### Mississippi Home of Your Own: Opening Doors of Homeownership to Individuals with Disabilities

The Mississippi Home of Your Own (HOYO) program assists people with disabilities and their families in locating counseling, community support, and financial assistance to allow them to purchase and maintain their own home. The HOYO program provides person-centered planning and individualized support and guidance through the loan process, pre- and post-purchase home buyer counseling, referral for community services, and advocacy in support of independent living. Partners in the Mississippi HOYO include representatives from financial institutions, nonprofit housing finance agencies, advocacy organizations, real estate associations, the private sector, local and state governments, and people with disabilities and their families.

IDS staff and partners effectively combine homeownership vouchers with other sources of funding, including HOME dollars, Federal Home Loan Bank Grant, and private city grants. Financial assistance for qualified applicants may be up to $15,000 per household. Funds may be used for a down payment, accessibility modifications, home warranty expenses, inspection costs, closing costs, and principal reduction.

### For more information

Institute for Disability Studies, The University of Southern Mississippi; (601) 266-5163, toll free or TTY (888) 671-0051 – <https://www.usm.edu/disability-studies/housing-home-your-own-hoyo-overview>.

## Part Nine: Funding for Assistive Technology and Home Modifications

### What Is Assistive Technology and Home Modifications?

Assistive technology includes devices and services such as environmental control units, voice-activated phones, flashing smoke detectors, grab bars, tub transfer seats, toilet seat raisers, bath chairs, ceiling track lifts, reaching devices, desk raisers, rolling carts, and jar openers and other kitchen items that may be designed a little differently. Home modifications include entry ramps, automatic door openers, wheelchair lifts, widened hallways and doors, half steps, railings, grab bars, roll-in showers, roll-under sinks, higher toilets, handheld shower wands, and lowered mirrors and medicine cabinets.

### How Can Assistive Technology and Home Modifications Be used to Assist People with Disabilities?

Providing assistive technology and home modifications can be vital to ensuring the accessibility of integrated community housing. Assistive technology and home modifications can increase safety, independence, and quality of life for people with disabilities. Assistive technology and home modifications may also increase the marketability and value of housing as the growing aging population seeks out homes and apartments that are fully accessible.

###### Definitions

Universal Design – “[Universal](file:///C:\Users\djones\Documents\INDEPENDENT%20LIVING%20CENTERS%20AND%20SILCS\IL-NET\A_CIL-NET%20TOPICS\HOUSING\UPDATES%20TO%20MANUALS\Universal) Design is the design and composition of an environment so that it can be accessed, understood and used to the greatest extent possible by all people regardless of their age, size, ability or disability….”[[6]](#footnote-6)

Accessible – Accessible design generally refers to houses or other dwellings that meet specific requirements for accessibility, e.g., building codes, housing regulations, and guidelines.

Adaptable – Adaptable design allows some features of a building or dwelling to be changed to address the needs of an individual with a disability or a person encountering mobility limitations as he/she ages. Such design features allow the change to be made quickly…without the use of skilled labor and without changing the inherent structure of the materials.

Visitable – Visitable refers to homes that are not only accessible to guests with disabilities visiting the homes of non-disabled hosts, but to the future needs of the non-disabled residents as well. Access features include zero-step entrances, accessible hallways, and accessible bathrooms.

### Advantages and Disadvantages of Assistive Technology and Home Modifications

|  |  |
| --- | --- |
| Advantages | Disadvantages |
| Can make home, work, and the community more accessible and usable by people with disabilities | Often requires coordination across multiple funding sources. |
| There are many low-cost items on the open market that can adequately meet people’s needs. | Many times needed assistive technology or home modifications are very costly. |
| Home modifications can be permanent so that all people will benefit from them. | Assistive technology and home modifications may not always work as intended. |

### Funding for Assistive Technology and Home Modifications

A variety of federal, state, and private funding sources are available to support the purchase and installation of assistive technology and home modifications. Federal and state funding sources include funds available through the HOME Investment Partnership Program, the Community Development Block Grant (CDBG) program, Medicaid waiver programs, the vocational rehabilitation program, veterans programs, and state Housing Trust Funds. Readers are encouraged to contact state and local housing finance agencies (HFAs), public housing authorities (PHAs), and state-specific programs to determine the availability of funding for assistive technology and home modifications and the process for obtaining these funds. Frequently, multiple funding sources are available if they are needed to cover the costs of assistive technology and home modifications.

### For More Information

Federal HOME MODIFICATION Funds for Accessibility – Information Bulletin # 64 (4/04), Steve Gold’s Treasured Bits of Information Newsgroup Archives – <http://www.ilusa.com/News/home-modification_funds.html>.

Available State Funding for Assistive Technology, van modifications, and home modifications – <http://www.brandlmobility.com/state-funding-report>.

##### Nebraska’s Comprehensive Service Delivery Model for Assistive Technology and Home Modifications

The Nebraska Assistive Technology Partnership (ATP) developed a comprehensive model that combines multiple sources of funding and assistance to provide home modifications and assistive technology for people with disabilities. The Comprehensive Service Delivery Model is statewide in scope, has multiple points of entry, uses multiple funding sources, and employs a person-centered team process. This comprehensive approach ensures maximum participant involvement, practical and timely solutions to housing needs, assessment of participant satisfaction, and achievement of desired community living outcomes.

### The Assistive Technology Partnership

The Nebraska Assistive Technology Partnership was established in 1989 through a federal grant from the National Institute on Disability Rehabilitation and Research (NIDRR) in the U.S. Department of Education. The ATP was created to enable individuals with disabilities across their life spans to function with greater independence at home, maintain greater control over their lives, and enhance community participation.

### For More Information

Coordinating and Leveraging Long-Term Supports to Live More Independently with Assistive Technology and Home Modifications: Nebraska Case Study by Michael Morris. Rutgers Center for State Health Policy and the National Academy for State Health Policy – <http://www.nasuad.org/sites/nasuad/files/hcbs/files/105/5245/Nebraska_Case_Study_Final.pdf>.

Nebraska Assistive Technology Partnership – <http://www.atp.ne.gov>.

## Part Ten: Housing Registries and Directories

### What Are Housing Registries and Directories?

Housing registries and directories are centralized, Web-based searchable databases of housing units in defined locations. They are a means of connecting potential renters or prospective homeowners with the available supply of existing housing. Registries and directories are developed and maintained by a variety of entities including state government agencies, public housing authorities, housing developers and property managers, nonprofit organizations, and advocacy groups. There is typically no cost for listing available properties or accessing information on the registry or directory.

Housing registries and directories contain a variety of search criteria such as location (city or county), building size and type, rental price, financial assistance and supportive services, accessibility features, available amenities, and target populations. They may also contain information on current and upcoming vacancies and whether there is a waiting list for the housing unit.

As a condition of obtaining public funding, many funding sources require developers and property managers to market targeted housing units to people with disabilities who have low incomes prior to releasing the units for sale or rent to the general public. Housing registries and directories provide developers, landlords, and property owners with an effective means of meeting the targeting requirements stipulated by the funding source(s).

### How Can Housing Registries and Directories Be Used to Assist People with Disabilities?

Housing registries and directories can be used to list housing units in a variety of ways. For example, many housing registries include information on units that have been developed through funding sources such as HOME, and Low-Income Housing Tax Credits that accept households well below the Area Median Income. In addition, most housing registries are now listing units that are accessible.

### Advantages and Disadvantages of Housing Registries and Directories

| Advantages | Disadvantages |
| --- | --- |
| Excellent resource for prospective tenants, allowing search by neighborhoods, price range and housing features. | There is a cost associated with setup and maintenance of online housing registries. |
| Landlords and owners of properties can obtain free advertising to fill vacancies. | Not everyone has access to the Internet. |
| Can reduce the time it takes to search for and find “ideal” housing if the site is updated regularly. | Housing registries need to be updated often. Many depend on multiple people including landlords and owners to enter or provide updates. |

### Why Are Housing Registries and Directories Important?

Housing registries and directories provide a wide range of useful information regarding available housing units in a particular market area.

Housing registries and directories play a pivotal role in matching supply (available housing units) with demand (potential renters and purchasers).

On the supply side, housing registries and directories assist housing developers and property managers in marketing available housing units to a broad audience. Registries and directories also allow developers and managers to engage in targeted marketing to eligible tenants with disabilities. Developers and managers use housing registries and directories to inform prospective renters and purchasers of the accessibility features of specific housing units and the availability of financial subsidies, such as project-based and tenant-based rental assistance vouchers, to help make the housing units affordable for people with limited income.

Housing registries and directories are essential tools for ensuring that any housing units, developed with public funds specifically for people with disabilities who have low incomes, are marketed to and occupied by the intended populations.

On the demand side, housing registries and directories provide prospective renters and purchasers with one-stop shopping for available housing units in their desired location(s) and price range. Information on the accessibility features and available financial subsidies tied to each unit allows prospective tenants to compare and contrast properties. The websites can allow prospective renters or purchasers to refine their search criteria to meet their specific housing interests and needs. Registries and directories are an invaluable aide for service coordinators, nursing home transition facilitators, and others to access real-time information on the availability, accessibility, and affordability of integrated housing.

### National Registries and Directories

HUD maintains two important directories for housing that has been assisted in some way:

* A general registry of units that have been assisted in some way.
* An inventory list of units that have been developed and targeted to people who are elderly or people who have disabilities.

For general rental units, see: <http://www.hud.gov/apps/section8/index.cfm>

For the multifamily inventory, see: <http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/hto/inventorysurvey>.

To find ConPlan formula allocations for your state, see: <https://www.hudexchange.info/grantees/cpd-allocations-awards/>.

### Issues and Concerns with Housing Registries and Directories

Housing registries and directories require ongoing maintenance and upgrading. A housing registry or directory is only as good as the information contained in the database. If the information is inaccurate, incomplete, or outdated, the registry or directory will lead to frustration among users on all sides. The mechanism for updating and maintaining the information on registries or directories varies from state to state. Some states allow property managers to submit information directly. Other states have dedicated staff responsible for maintaining the information. Invariably, some of the information contained on a registry or directory may be inaccurate or out-of-date.

Although access to computers and the Internet is generally increasing, many people with disabilities who have low incomes still do not have access to this technology. Therefore, many potential renters and purchasers must rely on service coordinators, friends, or others to access the information meant to be targeted to them. Similarly, the organizations that develop and maintain housing registries and directories may not adhere to universal Internet accessibility design standards regarding the ease-of-use of information contained on the websites. Finally, although housing registries and directories are intended to advertise affordable properties, many of the properties are not truly affordable to people with low incomes without financial subsidies, and these subsidies may not be readily available.

### Selected Web-Based Housing Registries and Directories

A growing number of states have developed Web-based housing registries and directories. Most housing registries and directories are state-specific. A few housing registries and directories encompass multiple states. Following are examples of both a statewide registry and a multistate housing locator service.

Mass Access: The Accessible Housing Registry – helps people find affordable rental and homeownership opportunities in Massachusetts. Access is available online at <http://www.massaccesshousingregistry.org/>.

Socialserve.com – a multistate housing registry and locator service that includes listings of affordable rental properties in 36 states and affordable housing for sale in 11 states. Socialserve.com is available online at: <http://socialserve.com>

### For More Information:

A Comparison of State Housing Locator Websites by A. L. Ray & V. Battista (2004, December). Gainesville, FL: Shimberg Center for Affordable Housing. <http://www.neweditions.net/housing/housing_registries.asp>.

Additional resources and materials on housing registries and directories throughout the United States may be found online at the HCBS Clearinghouse – <http://www.HCBS.org>.

## Part Eleven: United States Department of Agriculture Housing Resources

The United States Department of Agriculture, Rural Development, operates several programs that build single and multifamily housing units in rural areas. In general, development is targeted to low- and moderate-income households. While low and moderate income in rural areas is usually closer to the poverty level than in urban areas, in most cases, extremely low-income households will still need financial assistance to afford these units. It is fortunate, then, that the USDA also offers rental assistance in conjunction with some USDA Multifamily or Farm Labor housing.[[7]](#footnote-7) Relevant USDA programs include:

* Single Family Housing Direct Home Loans – This program offers payment assistance to low- and very low-income households. See <http://www.rd.usda.gov/programs-services/single-family-housing-direct-home-loans> for more information.
* Single Family Housing Guaranteed Loan Program – This program guarantees loans for lenders, making them more willing to approve loans for low-income households. See <http://www.rd.usda.gov/programs-services/single-family-housing-guaranteed-loan-program> for more information.
* Housing Preservation and Revitalization Demonstration Loans and Grants – This program provides funding to improve Rural Rental Housing and Off-Farm Labor Housing. For more information, see: <http://www.rd.usda.gov/programs-services/housing-preservation-revitalization-demonstration-loans-grants>.
* Multifamily Housing Direct Loans – This program provides financing for the development of affordable housing. For more information, see: <http://www.rd.usda.gov/programs-services/multi-family-housing-direct-loans>.
* Multifamily Housing Loan Guarantees – This program guarantees loans for lenders, encouraging them to be more willing to approve loans for affordable multifamily housing development.

More than 440,000 multifamily rental units in 15,000 complexes provide safe and decent housing for more than 750,000 individuals who otherwise could not afford it. Multifamily housing also provides rental assistance on behalf of 270,000 low and very low-income families that enables those families to live in apartments financed through Rural Development.

One of the best features of the USDA website is access to county-based lists of assisted properties. First, go to the USDA Rural Development page at <http://www.rd.usda.gov/about-rd/agencies/rural-housing-service>. Once there, you will see a tab on the right labeled “Find Rural Rentals.” Click on that and you will be directed to a page where you can pick a state, and then pick a county. You will get a list of assisted properties, with number of units and contact information.

## Summary

A wide variety of funding sources are available to support the development of integrated, affordable, and accessible housing in the community. However, the world of community housing and supportive services is complex, with idiosyncratic systems of federal and state rules and regulations. These rules and regulations are unfamiliar to most people involved in health and human services and many individuals within the housing industry.

Recent changes in federal policy, existing opportunities with funding at the state, local and federal levels, and guidance from CMS about settings requirements for Home- and Community-based Services waiver recipients indicate a fundamental change in approach to the housing needs of people with disabilities. Advocacy – for more resources, and for improved access to existing resources – is likely to be successful! You can reshape the housing landscape in your community. But it will take some work – you will need to be familiar with the housing world, and be able to speak that language. You will have to pay attention, participate in public planning opportunities, get to know and engage with key players in your local housing world: city and county staff, PHA leaders and Board members, other advocacy groups, and local nonprofit developers. You have common cause with many others, including the people who are working in the housing field.

This is important because control of housing funding sources and planning processes has increasingly shifted from the federal government to state and local governments. Partners in the process must become aware of and engaged in the planning processes that control housing resources. Long-term support services, traditionally bundled with residential services in institutional and congregate service settings, are now more readily available in integrated community settings. Housing financers, developers, and community service providers must develop collaborative relationships in order to coordinate and provide housing with community supports effectively.

Individuals in the independent living field have continuously identified access to integrated, affordable, and accessible housing as a critical element to support independent living for individuals with disabilities in general, and those transitioning from institutional settings to the community, in particular. It is essential that independent living planners and those fostering systems change engage in housing planning processes at the state and community levels.

Similarly, the Secretary of the Department of Housing and Urban Development has called for Public Housing Authorities (PHAs) to work in collaboration with state housing finance agencies and local disability organizations to provide integrated, affordable, and accessible community housing options.[[8]](#footnote-8) The Secretary has specifically encouraged PHAs to set local preferences, and to use public housing units, Housing Choice Vouchers, and Mainstream Vouchers to support people with disabilities in their transition to the community. HUD released a statement in support of Olmstead, and has made steady progress on removing barriers to housing.

The state and local partners interviewed for this guide have demonstrated effective collaboration, coordination, and integration of housing with community services and supports. These states have developed and pursued strategies that have successfully made it possible for people to have integrated, affordable, and accessible housing coordinated with community services and supports. Following is a summary of the key strategies collected from these states and their partners.

### Useful Strategies from Interviews with State and Local Partners

1. Become knowledgeable about state and local housing agencies: programs, planning processes, timelines, and regulations. It’s been said that, “If you’ve seen one Public Housing Authority, you’ve seen one Public Housing Authority.” The same can be said of State Housing Finance Agencies, Housing Trust Funds, and Medicaid Home and Community-Based Waiver programs. The state and local partners interviewed for this guide took the time to build relationships and educate themselves on specific housing programs and community support services prior to attempting to address housing issues collectively.
2. Engage in comprehensive assessment of state and local housing needs and the specific housing needs and preferences of people with disabilities in your state. In most communities the supply of integrated, affordable, and accessible housing is insufficient to meet the demand of people with low and very low incomes. The state and local partners interviewed for this guide assessed housing needs in their states and communities in order to determine availability, accessibility, and affordability of integrated community housing prior to developing strategies. The first question always asked by stakeholders in the housing organizations is, “Who are the people you are assisting and what do they need that we don’t currently provide?”
3. Encourage state and local plans, rules, funding requests, and practices to address the need for integrated, affordable, and accessible housing. State Housing Finance Agencies and state and local Public Housing Authorities are required to obtain public input in their process for allocating and disbursing public housing assistance. Housing trusts and nonprofit affordable housing organizations request and welcome community input. Advocates and community organizations in the states interviewed for this guide influenced these organizations in ways that resulted in the establishment of incentives and set-asides to create integrated, affordable, and accessible housing.
4. Collaborate, cooperate, and partner whenever possible with any and all organizations and individuals who may have an interest in creating integrated, affordable, and accessible housing. The state and local partners interviewed for this guide cite collaboration, cooperation, and partnerships as the foundation of their accomplishments. They have successfully done all three of these things with numerous private and public national financial institutions, advocacy organizations, federal, state, and local agencies, foundations, civic and community associations, and others concerned with housing, economic equity, and community living for all Americans.
5. Pursue a multipronged approach to address identified housing issues and blend funding. Some funding sources are designed to address the supply side of the housing problem by increasing the availability and affordability of community housing stock. Other funding sources are designed to increase the accessibility of housing for people with physical disabilities. Still other funding sources and strategies are designed to connect prospective tenants with available housing. The state and local partners interviewed for this guide have developed a multipronged approach to address housing needs and worked with their new colleagues in housing organizations to blend funding to create integrated, affordable, and accessible housing.
6. Encourage the use of multiple funding sources to promote the development of affordable, accessible and integrated community housing. Housing developers and property managers often must pursue multiple public and private funding sources to make integrated, affordable, and accessible housing economically viable. A combination of tax credits, rental assistance, and operating subsidies is often blended together to create community housing. The state and local partners interviewed for this guide frequently leverage public and private dollars to support the development of integrated, affordable, and accessible housing.
7. Support deep subsidies to make housing opportunities truly affordable for some individuals with very low incomes. Community housing that is both accessible and integrated is typically well beyond the economic reach of individuals and families with very low incomes. These individuals and families often require multiple sources of public and private assistance and personal money management strategies to make housing truly affordable. State and local partners interviewed for this guide combine significant public and private subsidies, individualized budgeting, credit counseling, and the promotion of saving incentives to assist people with very low incomes to access integrated, affordable, and accessible housing. The National Housing Trust Fund, which in 2016 is in the planning stages at the state level, is an opportunity to argue for deep subsidies and a fair share of resources for people with disabilities.
8. Support opportunities for people to choose where and with whom they want to live in the community. The state and local partners interviewed for this guide have worked with housing organizations to use public and private funding in flexible ways that have resulted in individuals and families living in integrated, affordable, and accessible housing in neighborhoods and communities that they choose.
9. Include access to assistive technology and home modifications in needs assessments and housing planning. States are increasingly offering assistive technology and home modifications as a covered Medicaid-funded home and community-based service. More and more, public housing, vocational rehabilitation, education, economic development, human service agencies as well as private housing trusts, housing developers, property managers, and others are realizing the benefits of assistive technology and home modifications in promoting self-determination and self-sufficiency. Many of the state and local partners interviewed for this guide are pooling their funding with other organizations to fund assistive technology and home modifications, which creates a greater number of opportunities for integrated, affordable, and accessible housing.
10. Create opportunities for people with disabilities to achieve wealth and attain homeownership. Homeownership is considered by many people to be an essential part of the American dream. In recent years, federal, state, and local public and private organizations – including HUD, secondary mortgage lenders, the Federal Home loan bank, State Housing Finance Agencies, banks, mortgage companies, policy makers, human service agencies and providers, people with disabilities, advocates, and other housing and human service-related professionals and organizations have partnered to make it possible for large numbers of people with disabilities who have limited incomes to own their own homes.

This guide has highlighted state and local partners who have been patient, persistent, and creative, and who have taken time to celebrate their successes. They have done this despite the fact that substantial competition for available and limited public and private resources exists in most areas. They have forged ahead without committed or available funds, and even though there are often lengthy or closed waiting lists for housing assistance. Despite these barriers, a number of states and local partners have found ways to blend available resources with other resources. They have left no stone unturned and have not taken “No” for an answer when confronted with a lack of knowledge or apathy about housing, human services, advocacy, or people with disabilities.

These state and local partners have parlayed individual success stories into opportunities for lasting policy changes that will affect generations to come. They have become the pioneers in building communities that are inclusive, and are welcoming and accommodating to each and every one of its citizens. Undoubtedly, the world will be a better place for their efforts.

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8. Housing and Urban Development, 2006. [↑](#footnote-ref-8)