

For more information, contact:

Minnesota Department of Human Services

Disability Services Division

P.O. Box 64967

St. Paul, MN 55164-0967

(651) 431-2400

This information is available in other forms (such as Braille, large print or audio)

by calling:

(651) 431-2400

Or contact us through the Minnesota Relay Service at:

(800) 627-3529 (TTY)

(877) 627-3848 (speech-to-speech relay service)

The estimated cost of preparing this report is \$10,000.

Table of Contents

Executive Summary i

I. Background..... 1

II. Overview of Current Home and Community-Based Services and Residential Settings for Persons on Waivers..... 5

III. Minnesota Housing and Income Support Programs Available to Persons with Disabilities.. 14

IV. Analysis of Potential Housing Options and Recommendations 22

Appendices

Appendix A: Legislative Language for Housing Options Study 42

Appendix B: Federal Policy Supporting Housing Options for People with Disabilities..... 43

Appendix C: Services Included in the HCBS Waivers..... 47

Appendix D: Additional Information on Potential Housing Options 49

Appendix E: Minnesota Reports and Resources on Housing Needs of Persons with Disabilities52

Appendix F: Bridges Rental Assistance Program State Fiscal Year 09-10..... 53

Appendix G: Report on Housing Access Services in Minnesota: Success Stories..... 55

Figures

Figure 1. Major Sources of Help with Daily Activities among Community Residents with Two or More Activities of Daily Living (ADL) Needs by Age..... 3

Figure 2. Persons Using DD Waiver Services by Living Arrangement – FY 07-08..... 7

Figure 3. Average Daily Service Cost for Individuals with Developmental Disabilities by Living Arrangement FY 07-08..... 8

Figure 4. Persons on CADI Waiver by Primary Diagnosis: 2006-2008..... 9

Figure 5. Persons Using CADI Waiver Services by Living Arrangements FY 06-08 9

Figure 6. Average Daily Service Cost for Persons on CADI Waiver by Living Arrangement FY 06-08 10

Figure 7. Percent of Persons Using EW Services by Living Arrangement 00-08 11

Figure 8. Average number of Years Receiving Service: CADI, DD and EW 11

Figure 9. Growth in Corporate Foster Care Capacity: 2005-2009 12

Figure 10. Growth in Housing with Services Registrations 2001 – 2010 13

Figure 11. Monthly Service Costs and Income Supports for Persons on CADI Waiver by Living Arrangement in 2008 18

Figure 12. Monthly Service Costs and Income Supports for Persons on the DD Waiver by Living Arrangement in 2008 19

Tables

Table 1. People Served on Disability and Elderly Waivers in Minnesota State FY 2009 6

Table 2. Persons Served and Payments Made in State Income Support Programs FY 2008 17

Table 3. Monthly Costs of Housing and Role of Subsidies Rental and Ownership in Minnesota 20 20

Table 4. Statement of C H O I C E Values 24

Executive Summary

For more than 30 years, Minnesota has been evolving its system of long-term services to support the full integration of people with disabilities into their communities. The state's set of CHOICE values for people with disabilities includes the ability to have "your own place to live, choose both the place and whomever lives or provides support in your home (*including any*) roommate and direct support staff." (Source: *CHOICE Values, Disability Services Division, DHS*)

As the Department of Human Services (DHS) looks to the future, more attention needs to be paid to broadening the housing options available to people with disabilities. Many of the issues that people with disabilities face as they try to find suitable housing are the same ones that others also face: affordability, proximity to employment, family or good transportation and design features that meet personal needs. However, persons with disabilities face additional challenges as well, including very low incomes and the need for specific types of accessibility in the housing because of their disability.

Purpose of Report

In 2010, the Minnesota Legislature called for a study of housing options that would explore ways to maximize the availability and affordability of housing choices for persons with disabilities or persons who need care assistance due to functional limitations. A goal of the study was to minimize state physical plant costs so that more money could be spent to provide services to persons in need. The legislation specifically mentions six different types of housing options and related features that should be explored and evaluated. (The legislative language for the housing options study is included in Appendix A.)

In response, the Minnesota Department of Human Services (DHS) completed an analysis of the various housing and service options now available to persons with disabilities receiving long-term care services under the Medicaid waivers, and also examined the feasibility of expanding the types of options available to these individuals.

This report describes the results of that analysis, and makes recommendations for action on ways to expand the types of community housing options available to persons with disabilities in Minnesota. The department is also including the findings and recommendations from several other legislative studies related to housing in this one report since the issues and recommendations relate to each other. These include status reports on housing access services, assistive technology grants and on the moratorium of corporate foster care.

Over the course of developing this report, DHS consulted with and benefited from the expertise of the Minnesota Governor's Council on Developmental Disabilities, the Minnesota Housing Finance Agency, representatives of counties, the Consortium of Citizens with Disabilities Housing Committee, the University of Minnesota Institute on Community Integration, the Arc of Minnesota, the Association of Residential Resources in Minnesota (ARRM), staff of the Community Supports division of the Children's and Family Services Administration, the Adult

Mental Health Division of the Chemical and Mental Health Services Administration within DHS, and staff within the Disability Services division and Aging and Adult Services division of the Continuing Care Administration at DHS.

Definitions of Terms

For purposes of the report, we will use the term “people with disabilities” to include persons of all ages with developmental or physical disabilities and/or disabilities due to mental illness or traumatic brain injury. For the most part, the report focuses on persons with disabilities who are served on the Medical Assistance (MA) waivers. To be eligible for one of the five home and community based services waivers in Minnesota, a person must be certified as disabled by the Social Security Administration or State Medical Review Team, or be over age 65, or be determined to have a developmental disability as defined in Minnesota rules and Statutes. Eligible recipients must also require an institutional level of care of a nursing facility, Intermediate Care Facility for Persons with Development Disabilities, or hospital and be financially eligible for Medical Assistance.

Why is housing choice so important?

For all of us, housing is more than shelter. It is the environment in which we meet our personal and social needs. We choose where we want to live, with whom we live and what type of housing will be suitable.

Prior to the 1980s, people with disabilities were often served in large state institutions, and nursing homes. As a result of key public policy decisions, including the *Welsch Consent Decree* in Minnesota and the federal American with Disabilities Act (ADA), a major policy shift occurred toward serving people with disabilities in the most integrated residential settings appropriate to their needs. Home and community-based services were developed to support persons in their own homes and communities. This shift has converted funding from institutions to home and community based services.

As a result of these dramatic changes, people with disabilities are more integrated into all aspects of society. Yet greater choice in housing, which is a critical element in this integration, continues to be an elusive goal. There is evidence that providing needed services in people’s own homes in the community is more cost-effective than serving people in congregate facilities. However, more affordable housing and additional housing-related services are needed to make this happen for more individuals.

Overview of current home and community based waivers

Minnesota has a long history of developing community services for persons with disabilities and older Minnesotans. It has achieved this through its five MA waiver programs that provide a wide range of home and community-based services (HCBS) to people who are eligible for MA and who are certified as needing an institutional level of care but prefer to live in the community.

In fiscal year 2009, the five waivers served an average of 53,000 recipients per month with total annual spending of \$1.748 billion.

This report includes an analysis of the living arrangements and service costs for persons in the Developmental Disability (DD) waiver, the Community Alternatives for Disabled Individuals (CADI) waiver and Elderly waiver (EW).

This analysis shows that about 55 percent of people using the Developmental Disabilities waiver live and receive services in corporate foster care homes, where the physical location is not the primary residence of the license holder, and 45 percent live in their own home, which includes their family's home, a family foster care home or other shared living arrangement or their own apartment or home. It also documents that the costs for services vary a great deal by living arrangement. The average daily cost for DD individuals in corporate foster care in 2008 was \$197 and \$91 for individuals in their own home. There are also about 4,000 individuals with developmental disabilities on a waiting list for service. The vast majority of these individuals live with their immediate or extended family and are under 20 years of age.

The analysis also shows that 71 percent of individuals on the CADI waiver are living in their own home (same definition as for the DD waiver), 18 percent live in corporate foster care and 11 percent live in assisted living facilities. The average daily service cost for persons on CADI varies significantly between settings. The service cost for those living in their own homes in 2008 was \$32, rising to \$82 in assisted living, and \$182 in corporate foster care settings.

For the past eight years, due to state budget limits, there have been growth limits in the disability waivers. In 2011, the waiver growth limits, or dollars added to each waiver to serve new people, are:

- 6 per month or 72 annually for the DD Waiver
- 60 per month or 720 annually for the CADI Waiver
- 6 per month or 72 annually for the TBI Waiver

Most of the elderly who are on the EW program live in their own home (65 percent). Another 35 percent receive customized living services in assisted living facilities. The daily service cost for those in their homes is not available, but the average daily cost for those receiving customized living services in assisted living facilities was \$70 in 2010. There is no waiting list or limit on the number of persons that can be served in the Elderly waiver.

Costs are growing, capacity of facilities is growing

The number of persons receiving waiver services is growing and the proportion of these recipients living in corporate foster care or assisted living is also growing. Between 2005 and 2009, there was a 34 percent increase in the number of corporate foster care beds and an increase in the numbers of recipients served in these settings. There was also an increase in the number of assisted living facilities (customized living), known as "housing with service establishments." Between 2000 and 2009, the number of assisted living facilities grew from 780 to over 1,800,

and the number of units grew from 3,000 units to over 70,000 units. (It should be noted that 505 of the new housing with services registrations between 2005 and 2010 were supportive housing buildings serving the long-term homeless and not available to persons on these waivers.)

Traditionally, Minnesota has higher utilization rates for congregate settings where services are packaged, and more oversight is built into the model than many other states. This means higher costs per person when compared to other settings within the community. We continue to be reliant on these congregate settings for many people using waiver services. The large supply of congregate settings that Minnesota enjoys may reduce the sense of urgency to tackle the knotty challenge of expanding the supply of suitable housing and housing-related supports for persons with disabilities who are increasingly seeking these independent housing options.

Minnesota housing and income support programs available to persons with disabilities

There are a variety of housing programs that assist individuals with housing costs, to try to meet the needs of those who cannot afford market rate housing. In the past, the federal government played a major role in affordable housing. It has reduced its role in the subsidy of housing construction and passed much of this responsibility to the states, cities and counties. Now, the creation and development of affordable housing requires many players at the state and local level, each able to offer a discounted component that goes into a package of capital write-downs. The Minnesota Housing Finance Agency (MHFA) plays a major role in funding such packages, in order to expand the supply of affordable housing in the state. Meanwhile, the federal government has shifted more of its focus to funding portable vouchers that individuals can use to pay for private market housing they find in their communities.

Even though Minnesota has been aggressive in creating and obtaining subsidies, MHFA estimates that a significant number of Minnesotans with incomes under \$50,000 are “cost burdened,” or paying more than 30 percent of their income for housing. A total of 520,000 Minnesota households are cost burdened: 270,000 are renting and 250,000 own their homes.¹

Because of their very low incomes, many persons with disabilities fall into this group, but it includes a broad mix of individuals, families, urban, suburban and rural, young and old.

There are four primary subsidized housing programs that provide most of the affordable rental housing available to individuals:

1. Section 8 vouchers – the federal government issues rent vouchers that the renter uses in the private market.

¹ Communication from MHFA DHStaff, February 2011.

2. Public housing – local government owned and operated rental building where rent is based on income.
3. Project-based section 8 – privately owned rental buildings where rent is based on income and the subsidy is connected to the buildings.
4. Section 42 tax credit – privately owned rental buildings where the rent is capped, the residents are restricted by income, and tax incentives to the owners of the buildings are used to keep rents low.

Because of the low incomes of most persons with disabilities, DHS uses some of its income support programs to pay for housing on behalf of the individuals on the waivers. For persons living in a certified or licensed setting, individuals turn over their Supplemental Security, Social Security or Social Security Disability Insurance check (holding back \$89 for a personal needs allowance) to the provider for room and board. Then the Group Residential Housing program (GRH) gives the remainder of the room and board charge directly to the provider who has agreed to accept a maximum of \$846 (the person's check plus GRH up to a maximum of \$846) as full payment for room and board. MSA shelter needy payments are available for adults who qualify as shelter needy and:

- Are relocating from an institution or an adult mental health treatment program
- Are eligible for the self-directed supports options
- Are home and community based waiver recipients who are living in their own homes or rented or leased apartments, that are not owned, operated or controlled by a provider of service not related by blood, marriage or adoption
- Are home and community based waiver recipients living in a home that is owned, operated or controlled by a provider or service, if specified concentration requirements are met

The actual cost of market-rate housing is prohibitive to low-income individuals, including persons with disabilities. The monthly cost of a one-bedroom apartment in Minnesota is \$757. Persons receiving SSI payments as their sole source of income (typically \$674), and an MSA-shelter needy payment of \$281 would have a total income of \$955. Using the guideline that housing should cost no more than 30 percent of income, these persons are only able to afford \$286 for rent, so there is a subsidy gap of \$471 per month that needs to be filled.

The monthly cost of owning a modest (\$126,676 value) home in Minnesota is estimated at \$957, which includes \$632 for mortgage payment and another \$325 for property taxes and property insurance.² Individuals with SSI income and a shelter needy payment would have total income of \$955 from the state, but would need an additional subsidy of \$671 from some source (using

² These figures are based on the average amounts for homes financed through the MHFA in 2010.

the 30 percent guideline) to afford to own a home. Individuals with disabilities moving into employment or who have family willing to help financially may be able to meet this income level.

The analysis in the report shows that the total service costs for waiver recipients are higher in residential settings compared to housing in the community at large. Several of the reasons for this cost differential may be the greater availability of unpaid help from family or friends and increased ability to tailor services to just what the person needs in these settings compared to the necessity of paying for services, staff oversight and 24/7 supervision in congregate settings. Other elements include the greater challenge of putting a successful housing and service package together in the community, and the challenge of finding suitable housing that meets individual needs of waiver recipients. The payoff of efforts to move more individuals into community settings is saving money on services, which frees up dollars to serve more persons on the waivers.

Analysis of potential housing options and recommendations

The legislation called for analysis of several housing options and related features to see if they have merit and would expand the supply of community housing for persons on the waivers. The recommendations made for each of these options are summarized below.

Strategies for expanding housing options for persons with disabilities

1. Improved access to rent subsidies

- DHS should continue to build on its working relationship with the Minnesota Housing Finance Agency, so that the two agencies can partner on projects where coordination of the housing and service supports is required. DHS and MHFA should continue to coordinate the use of vouchers with HCBS waivers and state plan service.
- MHFA and DHS should collaborate on the federally funded demonstration Money Follows the Person (MFP), just awarded to DHS in February 2011. This grant is intended to help individuals now living in institutions return to their communities, and its success is tied to the availability of affordable and suitable housing to support this relocation.
- DHS should strengthen its working relationships with the Minnesota chapter of the National Association of Housing and Redevelopment Officials (NAHRO) and other housing-related organizations, to share information on ongoing programs and policy directions, so that we are aware of each other's interests and priorities. DHS and NAHRO should coordinate the use of vouchers with DHS programs including the Money Follows the Person grant.
- Encourage HousingLink, which now provides very useful information on available affordable housing units in the Metro Area, to add information on access to bus routes, and support funding to expand their services to the entire state.

2. **Creating and promoting accessible housing and accessible communities**

- MHFA and DHS, together with other relevant state agencies, should work with the Minnesota Builders Association, to develop a plan for incorporating key universal design features into the State Building Code, so all new public and private housing constructed would have these features. These include:
 - At least one entrance without steps or other rolling/walking obstructions from the yard approach through the doorway;
 - An open main-floor plan and one that minimizes narrow hallways;
 - A first-floor bathroom with an entrance and floor space accommodating wheelchair use, and panels of "backing" in the walls surrounding the toilet and tub/shower for potential grab bar installation;
 - Switches and outlets in easy-to-reach locations, and lever door handles.
- DHS and the Minnesota Board on Aging (MBA), which is coordinating the Communities for a Lifetime initiative across both aging and disabilities, should provide training and information on universal design in houses and within community spaces to communities across Minnesota, and put this information on the Communities for a Lifetime website.

3. **Making better use of existing housing stock to expand choice and access**

It is important to look for ways that existing housing stock can be more effectively used, modified or adapted to increase use by persons with disabilities.

a. Moratorium on Corporate Foster Care

- The moratorium on corporate foster care settings for children and adults should be continued, and DHS should monitor the key indicators that may document stress in the system and the need to reconsider the moratorium.
- DHS will seek legislative authority to specify whether the physical location is the primary residence of the license holder on the license when foster care homes renew their license to specifically monitor the number of corporate foster care homes and licensed beds in the state. Printing this information directly on the license will highlight all stakeholders to the date on file at DHS; therefore, corrections to outdated and inaccurate data will be more likely.
- DHS should pursue strategies to expand the availability of community housing options that provide more independence and control to persons with disabilities.
- Providers should be encouraged to develop other housing and service models as an alternative to corporate foster care, including the use of new technologies that can substitute for human assistance and provide cost savings in service provision.

b. Housing Access Services

- DHS should continue to fund the Housing Access Services for people who are eligible for state plan and HCBS waiver services, and provide technical assistance to new housing access providers.
- DHS should amend and include the current housing access service definition across all home and community-based waivers.
- DHS should coordinate housing access and transition services now provided in several divisions within the department, to facilitate sharing of resources and ideas, and develop broader strategies across the department to use to locate affordable housing for individuals.

c. Assistive Technology

- DHS should use the lessons learned from the assistive technology grants to modify the waivers as needed to expand use of assistive technology by waiver recipients in their homes.
- Increase the integration of housing modifications and assistive technology into the support plan for persons on the waivers, so they are utilized as a means to live more independently.
- Encourage providers and lead agencies to include housing modifications and new assistive technology to improve or expand their services to those in community housing.

d. Shared living services

- DHS should work with providers interested in the shared living service model, to further develop this model in Minnesota and better document its costs, benefits and its contribution to expanding the supply of housing that offers more consumer control and independence. (In the shared living service model, a licensed agency is paid to recruit, train, support and monitor family home providers who are paid to provide a home and related services for individuals.)

Evaluation of Potential Housing Options

1. Use of limited equity ownership housing options (cooperatives, land trusts, and other limited equity options)

The legislation asked for an analysis of limited equity ownership options to determine if there are models that would be appropriate for persons with disabilities, given the low-income status of many of these individuals, especially those on the waiver programs.

Recommendation

- DHS and MHFA should work with community land trust organizations that receive grant awards from MHFA, to encourage them to promote the use of this option with

- disability organizations, and help qualified persons with disabilities become homeowners through the land trust program.
- Another option would be for MHFA to require land trust organizations that request MHFA funds to set a goal to serve a specific proportion of persons with disabilities through their programs.

Limited equity ownership options such as community land trusts could provide choice, stability and opportunities for accrual of equity for persons with disabilities who are in a position to make use of this option, e.g., persons with disabilities who have employment or family financial assistance.

2. **Whether a public equity housing fund should be established**

The legislation asked for an analysis of whether a public equity housing fund should be established that would maintain the state's interest, to the extent paid from state funds, including GRH and MSA shelter-needy funds, in provider-owned housing, so that when sold, the state would recover its share for a public equity fund to be used for future public needs under this chapter.

Recommendation

- The state should not pursue the creation of a public equity housing fund that recoups state dollars used to pay for housing for persons on waivers at this time.

The legal and practical questions that need to be resolved pose major barriers to creating such a fund. Instead, given available resources, DHS and MHFA should focus their efforts on other strategies that expand the supply of affordable housing options in the community. This would reduce the state's physical plant costs by moving more persons on the waivers into community housing where services are less expensive, and there is the opportunity for the individual to receive help from housing subsidies.

3. **Desirability of the state acquiring an ownership interest in or promoting use of publicly owned housing**

The legislation requested that the state look into the possible desirability of the state to acquire an ownership interest in publicly owned housing in order to gain the advantages of ownership of capital and more control over the investment.

Recommendation

- No action should be taken at this time to develop publicly owned housing for persons with disabilities at the state level.

Given the fact that most public housing agencies are shifting from ownership of housing to funding only, this does not appear to be a decision that other public entities are making. Instead they are transferring ownership to other partners. This role allows them

to remain more flexible and turn the ownership over to partners with expertise in that part of housing development.

Conclusion

This analysis of current and potential housing options for persons with disabilities has provided information about the cost of services and housing within the housing options now used by persons on the DD, CADI and EW waivers. The analysis indicates that service costs could be reduced if more persons on the waivers lived in their own homes or apartments in the community, which is where they are increasingly seeking to reside.

A number of steps are recommended to expand the availability of affordable and accessible housing, including continued partnerships with MHFA and other housing organizations to take advantage of opportunities to expand the supply of affordable housing for use by persons with disabilities. The recently awarded Money Follows the Person project is an excellent example of this type of new opportunity.

Another recommendation relates to the need to increase the accessibility of our housing stock. Minnesota needs to take bold action and begin to change our infrastructure within single family homes, both newly built and existing stock. Minnesota should include key universal design features in the building code now to prepare for historic increases in the numbers of persons with disabilities who will need more accessible housing as they age.

There are two housing options with potential to expand the supply of additional housing in the community. These include the shared living model and the use of community land trusts as a limited equity homeownership model that might be suitable for individuals with disabilities who are employed or have families willing to make financial investments.

Some of the other potential approaches analyzed do not provide reasonable value and benefits related to the effort required to operationalize them at this time. These include creating a public equity housing fund and acquiring an ownership interest in public owned housing. These have legal questions or send the state in a direction opposite where other governments are now moving.

To make all of this happen, partnerships between those who work on the financing and development of housing and those who work on the service side of the equation are critical. It is our hope that strong partnerships will help us increase the number of individuals with disabilities living in the community, and that these efforts will lead to a renewed recognition of the critical role that housing plays in the integration of persons with disabilities into all aspects of our society.

I. Background

For more than 30 years, Minnesota has been evolving its system of long-term services to support the full integration of people with disabilities into their communities. The state's set of CHOICE values for people with disabilities includes the ability to have "your own place to live, choose both the place and whomever lives or provides support in your home (*including any*) roommate and direct support staff." (Source: *CHOICE Values, Disability Services Division, DHS*)

As the Department of Human Services (DHS) looks to the future, more attention needs to be paid to broadening the housing options available to people with disabilities. Many of the issues that people with disabilities face as they try to find suitable housing are the same ones that others also face: affordability, proximity to employment, family or transportation, and design features that meet personal needs. But persons with disabilities face additional challenges as well, including very low incomes, and the need for specific types of accessibility in housing because of their disability.

Purpose of Report

In 2010, the Minnesota Legislature called for a study of housing options that would explore ways to maximize the availability and affordability of housing choices for persons with disabilities or those who need care assistance due to other health challenges. A goal of the study was to minimize state physical plant costs so that dollars provide services to persons in need. The legislation specifically mentions six different types of housing options and related features that should be explored and evaluated. (The legislative language for the housing options study is included in Appendix A.)

In response, DHS completed an analysis of the various housing and service options now available to persons with disabilities receiving long-term care services under the Medical Assistance (MA) waivers, and also examined the feasibility of the options included in the legislation.

This report describes the results of that analysis, and makes recommendations for action on strategies to expand the community housing options available to persons with disabilities in Minnesota. The department is also including the findings and recommendations from other legislative studies within this report since the issues and recommendations relate to each other. These include status reports on housing access services, assistive technology grants and the moratorium of corporate foster care.

Over the course of developing this report, DHS consulted with and benefited from the expertise of the Minnesota Governor's Council on Developmental Disabilities, the Minnesota Housing Finance Agency, representatives of counties, the Consortium of Citizens with Disabilities Housing Committee, the University of Minnesota Institute on Community Integration, the Arc of

Minnesota, the Association of Residential Resources in Minnesota (ARRM), staff of the Community Supports division of the Children's and Family Services Administration, and the Adult Mental Health division of the Chemical and Mental Health Services Administration within DHS, and staff within the Disability Services division and Aging and Adult Services division of the Continuing Care Administration at DHS.

Definition of Terms

The American Community Survey (ACS) data from 2005 reports that 325,221 persons with physical disabilities and 205,399 persons with mental disabilities live in Minnesota. Although the exact proportion is unknown, a substantial portion of those with physical disabilities require some modifications to their housing to allow them to live independently. In addition, the ACS estimates that 99,000 of Minnesota's population with disabilities have incomes below the poverty line.³ These households most likely are "cost burdened" and have housing affordability issues.

For purposes of this report, we will use the term "people with disabilities" to include persons of all ages with developmental or physical and/or disabilities due to mental illness or traumatic brain injury. For the most part, the report focuses on persons with disabilities who are eligible for the MA waivers and receive those services. To be eligible for one of the five home and community based services waivers in Minnesota, a person must be certified as disabled by the Social Security Administration or State Medical Review Team, or be over age 65, or be determined to have a developmental disability as defined in Minnesota Rules and Statutes. Eligible recipients must also require an institutional level of care of a nursing facility, Intermediate Care Facility for Persons with Development Disabilities, or hospital and be financially eligible for Medical Assistance.

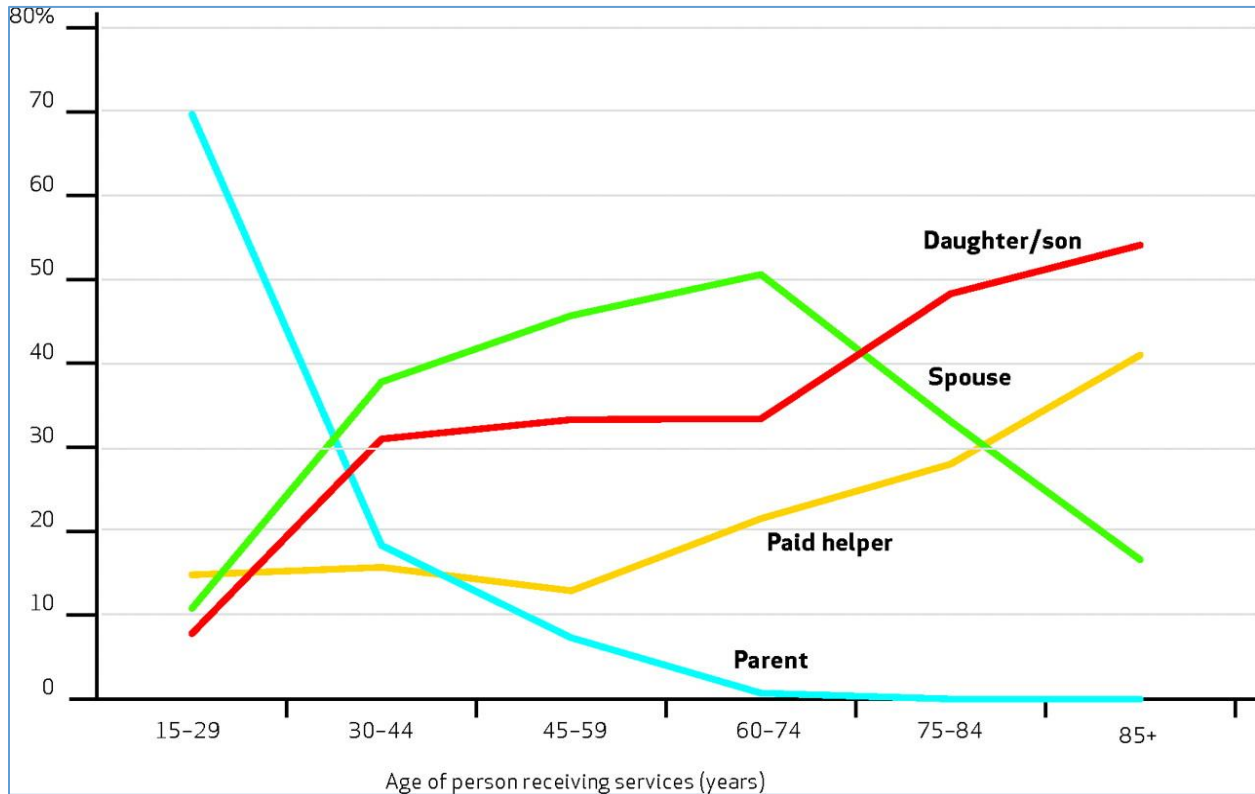
It is likely that the vast majority of the persons we serve do have poverty level incomes as reported by the ACS. It is also important to note that experts estimate that about 90 percent of the "community-dwelling" long-term care population relies on a family member, friend or volunteer as the primary source of help with daily activities.⁴ Those who have access to unpaid help such as family use it, and use it almost exclusively. There are many persons with disabilities in the community who are able to get their needs met through informal sources and, at this time, do not need the services provided through the waivers. At the same time, some

³ In 2010, federal poverty levels were \$10,830 for a household and \$14,570 for a person household.

⁴ H. Stephen Kaye, Charlene Harrington and Mitchel P. LaPlante. *Caring Who Gets It, Who Provides It, Who Pays, and How Much*. *Health Affairs*, no.1 (2010):211

persons on the waivers continue to live in homes with family members who are available to provide help, and this help reduces the need for services provided through a waiver. (See Figure 1.)

Figure 1. Major Sources of Help with Daily Activities among Community Residents with Two or More Activities of Daily Living (ADL) Needs by Age



Source: Kaye HS et al, Health Affairs, 2010

Why is housing choice so important?

For all of us, housing is more than shelter. It is the environment in which we meet our personal and social needs. We choose where we want to live, with whom we live, and what type of housing will best support our essential daily living activities and social and leisure activities.

Especially in programs for persons with disabilities, individuals have not always been able to choose where they want to live and receive services. Housing and services have, in the past, been bundled together in an institution or other congregate setting. To get services, the person often needed to live in a specific type of facility or setting.

Shift from Institutions to Community

The most extreme examples of this “bundled” model were the state hospital and nursing home. Prior to the 1980s, people with disabilities were often placed in large state hospitals. Starting in

the 1980s, Minnesota began moving people with disabilities, especially people with developmental disabilities, out of institutions back into their family homes or into community settings. As this became the norm, families were able to remain together, and expectations changed for children and adults with disabilities. The service system for people with disabilities was restructured to serve people in their own homes and other community settings. In 2000 the last Minnesotan with a developmental disability moved out of a state institution.

The challenge of how and where to provide services for older people with disabilities has its own unique history. For older persons, the nursing home represented the only option for formal care until the 1970s. Families historically provided the vast majority of assistance to their older relatives, although the levels have declined somewhat over time. As services such as home delivered meals, chore and transportation have developed, families have supplemented their care with these supports. Then, when the needs of older relatives increased and reached a tipping point for the caregiver, families would move their older relatives into nursing homes, or, more recently, into assisted living.

Public policy supports shift to community-based housing and services

Both federal and state public policy changes made these shifts to community-based services a reality through legal action. In Minnesota, a successful legal suit against the state because of the institutionalization of people with developmental disabilities resulted in the *Welsch Consent Decree*, which required the development of community services and discharge of individuals to community settings.

In 1990, with the passage of the Americans with Disabilities Act (ADA), federal law sought to end the exclusion of people with disabilities from public life. Places that welcomed the public at large had to assume the presence of people with disabilities. In addition, the *Olmstead* decision, a ruling by the U.S. Supreme Court, established that people with disabilities must receive disability-related supports in the most inclusive residential settings appropriate to their needs; unnecessary segregation could constitute discrimination based on disability.

Housing choice is central to integration and community participation of persons with disabilities

Housing is a key element in facilitating or deterring many aspects of participation in community life. Increasingly, through efforts such as the Pathways to Employment initiative in Minnesota, we are beginning to better understand the critical links between employment, housing, transportation and the need for flexible supports for daily functioning. When these links are made, persons with disabilities have a much better opportunity to achieve economic security themselves, instead of being dependent on public programs for their whole lives.

The relationship between housing and employment is a two-way street. The ability to obtain and maintain a job, especially a job of one's own preference, is limited by where one lives and the available transportation system. The location of a person's residence has a strong impact on that

person's employment options; it needs to be in reasonable proximity to available job opportunities.

Thus, our public policy has moved forward to support and require broader community integration of persons with disabilities, explicitly pointing to housing as a critical element in this integration. These legal changes have transformed the expectations of people with disabilities, and forever changed many aspects of our society for the better.

II. Overview of Current Home and Community-Based Services and Residential Settings for Persons on Waivers

Minnesota enjoys a mature home and community-based service system with a long history of developing services that individuals with disabilities can choose and control.

Minnesota has five programs called “waivers” within Medical Assistance (MA) that provide home and community-based services to persons with disabilities who meet income and asset eligibility limits and are at risk of institutional placement. In state fiscal year 2009, the five waivers served an average of 53,000 recipients per month with total spending of \$1.748 billion.⁵ (See **Table 1**).

These programs literally are “waivers” because they waive certain federal Medicaid rules in order for a state to provide alternative services to those in an institution. These waivers allow the state to provide home and community-based services to those people who are eligible for the program and prefer to receive services in their home or a community setting. The intent of the waivers is to reduce the average cost of care, and at the same time serve individuals where they prefer to live.

Table 1 provides general information on all the waivers; additional information on the service costs in various living arrangements used in the waivers is included later in this section.

⁵ An additional \$560 million was spent to provide personal care, private duty nursing and home health services through the Medical Assistance State Plan services.

Table 1. People Served on Disability and Elderly Waivers in Minnesota State FY 2009

Waiver	Who is Served (all must be eligible for MA except those on Alternative Care)	Monthly Average Recipients	Monthly Cost Per Recipient/ Total Annual Expenditures
Developmentally Disabilities (DD)	<ul style="list-style-type: none"> • Determined to have a developmental disability or related condition • Determined to require level of care provided in Intermediate Care Facility for Persons with Developmental Disabilities 	14,176	\$5,673 / \$962 million
Community Alternatives for Disabled Individuals (CADI)	<ul style="list-style-type: none"> • Certified disabled by the State Medical Review Team (SMRT) or the Social Security Administration (SSA) • Under age 65 when starting CADI services • Need nursing facility level of care but choose to remain in community 	13,320	\$2,294 / \$361 million
Traumatic Brain Injury (TBI)	<ul style="list-style-type: none"> • Certified disabled by SMRT/SSA • Documented diagnosis of TBI or degenerative brain disease • Experience significant to severe cognitive/behavioral impairment related to brain injury • Under 65 when starting TBI services 	1,357	\$5,883 / \$95 million
Community Alternative Care (CAC)	<ul style="list-style-type: none"> • Certified disabled by SMRT or SSA • Under age 65 when starting CAC services • Determined to need hospital level of care 	300	\$5,364 / \$19 million
Elderly Waiver (EW)	<ul style="list-style-type: none"> • Age 65 or older • Need nursing home level of care but choose to remain in community 	19,654	\$1,191 / \$281 million
Alternative Care (AC)	<ul style="list-style-type: none"> • Recipient's income and assets insufficient to sustain 135 days in a nursing facility • Age 65 or older • Need nursing home level of care • Monthly cost must be 75 percent less than average EW payment limit • Recipient pays assessed fee 	3,315	\$772 / \$30 million

Source: November 2010 Forecast, Fiscal Year 09 actual numbers

A. The Developmental Disabilities (DD) Waiver

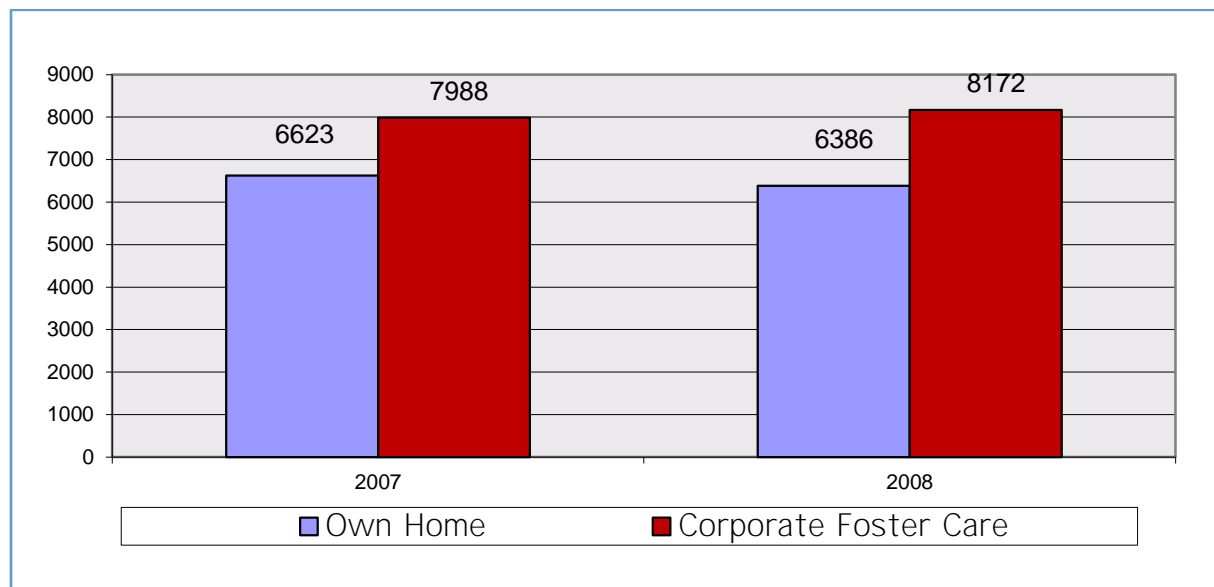
The Developmental Disabilities (DD) home and community based services waiver was initiated in 1983. Once the waiver services became available, persons with developmental disabilities began to move from state institutions and community Intermediate Care Facilities for persons

with developmental disabilities (referred to as ICF/DDs) to home and community-based settings. Many of these individuals moved to family foster care or to one of the growing supply of “corporate foster care” homes. Corporate foster care homes are residences where the providers own or lease the residence and are licensed as a foster care, but the providers do not live there, as the providers do in a family foster care home. Staff is hired to provide 24 hour care to support up to four residents.

In fiscal year 2009, the DD waiver served about 14,000 people. The average cost per recipient per month was \$5,673. Slightly more than 8,000 people (or 55 percent of the total) use “supportive living services,” a category of services within the waiver, to live and receive services in a corporate foster care setting. The other 45 percent live in their own home, defined to include living with their family, in family foster care, or other shared care, or in their own home or apartment. **Figure 2** illustrates this breakdown. In FY 2008, 427 individuals on the DD waiver (or about 3 percent of the total) used waiver funds to modify their homes to make them more accessible.

The HCBS waivers do not pay for housing costs, thus, the room and board costs in corporate foster care and family foster care are provided by the individual’s income from Supplemental Security Income and payment through a state income support program called Group Residential Housing (GRH). See section in this report on Minnesota income support programs that can be used to pay for housing costs.

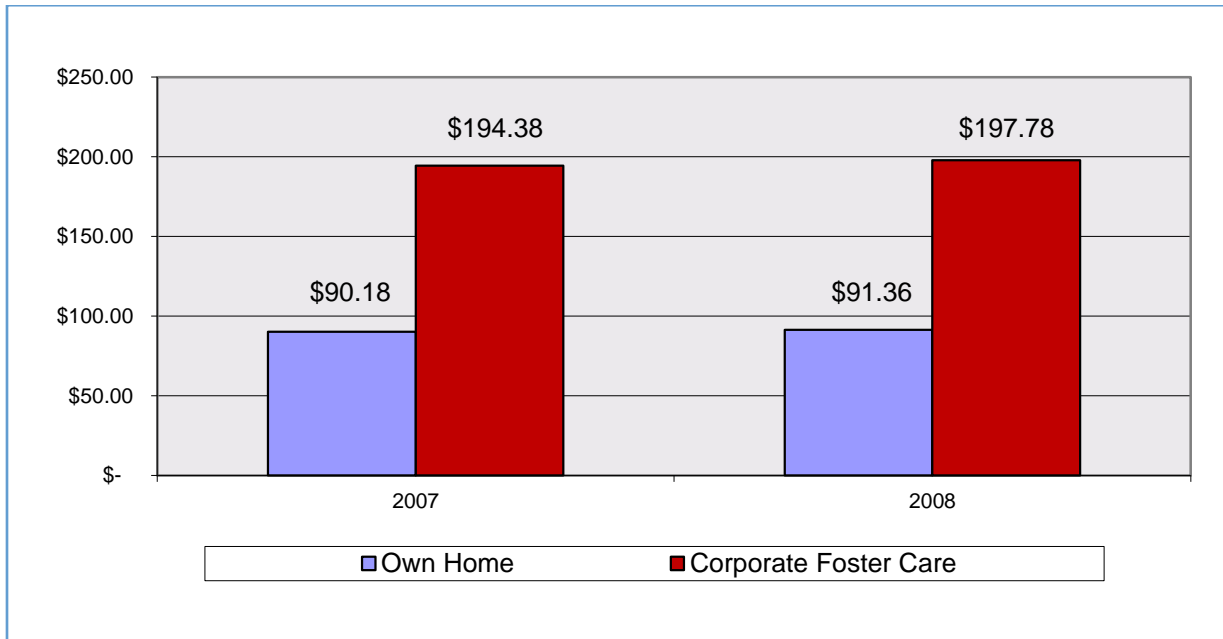
Figure 2. Persons Using DD Waiver Services by Living Arrangement – FY 07-08



The cost of the services in different settings varies. As **Figure 3** illustrates, the average cost of services for people who live in corporate foster care is \$197 per day compared to \$91 per day for individuals who live in their own homes, which includes their own family home, family foster care or other shared care or their own home or apartment. It is common for family members to

provide some assistance to individuals when they live in the family home. Family member assistance, coupled with the ability to tailor services to the person, are likely factors in the lower cost for care in those settings.

Figure 3. Average Daily Service Cost for Individuals with Developmental Disabilities by Living Arrangement FY 07-08



B. Community Alternatives for Disabled Individuals (CADI) Waiver

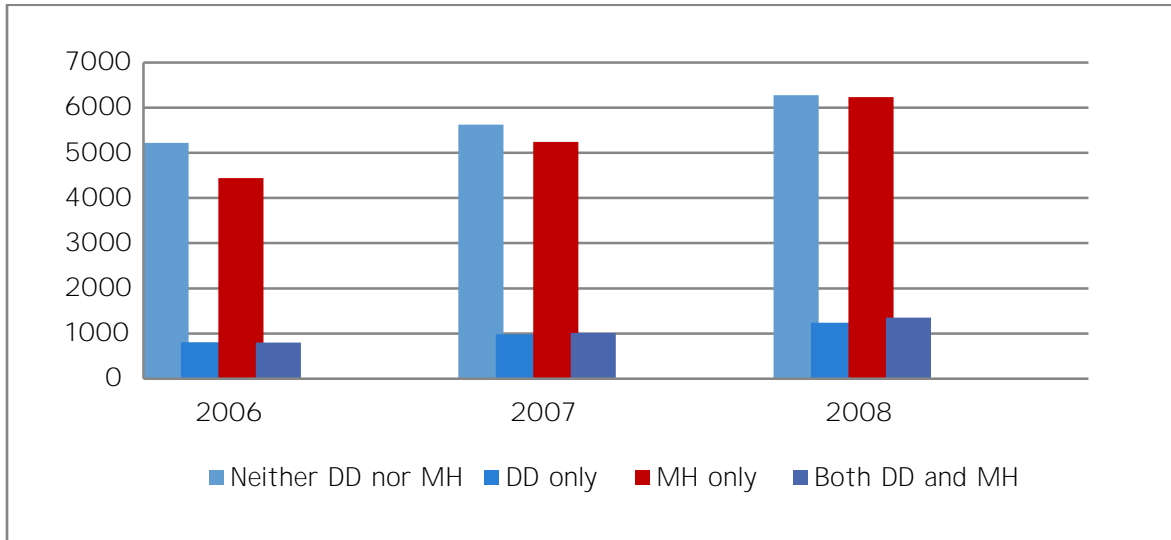
The CADI waiver provides home and community-based services to individuals under age 65 who are certified as disabled and are eligible for nursing facility level of care. In fiscal year 2009, an average of 13,000 recipients were served each month with an average cost per recipient of \$2,294. A broad menu of services and supports are available to assist with activities of daily living and meet other support needs.

There has been an increase in the number and percent of persons on the CADI waiver who have a primary mental illness diagnosis. As Figure 4 indicates, the number of persons with this diagnosis has grown from 4,440 in 2006 to 6,236, or 41 percent of all persons on the waiver in 2008. The services needed by this group are somewhat different than those with physical disabilities.

There is an existing housing assistance program that serves persons with a diagnosis of serious and persistent mental illness who are on a waiting list for a permanent rent subsidy, typically a Section 8 voucher. This program, called Bridges, provides grants for temporary rental assistance payments and security deposits paid directly to landlords. Other eligible uses of Bridges funding include utility deposits, or payment of contract rent or utilities for up to 90 days during a medical or psychiatric crisis. The program is funded by Minnesota Housing Finance Agency (MHFA)

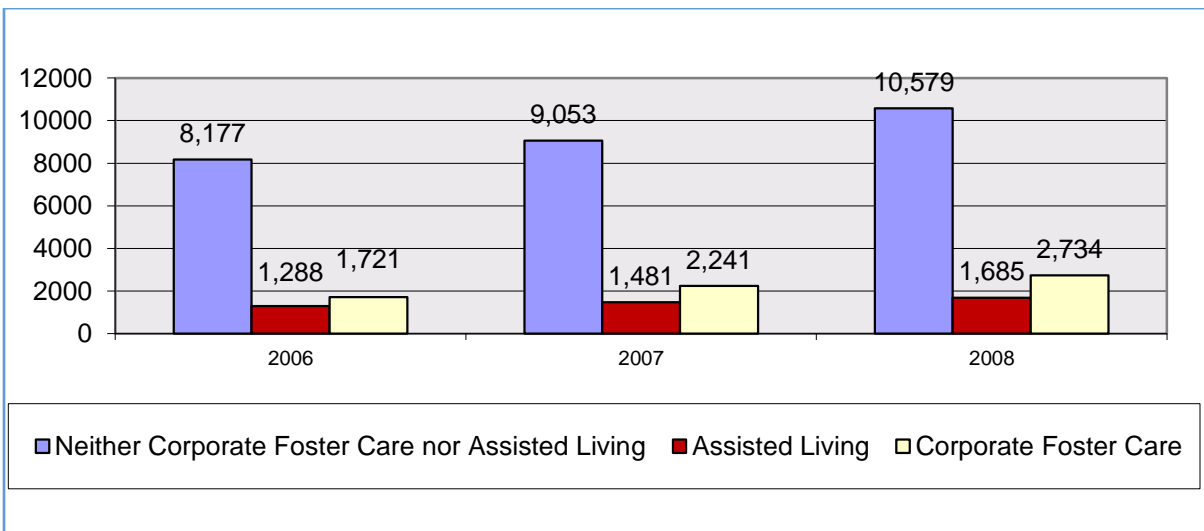
and is administered by local housing organizations. Referrals to the program must be made by a mental health professional. This program provides one existing model for how housing and service programs can partner to serve a particular target group. (See Appendix F for more details on the Bridges program.)

Figure 4. Persons on CADI Waiver by Primary Diagnosis: 2006-2008



In 2008, 71 percent of persons served in the CADI waiver were living in their own homes or with family or friends, 18 percent were living in corporate foster care and 11 percent were in assisted living facilities. See **Figure 5**. In FY 2008, 640 individuals on the CADI waiver (or 4.2 percent of the total) used waiver funds to modify their home to make it more accessible.

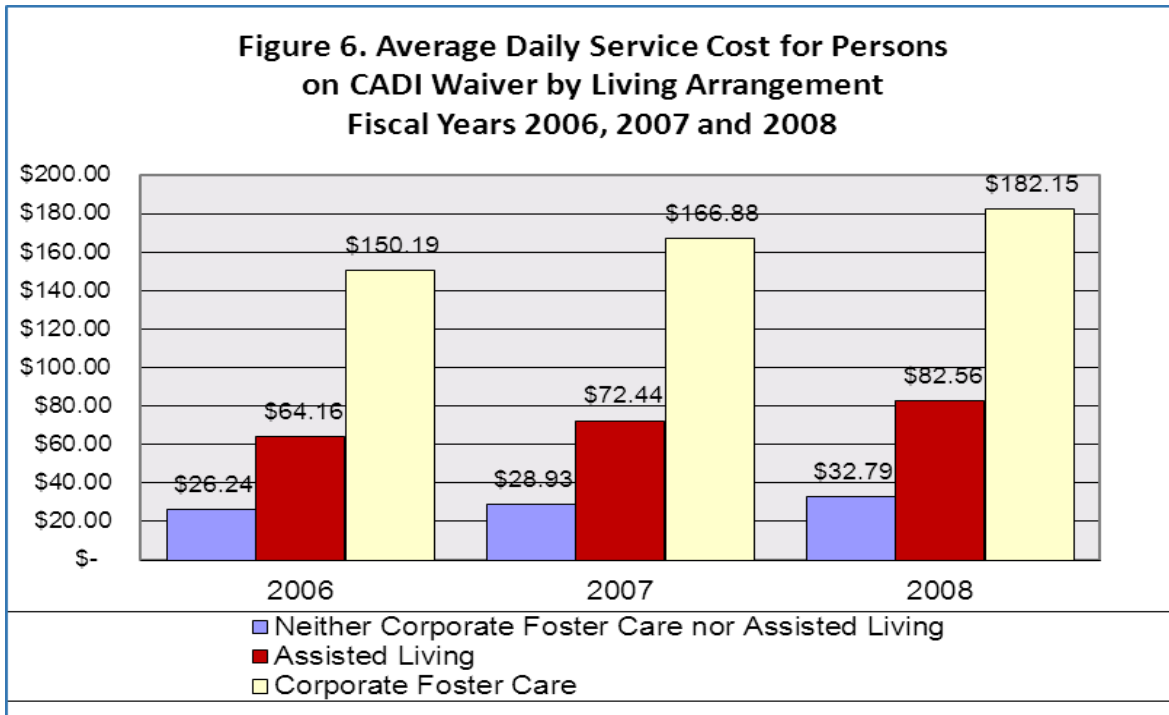
Figure 5. Persons Using CADI Waiver Services by Living Arrangements FY 06-08



There are significant differences in the average daily service costs of people on the CADI waiver living in these different settings. The average service cost for people living in corporate foster

care is \$182 per day. The average daily service cost for people in assisted living is \$82 and the cost for those in their own homes or with family or friends is the lowest, at \$32/day on average. See **Figure 6**.

Figure 6. Average Daily Service Cost for Persons on CADI Waiver by Living Arrangement FY 06-08



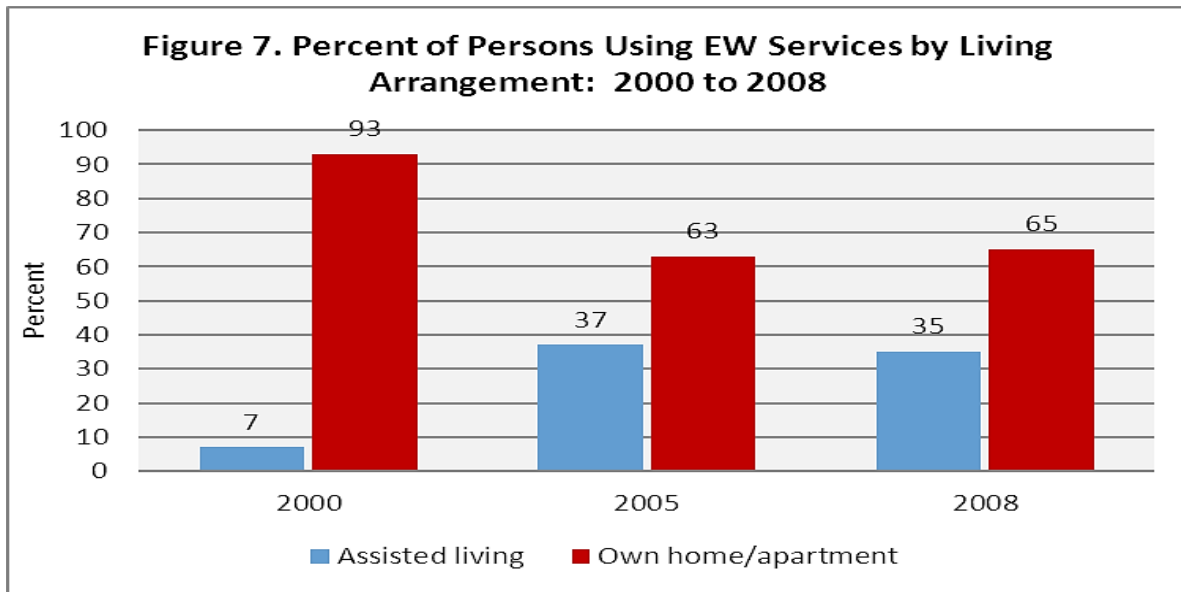
C. Elderly Waiver (EW) and Alternative Care (AC)

Elderly Waiver (EW) is for low-income persons age 65 and older who are assessed to be at risk for nursing home placement. The EW includes an array of home and community-based services, including “customized living services,” which is a package of individualized services provided to EW recipients within assisted living facilities.

Alternative Care (AC) is a state-funded program (not an MA waiver) for low-income persons age 65 and older who are just above Medicaid eligibility and who are at risk for nursing home placement. The program includes an array of in-home services, however, it does not include customized living services. That service was eliminated from the service menu in 2006, in order to focus on services that help elderly remain in their own homes and apartments in the community at large.

As with the persons served on the DD and CADI waivers, the living arrangements for persons served through EW have changed over the past eight years. Between 2001 and 2008, the percentage of EW participants using customized living services grew from 7 percent to 35 percent of those in the program. In 2001, 93 percent received home care in their own home or apartment, and by 2008, this had declined to 65 percent. See **Figure 7**.

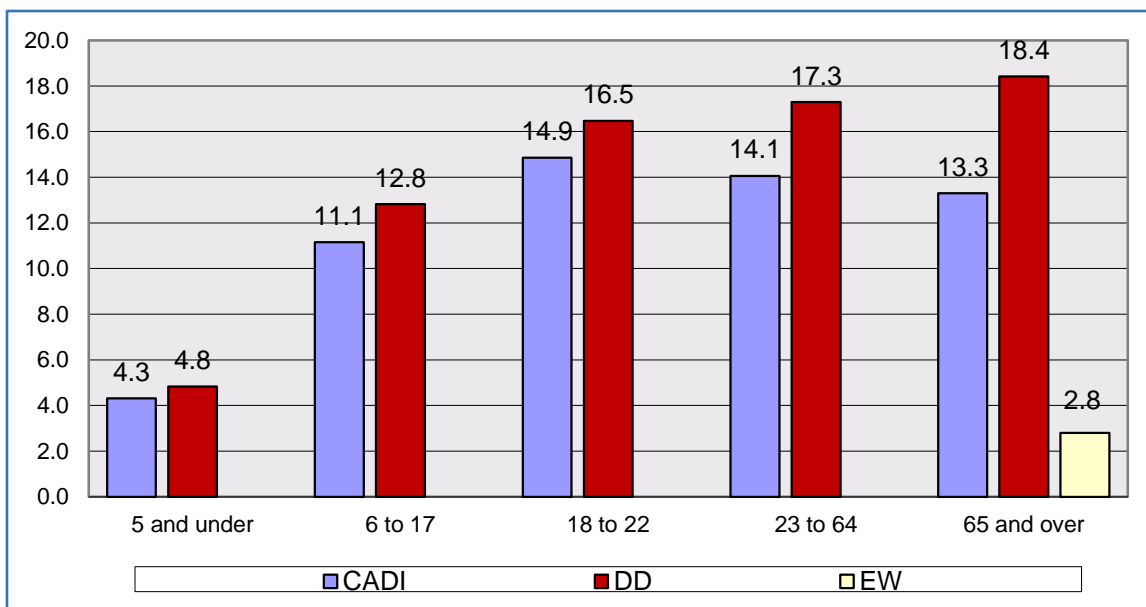
Figure 7. Percent of Persons Using EW Services by Living Arrangement 00-08



Comparison of utilization across waivers

Minnesotans over 65 use home and community-based waiver services for a relatively short period of time. In 2009, the average age of EW participants was 81 years old, and they used the program for an average of 34 months. For younger people with disabilities, however, use of support services is life-long. For example, the average number of years on the DD waiver for those ages 18-22 is 16.5 years. The average number of years on the CADI waiver for those ages 18-22 is 14.9 years. As medical technology has advanced, more people with disabilities are surviving to live longer, healthier lives. These factors have implications for the types of housing options preferred or needed at different points in the lifecycle. See **Figure 8**.

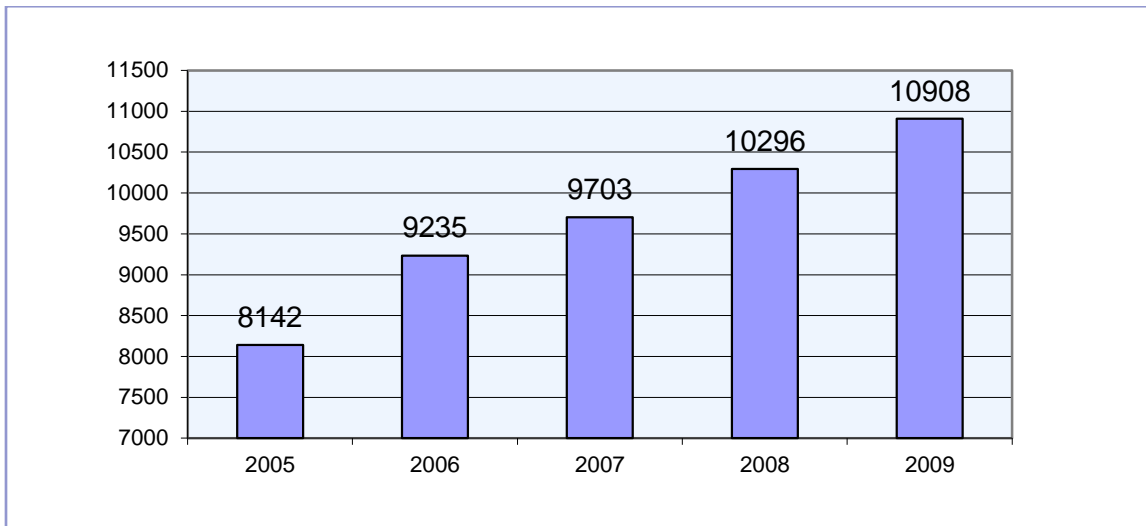
Figure 8. Average number of Years Receiving Service: CADI, DD and EW.



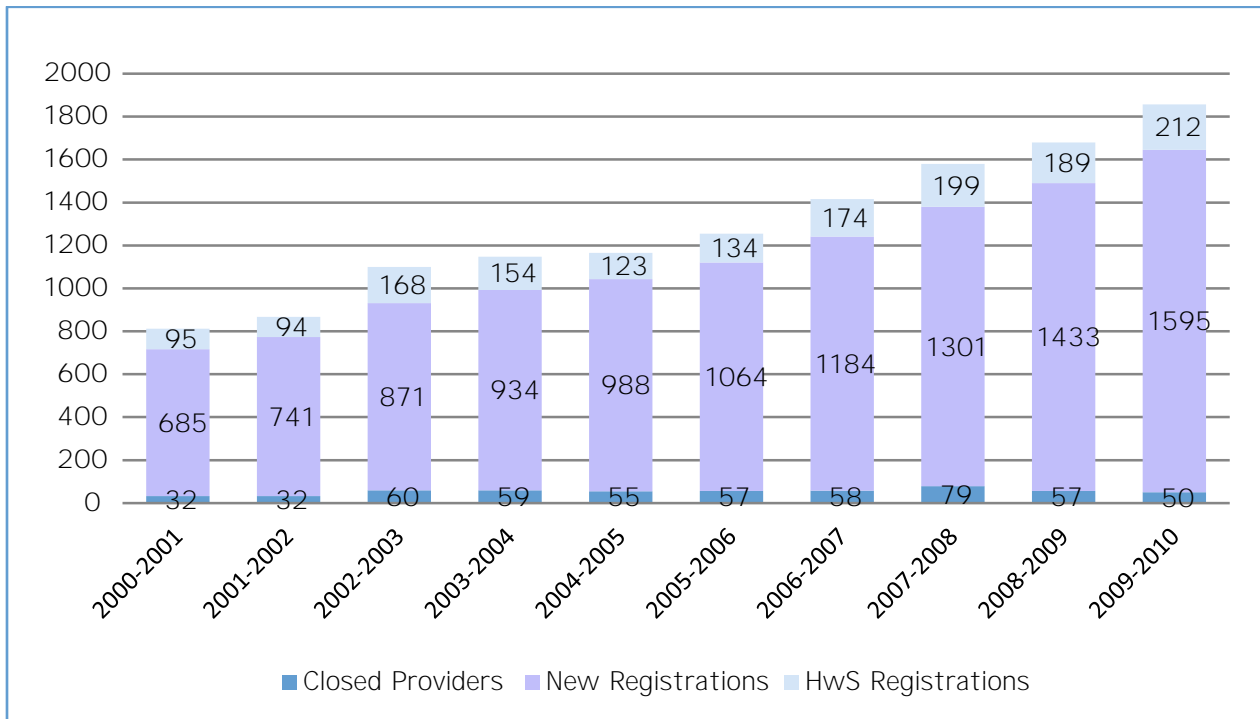
Capacity of Minnesota’s system of community facilities has grown

Between 2005 and 2009, there was a 34 percent increase in corporate foster care capacity in Minnesota, and the number of people being served in corporate foster care grew at about double the rate of people being served in other settings. See **Figure 9**. The same trend was apparent in the growth of assisted living facilities (most registered as housing with services establishments with the Minnesota Department of Health) over the past 10 years. The number of these facilities has grown from 780 in 2001 to over 1,807 in 2010, and from 3,000 units (one-room efficiency apartments to larger units) to an estimated 70,000 units throughout the state.⁶ See **Figure 10**.

Figure 9. Growth in Corporate Foster Care Capacity: 2005-2009



⁶ It should be noted that the numbers of new registrations between 2005 and 2011 include 505 supportive housing units for long-term homelessness. These buildings have voluntarily registered as housing with services establishments in order to qualify for state income support programs paid on behalf of their residents.

Figure 10. Growth in Housing with Services Registrations 2001 – 2010

Note: These numbers include 505 supportive housing buildings as new registrations between 2005 and 2011, part of Minnesota’s initiative to end long-term homelessness.

Most of the assisted living industry serves the private market, and that market is growing, as evidenced by the continuing development of new facilities throughout the state. They are available in most communities and provide a predictable package of housing and services, as opposed to the frustrating and time-consuming orchestration of home services that family caregivers often experience. Thus, the numbers of EW recipients receiving customized living services in assisted living facilities has mirrored the private market growth over the last ten years.

Compared to other states, Minnesota traditionally has higher utilization rates of congregate settings to provide services and oversight to persons with disabilities and other groups, at higher costs per person.⁷ The availability of a large supply of facilities around the state may mean that we collectively feel less pressure to develop independent housing options that offer the choice

⁷ This is true across all populations, from out-of-home placements for children to rates of institutionalization for offenders, those with mental health issues. See Citizens League report, *Alternatives to Institutionalization*, 1981

and control over services and housing type that persons with disabilities and other target groups are increasingly seeking.

III. Minnesota Housing and Income Support Programs Available to Persons with Disabilities

There are a variety of housing programs that assist individuals who cannot afford market rate housing. In the past, the federal government played a major role in affordable housing. It has reduced its role in the subsidy of housing construction and passed much of this responsibility to the states, cities and counties. Now, the creation and development of affordable housing requires many players at the state and local levels, each able to offer a discounted component that goes into a package of capital write-downs. The Minnesota Housing Finance Agency (MHFA) plays a major role in funding such packages in order to expand the supply of privately owned affordable housing in the state. Meanwhile, the federal government has shifted more of its focus to funding portable vouchers that individuals can use to pay for private market housing they find in their communities. When matched with the flexibility in HCBS waivers or state plan services, vouchers are a tool to support cost effective community support.

Even though Minnesota has been aggressive in creating additional privately owned affordable housing, MHFA estimates that a significant number of Minnesotans with incomes under \$50,000 are “cost burdened,” or paying more than 30 percent of their income for housing. In 2010, a total of 520,000 Minnesota households were cost burdened: 270,000 were renting and 250,000 owned their homes.⁸ Because of their very low incomes, many persons with disabilities fall into this group, but it also includes a broad mix of individuals, families, urban, suburban and rural, young and old. It is important to remember that housing subsidies, in whatever form, are not entitlements, and because they are in scarce supply, not everyone who needs such help gets it.

A. Federal and state subsidized housing programs

There are four primary subsidized housing programs that provide most of the affordable rental housing available to individuals:

1. Section 8 vouchers – the federal government issues rent vouchers that the renter uses in the private market.
2. Public housing – local government owned and operated rental building where rent is based on income.
3. Project-based section 8 – privately owned rental buildings where rent is based on income and the subsidy is connected to the buildings.

⁸ Communication from MHFA staff to DHS February 2011.

4. Section 42 tax credit – privately owned rental buildings where the rent is capped, the residents are restricted by income and tax incentives to the owners of the buildings are used to keep rents low.

The MHFA estimates that Minnesota has between 100,000 to 140,000 units of affordable housing, subsidized through the programs described above plus other federal/state or state only programs.

MHFA efforts focus on making various financing mechanisms available to developers to help reduce the cost of building housing and thus reduce the rent required to pay the mortgage and all other costs.

In addition to federal and state agencies, there are numerous players in housing at the local level, including public housing agencies, city or county housing and redevelopment authorities, planning and zoning boards, nonprofit housing development agencies, and community leaders like clergy, civic leaders and businesses.

In order to build a more coordinated system of community supports and housing for individuals with disabilities, partnerships between human service agencies and housing finance agencies are critical, because both perspectives are necessary in the production and development of affordable, accessible housing that can be used by persons with disabilities. There are significant differences in how housing and service systems define need. Affordable housing is organized around area median income (AMI) as a basis for eligibility while public long-term care and supportive services are organized around financial income/asset eligibility **and** levels of functioning. Both perspectives are essential to the development of suitable housing for persons with disabilities.

B. Minnesota income support programs that pay for housing

Minnesota's Group Residential Housing, General Assistance, Minnesota Supplemental Aid and Minnesota Supplemental Assistance Shelter Needy programs are income support programs funded with state dollars. These programs can be and are often used by individuals on the HCBS waivers to pay for housing costs, and in some of the programs, the money is given directly to a housing and service provider to pay for the housing costs of the individual. These programs are administered by DHS and are considered entitlements for those who qualify for them, which makes them different than subsidized housing payments or vouchers, which are not entitlements. Below is a brief description of these programs.

1. General Assistance (GA)

General Assistance (GA) provides ongoing monthly assistance to people living in the community who are not eligible for Supplemental Security Income and have no other resources.

- Transitional assistance to those waiting for approval for Supplemental Security Income
- An \$89 personal needs allowance to people living in certain types of residential settings
- Crisis assistance through Emergency General Assistance (EGA)
- Person must meet one of fifteen criteria for eligibility
- Grant for individuals in the community is \$203/month
- The basic GA grant of \$203/month has not increased since 1986
- Person must be determined by the county to be disabled

2. **MSA in the community**

The Minnesota Supplemental Aid (MSA) program serves people who are aged, blind or have disabilities who receive Supplemental Security Income but who need supplemental income to live in the community. This state supplement is a mandatory federal requirement in order for a state to be eligible for MA payments. It is combined with the individual's SSI income of \$674 per month.

- Person must be aged, blind or disabled
- Person must be receiving at least \$1 of SSI, or be eligible for SSI but for excess income
- Person must verify income and assets. Cannot have income of more than \$674 and assets of more than \$2,000 to be eligible for Supplemental Security Income

3. **MSA Shelter Needy**

To facilitate relocations from institutions and congregate settings to community living, and to support those who need state plan or HCBS waiver service, an allowance is authorized in state law that provides a higher level of income support than traditional MSA. It is called MSA shelter needy. MSA shelter needy payments are available for adults who qualify as shelter needy and:

- Are relocating from an institution or an adult mental health treatment program
- Are eligible for the self-directed supports options
- Are home and community based waiver recipients living in their own homes or rented or leased apartments, which are not owned, operated or controlled by a provider of service not related by blood, marriage or adoption
- Are home and community based waiver recipients living in a home that is owned, operated or controlled by a provider or service, if specified concentration requirements are met

4. Group Residential Housing (GRH) for people living in eligible settings

GRH pays for room and board costs for low-income adults with disabilities who are living in licensed or registered community-based settings that have a negotiated monthly rate with a county human services agency.

- GRH also pays service costs for people not eligible for HCBS waivers. The limit for room and board costs is \$846/month and the limit for service payments is \$460/month.
- The individual also retains \$89 per month of their SS, SSDI or SSI benefit as personal needs allowance.

The state programs described above provide housing support dollars for many individuals receiving HCBS waiver services. **Table 2** summarizes the total persons served and expenditures within these support programs. The extent to which the people served represent HCBS waiver recipients is not currently available. However, we do know that the GRH payments represent a major source of housing subsidy for persons on HCBS waivers in corporate foster care, family foster care and assisted living facilities.

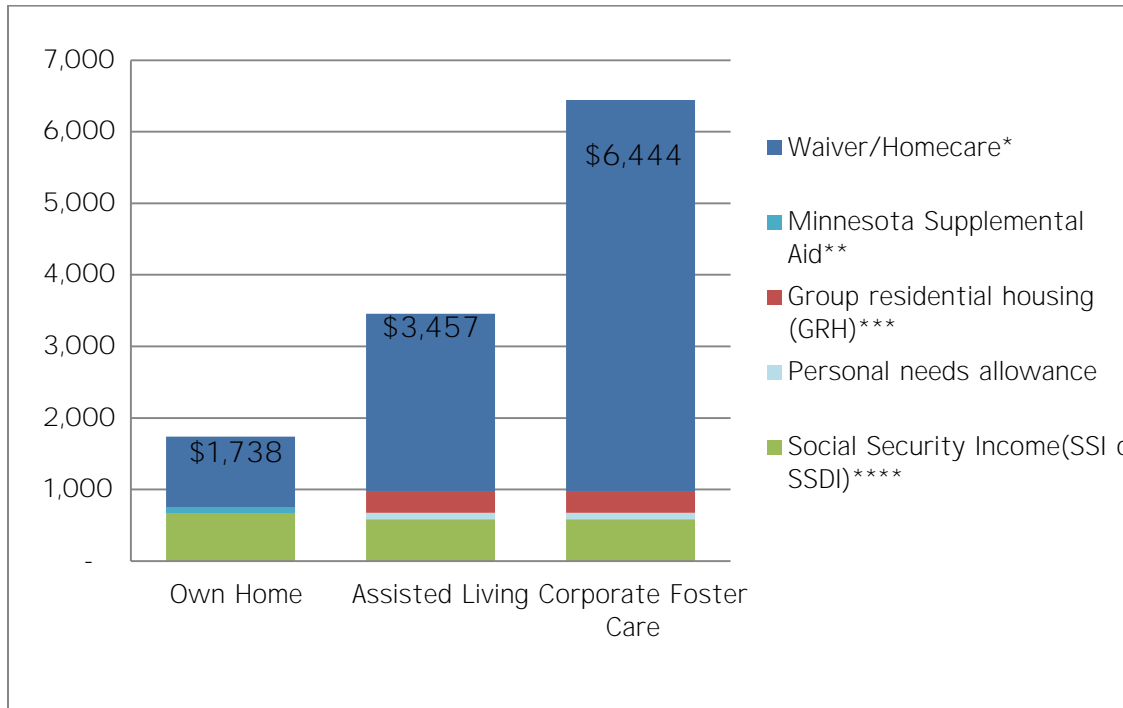
Table 2. Persons Served and Payments Made in State Income Support Programs FY 2008

State Income Support Program	Average Monthly Recipients Served	Monthly Average Payments	Total Annual Expenditures
Group Residential Housing (GRH)	15,699	\$453.87	\$85,504,943
GRH—GA segment	2,944	1023.41	36,160,073
General Assistance (GA)	17,702	197.72	41,999.363
Minnesota Supplemental Aid (MSA)	28,009	91.73	30,829,796

Source: November 2010 Forecast

The total service costs and average monthly income supports used to pay for housing for persons with disabilities on the CADI and DD waivers are shown in **Figures 11 and 12**. The service costs vary significantly from one setting to another, but the amount paid for housing is quite similar across the licensed settings analyzed, primarily because GRH provides roughly the same payment to these settings (up to \$846).

Figure 11. Monthly Service Costs and Income Supports for Persons on CADI Waiver by Living Arrangement in 2008



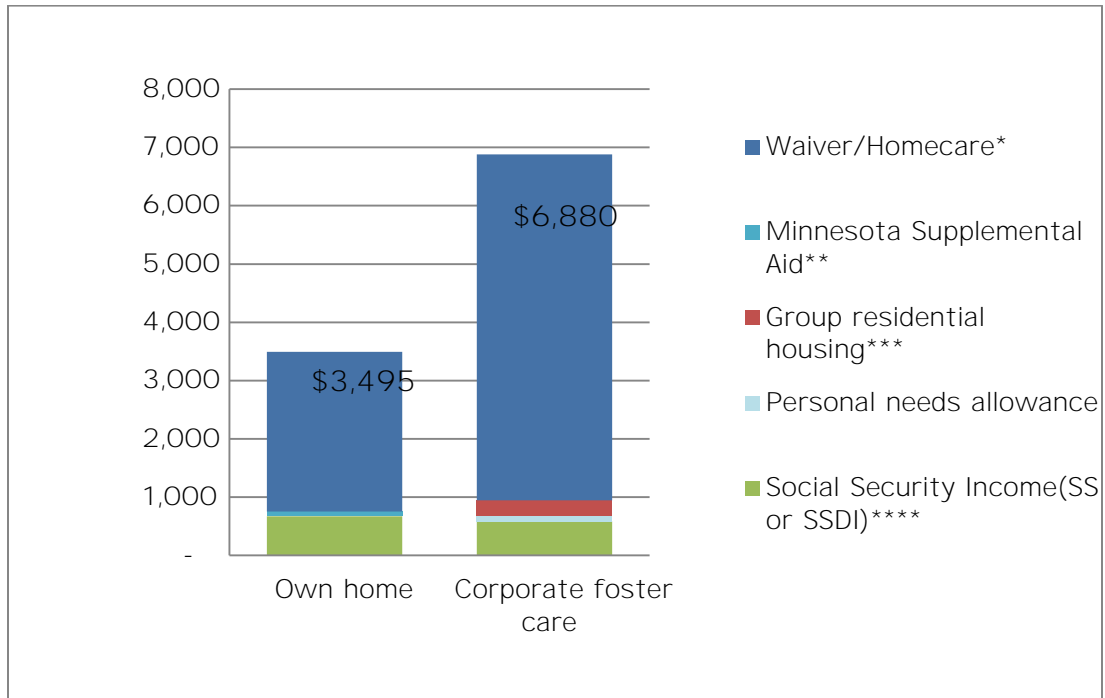
*2008 data includes all HCBS waiver and homecare services including services such as personal care assistance, supported employment services, chore services, etc.

**2010 data provided by Community Living Supports Division of DHS for Minnesota Supplemental Aid program (not specific to CADI waiver participants). Minnesota Supplemental Aid (MSA) Shelter-Needy data is not included here as program participation is a small proportion of overall MSA participation. MSA Shelter-Needy participants can receive up to \$281 through the program as compared to the \$81 received by other MSA participants.

***2010 data provided by Community Living Supports Division of DHS for Group Residential Housing is specific to CADI waiver participants.

**** Persons eligible for Supplemental Security Income (SSI) are also eligible for Food Support. In December 2010, the average issuance of food support was \$117 per individual and \$250.59 per household according to the Family Self-Sufficiency and Health Care Program Statistics reported by the Reports and Forecasts Division of DHS.

Figure 12. Monthly Service Costs and Income Supports for Persons on the DD Waiver by Living Arrangement in 2008



*2008 data includes all waiver and homecare services including services such as personal care assistance, supported employment services, chore services, etc.

**2010 data provided by Community Living Supports Division of DHS for Minnesota Supplemental Aid program (not specific to DD waiver participants). Minnesota Supplemental Aid (MSA) Shelter-Needy data is not included here as program participation is a small proportion of overall MSA participation. MSA Shelter-Needy participants can receive up to \$281 through the program as compared to the \$81 received by other MSA participants.

***2010 data provided by Community Living Supports Division of DHS for Group Residential Housing is specific to DD waiver participants.

****Persons eligible for Supplemental Security Income (SSI) are also eligible for Food Support. In December 2010, the average issuance of food support was \$117 per individual and \$250.59 per household according to the Family Self-Sufficiency and Health Care Program Statistics reported by the Reports and Forecasts Division of DHS.

C. Actual costs of housing

The actual cost of market-rate housing is prohibitive to very low-income individuals, including persons with disabilities. According to the American Community Survey (ACS), the monthly median gross rent in Minnesota is \$757. For persons receiving SSI payments as their sole source of income (typically \$674), they are only able to afford \$202 for rent (using the guideline that housing should cost 30 percent of income). If they also receive a MSA shelter needy payment of \$281, their total monthly income is \$955, and they could afford \$286 for their housing costs.

The monthly cost of owning a modest (\$126,000 value) home in Minnesota is estimated at \$957, which includes mortgage payment, property taxes and property insurance. Individuals with SSI and MSA-shelter needy payments of \$955 from the state would need an additional subsidy of \$671 from some source in order to afford homeownership (using the 30 percent guideline), although individuals with disabilities moving into employment or who have families willing to assist financially, may be able to meet this income level.

If someone receiving SSI payments wishes to move from a facility to an independent housing option, or receives HCBS waivers or state plan home care services, they are eligible for a MSA shelter needy payment to supplement their SSI income and further support this move. The total of these two payments would equal \$955, 30 percent of this would be \$286, thus reducing the needed subsidy (shown in Table 4) to \$471 to rent and \$671 to own a home. The success stories included in Appendix F (individuals helped to find independent housing) show that these arrangements can be worked out for persons with disabilities by advocates who know the systems, the programs and who are successful at tapping community programs to fill the subsidy gaps.

Table 3. Monthly Costs of Housing and Role of Subsidies Rental and Ownership in Minnesota⁹

Rental one bedroom apartment	Costs	Home ownership of home valued at \$126,676 (average purchase price of homes financed by MHFA in 2010)	Costs
Deposit (one-time payment)	\$100	Down payment (one-time payment)	\$10,000
Rent (median gross rent in Minnesota)	\$757	Mortgage payment including principal and interest (at 4.686% for 30-year fixed)	\$632
Property taxes	Included in rent	Property taxes	\$250

⁹ The source of the rental rates is the American Community Survey (ACS) for Minnesota, 2010. It should be noted that rents in the Twin Cities Metro Area are higher than Minnesota statewide averages. The source of the homeownership figures is MHFA and the average costs for homes they finance.

Rental one bedroom apartment	Costs	Home ownership of home valued at \$126,676 (average purchase price of homes financed by MHFA in 2010)	Costs
Property insurance ¹⁰	0	Property insurance	\$75
Total monthly cost ¹¹	\$757	Total monthly cost ¹²	\$957
Subsidy for person on waiver (SSI income and MSA-Shelter Needy of \$955, with \$286 being ideal housing cost)	\$471	Subsidy for person on waiver (SSI income and MSA-Shelter Needy of \$955, with \$286 being ideal housing cost)	\$671

Source: Web Calculator, MHFA, ACS

Conclusions

The analysis of current housing options used by persons with disabilities on the HCBS waivers indicates that:

- The costs of providing services to individuals living in corporate foster care and assisted living facilities are higher than the costs of services to individuals living in their own homes or apartments or other shared care arrangements.
- One of the reasons for this cost differential is likely the greater availability of unpaid help from family or friends in these independent settings and the customized nature of services compared to the necessity of paying for staff oversight and 24/7 supervision in congregate settings.
- The amounts that the state pays for housing on behalf of individuals on the HCBS waivers (through income support programs) are roughly the same in all residential settings. This means that there is no financial disincentive within DHS programs for individuals who want to relocate from a facility to a more independent setting.
- Minnesota has a large capacity of corporate foster care and assisted living facilities and relies on these models for the care of persons with disabilities, especially those on the DD and Elderly waiver.

¹⁰Very few renters have property insurance.

¹¹This example excludes cost of utilities.

¹²Ibid.

- The large supply of facilities that Minnesota enjoys may reduce the sense of urgency to tackle the knotty challenge of expanding the supply of suitable housing (affordable, accessible, good location) and enhancing the waiver's ability to support persons with disabilities in community housing options.

IV. Analysis of Potential Housing Options and Recommendations

A. Home and Community-based Services (HCBS) Waivers

2010 legislation called for a review of appropriate settings where home and community-based services may be provided, including the number of people who may reside under one roof in the residential settings within the waivers. Currently, the five waivers for persons with disabilities offer different options of home and community-based services, and each of the HCBS waivers uses a little different grouping of residential settings where services can be provided.

DHS is developing recommendations regarding where and how HCBS can be provided. The next step is to present policies developed through previous work over the past year to stakeholders for review and comment. This presentation will occur April 1, 2011. DHS will then prepare a position statement and recommendations and submit these to the Legislature. Appendix C includes a listing of the services as they now appear in the HCBS waivers. Appendix E includes more detail on the process used to engage stakeholders in the discussions regarding the residential settings for persons receiving HCBS waivers.

To assist in development of recommendations for the future, the Continuing Care Administration (CCA) engaged stakeholders, including service recipients and their family members, advocates, providers, provider associations, lead agencies, other administrations within DHS, and other state departments. The stakeholder input process began with a videoconference on August 2, 2010, to help set the stage for further discussions. Information was shared on the history, expenditures, and trends of housing and services for older adults and individuals with disabilities. More than 300 individuals either attended the videoconference or requested a recording of the videoconference. These stakeholders were then asked whether they had an interest in attending a full-day discussion on the topic of defining residential settings for home and community-based services. Over 80 people, representing all stakeholders who expressed an interest in participation, were invited to attend the full-day discussion on August 20, 2010. The topics discussed included:

- The distinguishing characteristics of home and community
- The pressures that need to be addressed and how to address them
- The criteria that are most important when measuring whether someone lives in their own home

A summary of the August 20, 2010 discussion was sent out to other interested stakeholders through several electronic mailing lists, to give those stakeholders who did not participate in the

full-day discussion an opportunity to provide additional input. As DHS developed recommendations on defining residential settings where home and community based services may be provided for older adults and individuals with disabilities, the following were taken into consideration:

- Existing state statute, rule and policies for the five home and community- based services waivers (CAC, CADI, DD, EW and TBI)
- Existing federal law
- Guidance (both formal and informal) from the Centers for Medicare and Medicaid Services (CMS) related to defining residential services for home and community based settings
- The results of the full-day discussion
- The results of the subsequent survey
- Actions taken by the Department of Justice related to enforcement of the *Olmstead* decision

On December 8, 2010, a follow-up meeting was held to share the recommendations with the stakeholders who attended the August 20, 2010, discussion. Fifty-three stakeholders attended the December 8, 2010, discussion. It was clear from the discussion with stakeholders that there was not a complete understanding of the proposal, nor was there agreement on whether the proposal from DHS would meet the needs of the service recipients. DHS committed to working further with stakeholders prior to releasing the recommendations. DHS is continuing further engagement with stakeholders and will not be releasing recommendations in this report but will submit them separately.

Next steps in this process include:

- DHS has evaluated the proposal based on the feedback received.
- DHS will provide a clear and refined explanation of the recommendations to stakeholders.
- DHS will survey the stakeholders that have been involved in the discussions to define where there are areas of disagreement and confusion.
- DHS will hold a follow-up discussion related specifically to those areas of disagreement on April 1, 2011.
- DHS will work with stakeholders to identify a transition plan for implementing the recommendations, where appropriate.
- DHS will release the results of these follow-up discussions and recommendations to the Legislature in a supplementary report.

B. Strategies to expand affordable and suitable housing options for persons with disabilities

CHOICE Values

The Disability Services Division, and later the Continuing Care Administration, developed a statement of values that it uses to inform the strategic planning and policy development process of the administration. This set of principles is called CHOICE Values and the values are listed in Table 4.

It was important to use the CHOICE Values as one of the criteria for evaluating the potential housing options considered in the study. Thus, the degree to which a particular housing option would have a positive influence on the individual CHOICE Value was rated by a group of stakeholders using a Likert Scale. The CHOICE committee that evaluated the options included representatives of advocacy, rehabilitation and service provider organizations, the Minnesota Governor's Council on Developmental Disabilities, the Long-Term Care Ombudsman, and representatives from the Adult Mental Health, Aging and Adult Services, Disability Services and Community Supports divisions within DHS.

Table 4. Statement of C H O I C E Values

Community membership, grounded in both participation and actual group membership
Health, wellness and safety , with an emphasis on communication, relationships and trust
Own place to live , choose both the place and whomever lives or provides support in their home – roommate and direct support staff
Important long-term relationships that are reciprocal and provide for safety
Control over supports , including control over the funding for personal supports, housing and transportation
Employment earnings and stable income , jobs, self-employment, or stable income from public and private sources

There are a number of broad strategies that apply to all the housing options for persons with disabilities. These include improving access to rent subsidies, expanding the supply of accessible housing and making better use of existing housing stock in ways that expand access and promote Choice Values.

1. Improved Access to Rent Subsidies

Recommendations

- DHS should continue to build on its working relationship with the Minnesota Housing Finance Agency, so that the two agencies can partner on projects where coordination of the housing and service supports is required. DHS and MHFA should continue to coordinate the use of vouchers with HCBS waivers and state plan service.
- MHFA and DHS should collaborate on the federally funded demonstration Money Follows the Person (MFP) grant awarded to DHS in February 2011. This grant is intended to help persons now living in institutions return to their communities, and its success is tied to the availability of affordable and suitable housing to support this relocation.
- DHS should strengthen its working relationships with the Minnesota chapter of the National Association of Housing and Redevelopment Officials (NAHRO) and other housing-related organizations, to share information on ongoing programs and policy directions, so that we are aware of each other's interests and priorities. DHS and NAHRO should coordinate the use of vouchers with DHS programs including the Money Follows the Person grant.
- Encourage HousingLink, which now provides very useful information on available affordable housing units in the Metro Area, to add information on access to bus routes, and support funding to expand their services to the entire state.

Discussion

Minnesota has actively sought additional opportunities to expand the number of affordable housing units in the state. Today we have between 100,000 and 140,000 affordable units (depending on the definition used) throughout the state. Given the fact that over 500,000 households in Minnesota are defined as “cost burdened” and paying high amounts for housing, there continues to be a significant gap between supply and demand.

In order to expand the supply of affordable housing for low-income Minnesotans, including persons with disabilities, DHS and MHFA need to continue their housing and services partnership. DHS, the funder of services and income support programs for low-income people, and MHFA, the state agency that finances and oversees a wide range of affordable housing programs, have partnered on many joint projects. The two agencies have been collaborating for 20 years on a program called Bridges, a rental assistance program for persons with mental illness, and for 10 years on the project to end homelessness. The two agencies have also collaborated on funding the annual survey of the homeless population in the state. Thus, these previous efforts can provide the platform for greater focus by both agencies on the housing and service needs of people with disabilities on the waivers. The federal Money Follows the Person demonstration grant is an excellent example of an effort that will require close collaboration between our agencies.

HousingLink has proven to be a valuable resource to Minnesotans searching for affordable housing in the Metro Area. It provides information about affordable housing and includes vacancy information on buildings where subsidies are available. It would be even more valuable to persons with disabilities if it collected and provided additional information on specific housing units' access to bus routes. In addition, it would also be valuable to provide HousingLink services throughout the entire state. Given the complexity and number of ways that housing can be subsidized, it is important to have an organization whose mission is to make this information easy to understand and easy to use, as well as to maintain up-to-date information for those seeking affordable housing.

2. **Creating and Promoting Accessible Housing and Communities**

Recommendations

- MHFA and DHS, together with other relevant state agencies, should work with the Minnesota Builders Association, to develop a plan for incorporating key universal design features into the State Building Code, so all new public and private housing constructed in the state would have these features. They include:
 - At least one entrance without steps or other rolling/walking obstructions from the yard approach through the doorway;
 - An open main-floor plan and one that minimizes narrow hallways;
 - A first-floor bathroom with an entrance and floor space accommodating wheelchair use, and panels of "backing" in the walls surrounding the toilet and tub/shower for potential grab bar installation;
 - Switches and outlets in easy-to-reach locations, and lever door handles.
- DHS and the Minnesota Board on Aging (MBA), which is coordinating the Communities for a Lifetime initiative across both aging and disabilities, should provide training and information on universal design in houses and within community spaces to communities across Minnesota, and put this information on the Communities for a Lifetime website.

Discussion

For many years, groups in the U.S. and other countries have promoted the expansion of the supply of multifamily rental units with features that better fit the needs of persons with disabilities. In response to various federal and state laws, a stock of units containing a set of standardized accessibility features has been constructed over time. Properties in Minnesota in the early years were built with all units containing these features. Most recently, however, the preferred strategy has been to integrate a percentage of units with accessibility features into properties targeted for general occupancy.

While these efforts have yielded a supply of accessible rental housing within Minnesota and around the country, the vast supply of owner-occupied properties (largely single-family homes)

continues to be built following conventional design practices. The resulting features, unfortunately, can cause varying degrees of accessibility problems for both residents and visitors with disabilities, many of whom rely on mobility equipment or other forms of assistance.

Conventional design features can negatively affect a far broader age and capability range than just persons with disabilities, e.g., children, able-bodied but very tall or short adults, persons with temporary disabilities, such as a broken leg, or those who are mobile but frail. In light of this, accessible design experts began crafting a strategy to promote features that more respond more flexibly to users across the age and capability range. There are a number of names for this reoriented design strategy, with universal design (or UD) being the most common in the U.S.

Home universal design borrows certain features from accessible design but promotes others as well. Features are typically grouped in levels, with the first or most basic containing a set that all homes ideally should contain. Succeeding levels contain optional features to consider based on available budget, frequency of use, etc. While the Universal Design approach was originally conceived for application in new construction, the various features are also very applicable to home remodeling.

"Visitable design" is a concept very closely related to the core features that home universal design promotes. Visitability's original goal, as its name implies, was to incorporate a set of features into newly constructed homes so persons with physical disabilities, particularly those using wheelchairs, could easily enter, exit and visit for a time.

Among core features generally included in both home visitable and universal design are:

- At least one entrance without steps or other rolling or walking obstructions from the yard approach through the doorway;
- An open main-floor plan and one that minimizes narrow hallways;
- A first-floor bathroom with an entrance and floor space accommodating wheelchair use, and panels of "backing" in the walls surrounding the toilet and tub/shower for potential grab bar installation;
- Switches and outlets in easy-to-reach locations, and lever door handles.

Home Universal Design and an expanded version of visitability also include as a core feature either a bedroom on the first floor or a space capable of ready future conversion for this purpose.

Early efforts to require that building codes include these types of features were not successful. Builders argued that buyers were not requesting these features, and that these features added costs buyers were unwilling to pay. This appears to be changing, as more of the population becomes aware of the barriers caused by steps, narrow doorways, even the traditional doorknob, and have begun to ask about such features when making housing choices. With an aging population that will dramatically increase the number of persons with disabilities, there is a growing need for infrastructure changes that allow persons who have or will develop disabilities

to live in housing that supports them. A cooperative effort between key state agencies and the state's Builders Association would be a timely effort to develop a practical and successful strategy to move these actions forward.

Meanwhile, a number of locations around the country have taken action to make their housing and their public infrastructures more accessible and accommodating to persons with disabilities, including the elderly. The IDEA Center (Inclusive Design and Environmental Access) at the State University of New York-Buffalo for many years has tracked efforts by states, counties and municipalities to incorporate visitable and core universal design features into their communities' single-family construction. These efforts either involve mandates or voluntary incentives, and this information most recently has been profiled in the report prepared for the AARP Policy Institute entitled "Home Access: Designing for Visitability."

Here are a few examples of what cities in Minnesota and across the country are doing to increase the accessibility of public infrastructures like housing, community spaces and transportation.

- Since 2001, MHFA has been required to meet visitability guidelines in the housing construction it supports and finances. Since that time, MHFA has built 1500 rental and 200 owned units that have these features in communities throughout Minnesota.
- Since 1987, MHFA has funded at least 500 home improvement or rehabilitation loans that included work to increase property accessibility to an occupant with disabilities.
- According to MHFA, Minnesota has an estimated 1,800 Housing Tax Credit units that are accessible to mobility impaired tenants. In addition, there are an estimated 3,047 units funded by HUD that are accessible to mobility impaired tenants, and 462 units that include accessibility features for tenants with hearing or visual impairments.
- Thus, the total number of accessible units is about 7,330 units. This count is, for the most part, affordable units, i.e., units subsidized through a federal or state program.
- Minnesota's Habitat for Humanity has built over 200 houses throughout the state that include universal design features and all of these homes financed by MHFA included these features.
- Rochester, Faribault and Winona, Minnesota have invested about \$600,000 in federal funds to create barrier-free sidewalks, audible crossing signals and curb cuts. With audible signals, not only will people who are blind know when it is safe to cross the street, but so will people who are losing their vision as they age.
- Venice, Florida was the first community to win the National Organization on Disability Accessible America Award. At the time, the average age of its residents was 68, and 30 percent of its citizens had visible disabilities. Venice established an accessibility advisory committee, and began to include wheelchair access in the city's planning process.
- Concrete Change of Georgia has been advocating for three residential housing building principles for decades: one zero-step entrance, at the front, back or side of the house; all main floor doors, including bathrooms, with at least 32 inches of clear passage space; at least a half bath, preferably a full bath, on the main floor. In 1989, Georgia Habitat for Humanity committed to these principles. By 2008, Habitat for Humanity alone had built more than 800 wheelchair, scooter and walker accessible homes in Atlanta. Many towns

in suburban Atlanta also adopted these principles in their housing codes, and have now built entire neighborhoods and thousands of accessible homes.

- In June 2003, Bolingbrook Illinois passed a Visitability ordinance requiring basic wheeled access in all new homes. Several years prior to the law, the City had been strongly urging Visitability principles and many builders had adopted these sustainable principles to add value to their product. As of June 2007, more than 3,600 accessible homes had been constructed.
- By 2006, under its zero-step entrance building code, San Antonio, Texas had built more than 7,000 accessible homes.

The staff and officials of Minnesota's cities and counties need to have information about the greater numbers of persons with disabilities and older adults who will soon be living in their communities. The implications include how these demographic shifts affect the need for more accessibility features in housing, transportation and public spaces. They also include implications for the services that cities and counties provide, such as first responder services, transportation, housing and similar services.

3. Making better use of existing housing stock to expand choice and access

Minnesota has a large supply of single-family homes and facilities such as corporate foster care and assisted living in its housing stock. Given the costs of building housing and the related expenses to the state for both services and housing, it is strategic to look for ways that existing housing stock can be more effectively used, modified, or adapted to increase use by persons with disabilities.

a. Moratorium on Corporate Foster Care

Recommendations

- The moratorium on corporate foster care settings for children and adults should be continued, and DHS should monitor the key indicators that may document stress in the system and the need to reconsider the moratorium.
- DHS will seek legislative authority to specify whether the physical location is the primary residence of the license holder on the license when foster care homes renew their license to specifically monitor the number of corporate foster care homes and licensed beds in the state. Printing this information directly on the license will highlight all stakeholders to the date on file at DHS; therefore, corrections to outdated and inaccurate data will be more likely.
- DHS should pursue strategies to expand the availability of community housing options that provide more independence and control to persons with disabilities.
- Providers should be encouraged to develop other housing and service models as an alternative to corporate foster care, including the use of new technologies that can substitute for human assistance and provide cost savings in service provision.

Discussion

The rapid deinstitutionalization of many residents from large state institutions to the community caused Minnesota to rely heavily on licensed foster care, where the physical location is not the primary residence of the license holder, where providers manage housing and services. These settings are also referred to as corporate foster care in this report. Since the 1990's, Minnesota has experienced consistent and steady growth in these settings. Because of the rapid growth in the corporate foster care system and because, in the aggregate, this is an expensive service delivery model serving people on Minnesota's HCBS waivers, the 2009 Legislature enacted a moratorium limiting new licenses for child or adult foster care when the physical location is not the primary residence of the license holder (corporate foster care) after July 1, 2009, except in four circumstances:

- Closure of an ICF/DD, nursing facility, or regional treatment center,
- Additional people who require a hospital level of care,
- People transitioning from the Personal Care Assistant (PCA) program to home and community based waiver services, and
- Exempting assisted living facilities required to be registered under chapter 144D, housing with services and those that have voluntarily registered to qualify for state income support programs.

Counties or tribes may also approve new licenses if the total number of licensed capacity in their area would remain unchanged. For example, if a vendor licensed for four individuals chose not to retain licensure, the local area could authorize four new beds elsewhere in the system. While access to new licenses for child and adult corporate foster care is restricted, family foster care development is not affected.

The Legislature has asked for information on the following issues:

- (1) the overall capacity and utilization of foster care beds where the physical location is not the primary residence of the license holder prior to and after implementation of the moratorium, i.e., corporate foster care;
- (2) the overall capacity and utilization of foster care beds where the physical location is the primary residence of the license holder prior to and after implementation of the moratorium, i.e., family foster care; and
- (3) the number of licensed and occupied ICF/DD beds prior to and after implementation of the moratorium.

Utilization of corporate foster care beds

DHS is responsible for licensing both corporate and family foster care. County licensing staff determine at the time of application whether or not the license holder lives in the home where services are provided, and that information is recorded in the licensing database. Sometimes this living arrangement changes, but the data has not been quickly updated. The urgency in keeping this information current was greatly enhanced by the 2009 moratorium, and the department continues to work with counties to assure the accuracy of the data. By printing the information

directly on the license certificate, the department expects to get more immediate feedback on the accuracy of the data maintained by the state.

People residing in either environment may have various payer sources. One significant payer source is Minnesota's home and community-based services (HCBS) waivers. The occupancy data below is only reflective of the portion of licensed beds accessed by waiver recipients. One cannot assume, however that the difference between the number of reported licensed beds and the number of beds used by waiver recipients is available. People who are not on the waivers, i.e., private pay individuals or children in out of home placements, can access foster care homes as well.

As of September 2009, DHS identified 3,649 sites as corporate foster care sites, with a capacity to serve 13,903 individuals statewide. HCBS waiver recipients accessed 78.7% of that availability (10,938). By September 2010, DHS identified 3,625 sites as corporate foster care sites with a capacity to serve 13,784 individuals statewide. HCBS waiver recipients accessed 81.4% of that availability (11,220).

Between 2009 and 2010, the number of corporate foster care sites declined by 24, reducing licensed beds by 123.

Utilization of family foster care beds

As of September 2009, DHS identified 5,235 sites as family foster care sites with a capacity to serve 14,491 children and adults statewide. HCBS waiver recipients accessed 6.1% of availability or 883 recipients. By September 2010, DHS identified 4,888 sites as family foster care sites with a capacity to serve 13,721 children and adults statewide. HCBS waiver recipients accessed 6.4% of availability or 880 recipients.

Between 2009 and 2010, the number of family foster care sites declined by 347, reducing licensed beds by 770.

Licensed and occupied ICF/DD beds and other indicators

ICF/DD occupancy rates have remained steady. From June 2009 to June 2010, occupancy rates fluctuated from 94 percent to 93.3 percent. DHS also looked at short-term ICF/DD admissions, requests for a fifth bed exception for corporate foster care sites, and nursing facility stays for persons under 65 as indicators of stress on the system, as a likely result of the moratorium. The data indicated no significant increase in activity.

The moratorium has had the intended effect of reducing the growth rate of new corporate foster care sites. DHS expects to be able to provide the legislature with more updated and specific information on licensed capacity after the Department begins printing the living arrangement of the license holder directly on the license.

b. Housing Access Services

Recommendations

- DHS should continue to fund the Housing Access Services for people who are eligible for state plan and HCBS waiver services, and provide technical assistance to new housing access providers.
- DHS should amend and include the current housing access service definition across all home and community-based waivers.
- DHS should coordinate housing access and transition services now provided in several divisions within the department, to facilitate sharing of resources and ideas, and develop broader strategies across the department to use to locate affordable housing for individuals.

Discussion

Along with the moratorium on corporate foster care capacity, the Legislature provided ongoing funding for investments in a housing access service to help people with disabilities obtain community housing and increase the use of technology to reduce reliance on human assistance. The fiscal note assumptions for the moratorium used the average cost to support someone in their own home compared with corporate foster care.

There are a number of efforts within DHS to transition different target groups and help them return to the community or find community-based housing options, e.g., Return to Community, Relocation Services Coordination, Housing First program, Return to Community for Persons with Mental Health Issues. DHS should more closely coordinate these efforts, and develop broader strategies that all programs can use to create and identify affordable housing for people.

Status report on housing access services

Since September 2009, Housing Access Services has helped over 170 persons with disabilities move to homes of their own. DHS contracts with The Arc of Minnesota to help adults who are eligible for Medicaid home care or HCBS waiver services relocate to homes of their own. The project helps individuals with budgeting, finding housing, meeting with landlords and staff, paying deposits, finding furnishings and moving into their own place. Some facts about the participants include:

- 56 percent use home and community-based waiver services
- 19 percent use PCA or home health aide services
- 21 percent use ARMHS services
- 13 percent used Semi-Independent Living Services
- 19 percent moved from corporate foster care or assisted living to a home of their own

See Appendix F for the stories of some of the individuals the program has helped.

c. Assistive Technology

Recommendations

- DHS should use the lessons learned from the assistive technology grants to modify the waivers as needed to expand use of assistive technology by waiver recipients in their homes.
- Increase the integration of housing modifications and assistive technology into the support plan for persons on the waivers, so they are utilized as a means to live more independently.
- Encourage providers and lead agencies to include housing modifications and new assistive technology to improve or expand their services to those in community housing.

Discussion and status report on assistive technology grant

The assistive technology project was funded as a way to begin to move people from more restricted settings to homes of their own as well as support others through the expanded use of assistive technology. During 2010, assistive technology grants were awarded to Equipalife and the Governor's Council on Developmental Disabilities to help people with disabilities increase their use of technology and reduce reliance on human assistance in their own homes.

Equipalife is offering assistive technology trainings and case-specific technical assistance to lead agencies, i.e., counties, health plans and tribal organizations, across the state. Training will include information on appropriate professional assessment, funding and how to use available devices. The Governor's Council on Developmental Disabilities, in partnership with The Autism Society of Minnesota, is developing and testing low-cost emergency planning technology solutions that enable people with autism spectrum disorder to remain in their homes.

d. Shared Living Services

Recommendations

- DHS should work with providers interested in the shared living service model, to further develop this model in Minnesota and better document its costs, benefits and its contribution to expanding the supply of housing that offers more consumer control and independence. (In the shared living service model, a licensed agency is paid to recruit, train, support and monitor family home providers who are paid to provide a home and related services for individuals.)

Discussion

More than 20 states offer shared living services through their home and community-based waiver programs. Shared living blends foster care models into a program where individuals and families share their homes with adults with disabilities. Home Providers act as mentors,

advocates and friends. In addition to sharing their home, they help engage the person in community life, teach new skills and provide support to make good decisions. The personalized nature of the program offers individuals greater opportunity to choose who they live with and greater control of their daily activities, distinguishing this model from traditional foster care.

Shared living uses a licensed agency to recruit, train, support and monitor shared living providers. Instead of shift staff, the shared living providers live in the home and provide the support, so in that sense, it is more like family foster care than corporate foster care. The individuals with the disability receive support from the individual or family in their home. See Appendix E for more detail regarding the shared living programs in Vermont and Rhode Island that serve people with developmental disabilities.

Table 5. Pros and Cons of Shared Living Services

PROs of Shared Living Services	CONs of Shared Living Services
The model blends corporate and family foster care, with emphasis on families or an individual sharing their home with adults with disabilities.	The model relies on an intermediate agency that is reimbursed by the state to recruit, train, support and monitor providers, an added cost that is not part of typical foster care as currently organized in Minnesota. This may make this service more expensive than family foster care.
The shared living model helps engage the person with disabilities with community life, learning new skills and making decisions.	
This option uses existing housing stock, so it can be provided in any community in the state.	
The person with disabilities makes the choice of where they want to live and with whom they want to live.	

C. New Types of Housing Options

1. Use of limited equity ownership housing options (cooperatives, land trusts, and other limited equity options)

The legislation asked for an analysis of a number of limited equity ownership options to determine if there are ownership models that would be appropriate for persons with disabilities, given the low-income status of many of these individuals, especially those on the waiver programs. Appendix D provides more information about limited equity options and includes links to reports on shared equity and limited equity models.

Recommendation

- DHS and MHFA should work with community land trust organizations that receive grant awards from MHFA, to encourage them to promote the use of this option with disability organizations, and help qualified persons with disabilities become homeowners through the land trust program.
- Another option would be for MHFA to require land trust organizations that request MHFA funds to set a goal to serve a specific proportion of persons with disabilities through their programs.

Discussion

Community land trusts are a type of limited equity homeownership. They create affordable housing through the purchase of land, which reduces the cost of the housing built on that land. Through the sharing of equity from one generation of homeowners to the next, the cost of the housing is kept affordable. Because of these features, community land trusts could provide choice, stability and an opportunity for the accumulation of capital to those with disabilities who

are in a position to make use of the option, e.g., persons who have employment or family who are willing to help financially.

There are now eight land trusts in Minnesota and MHFA works with them to provide various types of subsidy to potential homeowners to enable them to purchase homes. Between 2001 and 2008, these land trusts built 600 units and with the help of MHFA, have been able to subsidize various portions of these developments, e.g., the land, down payments, the mortgage and other gap financing to help lower income persons purchase a home. These land trusts purchase housing on scattered sites, and are not limited to a particular parcel of land.

Table 6. Pros and Cons of Limited-Equity Ownership Options including Community Land Trusts

PROs of Limited-Equity Ownership Options including Community Land Trusts	CONs of Limited-Equity Ownership options including Community Land Trusts
Provides affordable housing for current and future owners.	Current owners face resale restrictions that may limit price.
The association of other owners provides help and assistance on legal and financial matters.	Legal and financial provisions required for implementation of these options may be complex.
The cost to get into these housing options is lower than regular ownership options.	The cost of this option is out of reach of individuals on the waiver programs, unless they are moving into employment or have families willing to financially assist.
This option offers access to benefits for asset accrual that rental housing does not provide. The owner is able to gain social and financial advantages of home ownership.	
Minnesota already has legislation that addresses tax treatment, resale issues and use of state funds for subsidy of limited equity housing.	

2. Whether a public equity housing fund should be established

The legislation asked for an analysis of whether a public equity housing fund should be established that would maintain the state’s interest, to the extent paid from state funds, including Group Residential Housing and Minnesota Supplemental Aid shelter-needy funds in provider-owned housing, so that when sold, the state would recover its share for a public equity fund to be used for future public needs under this chapter.

Recommendation

- The state should not pursue the creation of a public equity housing fund that recoups state dollars used to pay for housing for persons on waivers at this time.

Discussion

There have been questions about the state’s Group Residential Housing payment to providers over the span of many years, and if there is a point when the cost should be reduced as mortgages are paid off. There has also been speculation on the possible ways that the state could recapture some of this equity to pay itself back into a revolving fund that could be used to fund additional services or housing for other recipients in the future.

There are many legal and financial questions that need to be answered to determine the feasibility of this option. Some of the issues include the following.

- Housing is owned or rented. Either way there are costs every month for room and board.
- We cannot do a value analysis at this time because we do not know the private market equivalent for this housing stock.
- While the amounts vary somewhat, the GRH payment made by the state to providers is only a portion of the total housing cost for each individual each month. The persons residing in the facility must turn over their Social Security, Supplemental Security or SSDI check (except for \$89 personal needs allowance) to the provider and then GRH pays the remainder up to a maximum of \$846. The average monthly amount of GRH funds that go toward housing costs is under \$300.
- If a lien were to be established and become law, providers may be unwilling to enter into agreements to accept GRH and a person’s check as payment in full. This might affect the supply of certain housing facilities that the state needs in order to care for individuals.
- The lien concept may be affected by the fact that a growing number of these facilities are now leased and are not owned by the provider that operates the facility.

Given limited resources, DHS and MHFA should focus on other strategies to expand the supply of affordable housing and housing related services needed by persons on the waivers. For example, the recently enacted federal Melville Act or the Money Follows the Person grant, just awarded to DHS, will make more resources available to the state to make these changes.

Table 7. Pros and Cons of Public Equity Housing Fund

PROs of Public Equity Housing Fund	CONs of Public Equity Housing Fund
If such a fund could be created in a way that addresses related legal issues, it could provide a way for the state to recapture its investments in housing over time.	This change would need to be included in a new agreement with the providers that receive these payments. It is unclear whether they would agree to these terms.
Creating an equity fund would require more analysis of what the “market value” is of the housing being provided to persons on the	This change in the GRH and MSA program funds may affect our federal requirement to maintain these programs as match for our

PROs of Public Equity Housing Fund	CONs of Public Equity Housing Fund
waivers, and bring more clarity to the level and value of these payments.	Medicaid program
	The actual amount of GRH funds going to housing costs every month are under \$300 per person. Most of the cost is paid by the persons residing there with their SSI, SS and SSDI checks.

3. Desirability of the state acquiring an ownership interest in or promoting use of publicly owned housing

The legislation requested that the state look into the possible desirability of the state to acquire an ownership interest in publicly owned housing. The intent would be to gain access to the advantages of ownership of capital, have more control over the investment and the use of that housing for purposes the state has an interest in going into the future.

Recommendation

- No action should be taken at this time to develop publicly owned housing for persons with disabilities at the state level.

Discussion

Recently, many public entities that have owned property and facilities in the past have been shifting to lease agreements rather than ownership. Moving in the direction of more public ownership would be reversing this course. Public housing authorities have been using public/private partnerships to build housing that is then owned by private developers, but operated in accordance with public mandates and requirements. MHFA does not own any housing, and sees its role as the financier for packages of financing options and mechanisms needed to create the capital to help others build and own affordable housing. At DHS, the State Operated Services (SOS) recently made the decision to lease rather than own its 16 new behavioral health hospitals around the state.

The intent of this option is to build housing that achieves a public interest and meets specific needs that a public entity has, in terms of design features, location, population to be served, etc. However, pursuit of this concept is contrary to the direction federal, state and local governments are now headed. They are seeing their primary role as funder of housing, not as developer, builder, and operator of housing. These functions are being spun off to the private sector.

Table 8. Pros and Cons of Publicly-Owned Housing

PROs of Publicly-Owned Housing	CONs of Publicly-Owned Housing
This option would provide more state control over all aspects of the housing to be developed.	The state would be assuming additional roles in housing and increasing its responsibility for design, building, maintenance and administration of housing.
	All levels of government are focusing more on their role as funder, not on the development, administration and maintenance of housing.

Conclusions

This analysis of current and potential housing options for persons with disabilities has provided information about the cost of services and housing within the housing options now used by persons on the DD, CADI and EW waivers. The analysis indicates that service costs could be reduced if more persons on the HCBS waivers were able to find suitable housing in the community, which is where they are increasingly seeking to reside.

However, barriers now exist for the greater movement of persons with disabilities on the HCBS waivers into community housing. One is finding affordable housing. Another is getting help with housing related services and information in order to relocate and make a successful move to the community, to housing that is accessible and in suitable locations near employment and accessible transportation.

A number of steps are recommended to remove these barriers, including continued partnerships with MHFA and other housing organizations to take advantage of opportunities to expand the supply of affordable housing for use by persons with disabilities. The recently awarded Money Follows the Person demonstration grant is an excellent example of this type of new opportunity to work together and focus our efforts on strengthening our response on both the housing and services side of the equation.

Another recommendation relates to the need to increase the accessibility of our housing stock. We need to take bold action and begin to change our infrastructure within single family homes, both newly built and existing stock, to include key universal design features in the building code to prepare for historic increases in the numbers of persons with disabilities who will need more accessible housing. Expansion of the HousingLink service throughout the state would also help individuals locate housing that meets their needs.

There is a potential role for two housing options to help expand the supply of affordable and accessible housing in the community. These include the shared living model and the use of community land trusts as a limited equity homeownership model. The shared living model offers a hybrid between corporate foster care and family foster care for individuals with developmental disabilities. And the community land trusts provide an affordable way to offer

housing ownership to persons with disabilities, especially those moving into employment or who have families willing to provide financial assistance.

Two of the other potential approaches analyzed do not appear to provide reasonable benefits at this time in terms of expanding affordable housing for individuals with disabilities as they move into the community. These include creating a public equity housing fund and acquiring an ownership interest in public owned housing. These either present legal questions or would send the state in a different direction than other government agencies.

To make all of this happen, partnerships between those that work on the financing and development of housing and those that work on the service side of the equation are critical. It is our hope that strong partnerships will help us achieve results, and that these results will lead to a renewed recognition of the critical role that housing plays in the integration of persons with disabilities into all aspects of our society.

Appendices



Minnesota Department of **Human Services**

Legislative Report

Appendix A: Legislative Language for Housing Options Study

*From Laws 2010 first Special Session: Sec. 15. Laws 2009, chapter 79, article 8, section 84,
Housing Options*

The commissioner of human services, in consultation with the commissioner of administration and the Minnesota Housing Finance Agency, and representatives of counties, residents' advocacy groups, consumers of housing services, and provider agencies shall explore ways to maximize the availability and affordability of housing choices available to persons with disabilities or who need care assistance due to other health challenges. A goal shall also be to minimize state physical plant costs in order to serve more persons with appropriate program and care support. Consideration shall be given to:

- (1) improved access to rent subsidies;
- (2) use of cooperatives, land trusts, and other limited equity ownership models;
- (3) whether a public equity housing fund should be established that would maintain the state's interest, to the extent paid from state funds, including group residential housing and Minnesota supplemental aid shelter-needy funds in provider-owned housing, so that when sold, the state would recover its share for a public equity fund to be used for future public needs under this chapter;
- (4) the desirability of the state acquiring an ownership interest or promoting the use of publicly owned housing;
- (5) promoting more choices in the market for accessible housing that meets the needs of persons with physical challenges;
- (6) what consumer ownership models, if any, are appropriate; and
- (7) a review of the definition of home and community services and appropriate settings where these services may be provided, including the number of people who may reside under one roof, through the home and community-based waivers for seniors and individuals with disabilities.

The commissioner shall provide a written report on the findings of the evaluation of housing options to the chairs and ranking minority members of the house of representatives and senate standing committees with jurisdiction over health and human services policy and funding by December 15, 2010. This report shall replace the November 1, 2010, annual report by the commissioner required in Minnesota Statutes, sections 256B.0916, subdivision 7, and 256B.49, subdivision 21.

Appendix B: Federal Policy Supporting Housing Options for People with Disabilities

The evaluation of policies and strategies regarding housing for people with disabilities includes the consideration of federal activity around the enforcement and interpretation of the Americans with Disabilities Act, the *Olmstead* decision, and Fair Housing laws. Recent actions taken by the U.S. Department of Justice, HUD, CMS, and SAMSHA are aligned in their support of the integration mandate of the *Olmstead* decision.

U.S. Department of Justice

The U.S. Department of Justice Civil Rights Division, in its actions subsequent to the *Olmstead* decision, has further weighed in on what it means to provide community living support, and has challenged plans in states across the country for segregated settings as not effectively supporting people as full citizens. Since 2009, as they pursue enforcement of the American with Disabilities Act and the *Olmstead* Decision, the US Department of Justice has investigated, sought settlement and filed lawsuits or amicus briefs in 16 states. In some states, these lawsuits have challenged the failure to provide community-based services. In other states, the lawsuits challenged the state's decision to alter the way community-based services were administered when the change increased the risk of institutionalization for people with disabilities who had been living in the community. (See Kaiser Health News article on the Georgia Agreement and the Congressional testimony of Assistant Attorney General Thomas E. Perez below)

U.S. Department of Housing and Urban Development

At the November 8, 2010 Homes for All Conference, US Secretary for Housing and Urban Development Shaun Donovan touted the issuance of a record number of portable vouchers as an achievement in support of shifting public subsidies from site based segregated models towards mixed use integrated sites. Mixed-use sites are an integral part of the Transform Rental Assistance initiative that seeks to support private sector reinvestment in affordable housing, and to move public housing subsidies to one stream for the purpose of simplicity, choice and community living.

Centers for Medicare and Medicaid Services (CMS)

Evidence of the CMS commitment to rebalance the system of support for people with disabilities from an institutional entitlement to home and community-based services (HCBS) is found in national data, new home and community based program options, and decisions. According to the Kaiser Commission on Medicaid and the Uninsured of June 2010, the national percentage of Medicaid spending on HCBS has more than doubled from 19 percent in 1995 to 41 percent in 2007 as people move from large, congregate settings to home and community-based services. For a decade, CMS has worked to streamline HCBS while creating quality and reporting practices that will serve to support and refine community services.

In May 2010, Cindy Mann, Director of the Center for Medicaid, CHIP, and Survey and Certification at CMS, sent a letter to State Medicaid Directors reaffirming its commitment to the policies identified in “the Olmstead Letters.” (See CMS State Medicaid Director Letter below)

CMS has opened a discussion with states as they seek to bring quality to HCBS. In his response to the state of Missouri Dr. Berwick has made clear that campus settings and settings that restrict access to the larger community are not by definition HCB settings – and not eligible for HCBS funding. HUD Secretary Donovan’s direction toward mixed use sites for affordable housing is mirrored here in the CMS denial of HCBS in sites that restrict access to the larger community. (See CMS Missouri Decision below)

Substance Abuse and Mental Health Services Administration (SAMHSA)

SAMHSA, the Substance Abuse and Mental Health Services Administration is directed by Congress to target substance abuse and mental health services to the people most in need and to translate research in these areas more effectively and more rapidly into the general health care system. To accomplish its work SAMHSA administers a combination of competitive, formula, and block grant programs and data collection activities. During the 2010 Mental Health Block Grant and Data Conference, Carol Bianco of Advocates for Human Potential summarized the SAMHSA evidence based Permanent Supportive Housing Toolkit in her presentation “A Place to Live.” SAMHSA permanent supportive housing evidence finds that people are most successful using home-based services in consumer controlled, integrated, and dispersed housing. (See SAMHSA Permanent Supportive Housing Toolkit below)

Fair Housing

Federal and State Fair Housing Laws define segregation of certain groups of people as discrimination. People may not be excluded from, or congregated in, housing by race, religion, gender, national origin, age or disability. Members of these groups who enjoy the protection of these laws are defined as ‘protected classes.’ People with disabilities enjoy the same protections under the Fair Housing laws as all other protected classes. In the medical system, people with disabilities are patients, but in the social services system, people with disabilities are citizens who enjoy the same freedoms and safeguards as their neighbors.

De facto or ‘in fact’ segregation is determined to be present when members of a protected class reside in a location in greater numbers than they occur in the general population. *De facto* is a legal term meaning "in fact" or "in reality", which means that something exists in fact whether a lawful authority has acted or not. *De facto* segregation refers to segregation which occurs without any official action by government officials, but results from social, psychological, or economic conditions.

De jure or ‘in policy’ segregation is determined to be present when policies are found to require the segregation or concentration of members of a protected class. Fair Housing laws negate any

language in housing contracts which barred people from purchasing or renting housing based on race, religion, gender, age, national origin, or disability. Requiring people of a particular protected class or group to live in one location in concentrations above their occurrence in the population may be found to be discrimination.

According to the U.S. Census Bureau's 2008 American Community Survey, the percentage of U.S. citizens residing outside of institutions who report an apparent disability is slightly more than 12% (or 36.2 million people). The U. S. Census of 2000 found that 14% of adults between 18 and 64 report at least one disability.

In treatment facilities and institutions for people with disabilities, we find 100% of the residents may have disabilities. The American with Disabilities Act of 1990 mandated, and then the 1999 Olmstead Decision of the United States Supreme Court ruled, that unnecessary segregation of people with disabilities in institutional settings was discriminatory. Public social service systems may no longer support people with disabilities with a lifetime of segregated living in a treatment facility or institution. The courts have continually found that disability services and supports must be delivered outside of these settings.

As discussed above, people under age 55 may not be segregated or congregated based on their disability in policy, or in fact. Discriminatory concentrations of people with disabilities, or any protected class in segregated settings is a practice the Disability Services Division bars in policy. Minnesota Home and Community Based Waivers limit congregate services to only two sites which comply with these laws. The first congregate setting funded with public dollars and compliant with these parameters is Minnesota's group home system for people with disabilities who need 24 hour support. Minnesota group homes are for 4 or fewer unrelated adults, licensed by the state, and restricted in size in concert with the usual housing occupancy codes and restrictions regarding numbers of unrelated adults. Home and community based waiver dollars also support eligible people with disabilities over 55 in assisted living facilities. People 55 and older may choose the protections of the Fair Housing laws to assure inclusion in any housing setting, or they may also choose to live in settings which do not reflect the same age distribution as the community as whole.

Congregate treatment centers and institutions are not funded under home and community based waiver programs. Congregate treatment centers and institutions are licensed by the state and subject to regulations and oversight to assure the health and safety of their vulnerable individuals.

[Georgia Agreement Kaiser Health News 10/21/10](#)

<http://www.kaiserhealthnews.org/stories/2010/october/21/georgia-mental-health-settlement.aspx>

[Congressional Testimony of Assistant Attorney General Thomas E. Perez 7/22/10](#)

<http://www.justice.gov/ola/testimony/111-2/07-22-10-perez-americans-with-disabilities-act.pdf>

[CMS State Medicaid Director Letter 5/20/10](#)

http://www.dhs.state.mn.us/main/groups/disabilities/documents/pub/dhs16_157736.pdf

[CMS Missouri Decision](#)

http://www.dhs.state.mn.us/main/groups/disabilities/documents/pub/dhs16_157734.pdf

[SAMHSA Permanent Supportive Housing Toolkit](#)

<http://www.nationalgranteeconference.com/presentations/2010/C.%20Bianco.pdf>

Appendix C: Services Included in the HCBS Waivers

Services Included in the HCBS Waivers¹³

HCBS Waiver Program Services	AC	EW	CADI	TBI	CAC	DD
Case management	X	X	X	X	X	X
Caregiver training and support	X	X				
• Caregiver/family training and education	X	X	X			
• Caregiver living expense			X			X
• Family counseling and training			X	X	X	
• In-home family support						X
Consumer-directed services						
• Consumer directed community services (CDCS)	X	X		X	X	X
• Consumer training and education						X
Day programs						
• Adult day care/day care bath	X	X	X	X		X
• Day training and habilitation						X
• Supported employment				X		X
• Structured day program				X		
In-home services						
• Behavioral programming				X		
• Nursing (RN and LPN)*	X	X	X	X	X	
• Home health aide	X	X				
• Home health therapies: OT, PT, Respiratory, speech*			X	X	X	
• Extended home care	X	X		X	X	X
• In-home family support						X
• Night supervision				X		
• Personal care assistant (PCA)*	X	X	X	X	X	
• RN supervision of PCA*	X	X				
• Adult companion services	X	X		X		
• Personal support						X
• Home delivered meals	X	X	X	X	X	X
• Nutrition services*	X	X			X	
• Homemaker services	X	X	X	X	X	X
• Chore services	X	X		X		X
Independent living skills (ILS)						

¹³ Includes services that are available through the Medicaid State Plan

HCBS Waiver Program Services	AC	EW	CADI	TBI	CAC	DD
• ILS training			X	X		
• ILS therapies				X		
• Prevocational services				X		
Mental health						
• Cognitive rehabilitation therapy*				X		
Environmental accessibility and adaptations	X	X		X	X	X
• To home	X	X	X	X	X	X
• To vehicle			X	X		
• Assistive technology			X			X
Prescribed medications*					X	
Residential services						
• Assisted living/customized living services		X	X	X		
• Foster care services	X	X	X	X	X	
• Housing access coordination						X
• Residential care services	X	X	X	X		
• Supported living services (SLS)						X
• Transitional services				X	X	X
Respite care: in-home and out-of-home	X	X	X	X	X	X
• Crisis respite						X
Specialist service						X
Specialized supplies and equipment	X	X	X	X	X	
• Assistive technology						X
Transportation*	X	X		X	X	X
24-hour emergency assistance						X

Appendix D: Additional Information on Potential Housing Options

Shared living

Rhode Island Shared Living Report

- [Rhode Island Standards for Authorized Placement Agencies for Shared Living Arrangements](http://www.bhddh.ri.gov/ddd/pdf/SLAFinalAugust2307.pdf): <http://www.bhddh.ri.gov/ddd/pdf/SLAFinalAugust2307.pdf>
- [Rhode Island Shared Living Fact Sheet](http://www.dhs.ri.gov/Especiallyfor/AdultswithDisabilities/HomeandCommunityBasedServices/tabid/805/Default.aspx): <http://www.dhs.ri.gov/Especiallyfor/AdultswithDisabilities/HomeandCommunityBasedServices/tabid/805/Default.aspx>

Vermont Shared Living Report: <http://www.ddas.vermont.gov/ddas-publications/publications-dds/publications-dds-documents/dds-publications-other/shared-living-individual-home-supports>

Shared equity homeownership

Predominant Limited Equity Homeownership Models

LEH models seek to balance asset building and benefits for the current homeowner with the recapture and reinvestment of public subsidy in order to maintain the stock of affordable housing. Limited equity affordable housing models reach beyond subsidy forgiveness programs that offer one-time assistance to homebuyers and to subsidy recapture programs that allow buyers to temporarily use public fund subsidies in their housing purchase. While the shared appreciation model recaptures public subsidy with a share of appreciated home value, subsidy retention models retain the value of appreciated equity with the housing unit. Rather than subsidizing subsequent buyers, subsidy retention programs subsidize the unit, ensuring that the specific home remains affordable, without additional subsidies, to generation after generation of homebuyers in the target income range.

Deed-restricted homeownership

A restrictive covenant appended to a property's deed or mortgage maintains affordability in a deed-restricted home, which encompasses a wide range of single and multiple residence tenures. The covenant provides the homeowner exclusive use of the property while preventing use in any manner other than as a primary residence. The covenant requires the owner-occupant to resell the property to an eligible buyer at a formula-determined price and may grant a preemptive purchase option to a sponsoring agency or third party non-profit entity. All use and resale restrictions run with the deed, binding both current and subsequent owners of the encumbered property. When use and resale restrictions run with the mortgage, rather than the deed, they are binding for only the current owner or any subsequent owner who assumes the mortgage.

Deed covenants restricting the use and resale of residential real estate have been around since Colonial times. Deed-restricted housing is growing at a rate faster than any other mode of \

homeownership. The familiarity of the deed-restricted model to developers and the expanding use of inclusionary mandates and developer incentives have spurred the growth and development of deed-restricted housing. However, the mistaken impression that deed-restricted covenants are self-enforcing and, therefore, less costly to monitor has sometimes made them falsely attractive.

Community Land Trust (CLT)

CLTs are a relatively recent phenomenon in the United States. In many communities, grassroots activists initiated the formation of CLTs as a tool for protecting a portion of a neighborhood's affordable housing stock from rising prices and displacement pressures. In other communities, municipal officials saw the CLT as a means to expand and preserve access to homeownership while protecting the city's investment in affordable housing. Beginning in the early 1990s, CLTs became eligible for federal HOME funding, HUD-funded technical assistance and Fannie Mae mortgages and access to these funds has further encouraged their growth.

The owners of CLT homes lease, rather than own, their land from a non-profit community land trust corporation. The ground lease controls the use of the land and, by dictating resident eligibility, the lease controls the cost of the home that can rest upon it. Embedded in the ground lease are owner occupancy requirements, property improvement stipulations, maintenance and CLT home mortgage requirements, and a "preemptive" option specifying a CLT home resale formula that limits the sale price in order to keep the housing affordable for future buyers. The CLT has a first right of home purchase. Permanent affordability is a commitment made by most CLTs.

Limited Equity Cooperative (LEC)

Cooperative housing is operated and governed by a state-chartered corporation whose shareholders are drawn exclusively from those who occupy the housing. The corporation owns the deed, holds the mortgage and pays all municipal taxes and fees on the real estate. The occupants of a co-op's housing are simultaneously shareholders, members and leaseholders. LECs offer homeowners a modest growth in equity between the initial purchase and eventual resale of their corporate shares.

Multiple LEC documents prohibit the sale of an occupant's share for more than a maximum formula-determined price. The LEC subscription agreement acts as both a buyer beware disclosure and a purchase-and-sale contract.

Although the first housing cooperatives were established in the latter part of the 19th century, the movement did not gain momentum until after World War II with the enactment of the 1949 Housing Act. Since that time, the Housing Act has been amended to where it currently provides LECs access to FHA mortgage insurance, 98% financing for the construction of new cooperatives, loans at below-market interest rates (BIMR) for 40-year mortgages and up to 100%

construction and rehabilitation costs for developments of five units or more. The federal low interest loan program also mandates a series of affordability controls, including limits on new members, restrictions on share value increases, and penalties for pre-payment of BMIR mortgage. State governments, state housing finance agencies and municipal governments have all been actively involved in creating and assisting in the development of cooperatives.

2006 National Housing Institute Report: <http://www.nhi.org/pdf/SharedEquityHome.pdf>

2010 Center for Housing Policy Report:

http://www.nhc.org/media/documents/State_Policy_Inventory_Report.pdf

Appendix E: Minnesota Reports and Resources on Housing Needs of Persons with Disabilities

1. [MSCOD/MCIL Accessible Housing Report](#)

http://www.dhs.state.mn.us/main/groups/disabilities/documents/pub/dhs16_157735.pdf

2. [Minnesota Governor's Council of Developmental Disabilities](#)

http://www.mnddc.org/extra/customer-research/GCDD_Attitudes1962-2007_Final.pdf

3. 2006 Residential Service Innovations

[Summary Report](#)

http://www.dhs.state.mn.us/main/groups/disabilities/documents/pub/dhs16_137115.pdf

[Final report](#)

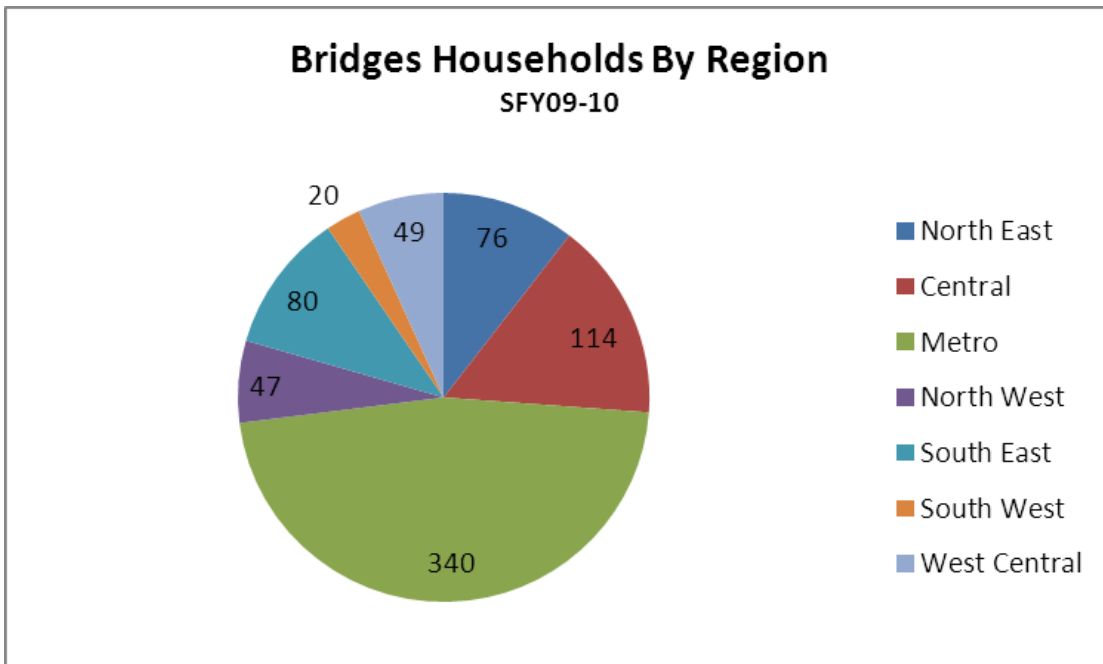
http://www.dhs.state.mn.us/main/groups/disabilities/documents/pub/dhs16_136640.pdf

Appendix F: Bridges Rental Assistance Program State Fiscal Year 09-10

Bridges serves persons with a diagnosis of serious and persistent mental illness by providing grants for temporary rental assistance payments and security deposits paid directly to landlords. Minnesota Housing served 726 households through the Bridges Rental Assistance program during the state fiscal year from July 1, 2009, to the 30, 2010.

	Households	Households with Children	Total Number of People Served
Bridges	662	212 (32%)	1159
Bridges Ending Long Term Homelessness Fund	64	18 (28%)	104

Location: Nearly half of households served by the Bridges program live in the Metro area, including 14% in Hennepin County, 10% in Ramsey, and 8% and 7% in Dakota and Anoka, respectively.



Income: The average household income is about \$9,700 annually. Nearly half of the households report some type of Social Security income benefit and eleven percent are employed.

Length of Stay: Households participate in the Bridges program an average of 2 years, or 24 months. Forty-eight households (7%) have been on the program for over four years.

Entries and Exits: During the year, more households left the program than entered into the program.

There were 125 households which were new to the Bridges program during the state fiscal year and 193 which terminated from the program.

Of those terminated from the program, 83 (43%) transferred to Section 8 or another type of subsidy.

During the previous fiscal year, 49% of the households terminated from the program for reasons of receiving a Section 8 or other subsidy.

Rents: Overall, the monthly average Gross Rent was \$685, with an average Tenant Paid Rent (TPR) of \$238. The total average rental subsidy was just under \$450 per month.

State Fiscal Year 2009-2010 Rents and Subsidies

	Gross Rent (Average)	TPR (Average)	Subsidy (Average)
Metro Region	\$781	\$253	\$528
Greater MN Regions	\$575	\$222	\$353

Budget: Over the course of the fiscal year, \$2,952,215 was paid in subsidies, \$10,792 paid in security deposits, and \$288,390 paid in administrator fees of the allocated \$5,422,105 for the biennium, for a total of 60% of the funds spent.

Rising Costs: The 2009-2011 grants to Bridges administrators were cut 4.7% from the previous biennium due to fewer funds available from unexpended grants.

One hundred fewer households were served during SFY 09-10 than in the previous SFY. The average Gross Rent increased \$25/month in the Metro as well as the other regions. This resulted in a higher average monthly subsidy of \$9 - \$13 per month per household across the state.

Overall, average household income has not changed much from the previous state fiscal year.

October 1, 2010

Appendix G: Report on Housing Access Services in Minnesota: Success Stories

DHS awarded state grant funds to ARC of Minnesota to help persons with disabilities search for, locate, move to and pay for housing of their own. This is the story of several individuals they have helped find housing that fits their needs and their pocketbook.

Sean Campbell



Sean's mother called Arc Southwest office with questions about Housing Access Services. Sean suddenly lost his roommate in his 2-bedroom apartment in Mankato. Neither Sean nor his mother thought coming back to the family home was the best solution. Sean uses the DD waiver for his supports and was eligible and ready to move with Housing Access Services.

Arc staff worked with both Sean and his Mother to discuss budgeting and seek a new living arrangement that was affordable.

During the process, Sean indicated . " ð K " t g c n n n k m g " k v " j g t g " k p " o { " c r c t v o g p v " c p f " Arc staff n f " n k m g " v inquired with the landlord who had recently remodeled a one-bedroom unit in the same building. Arc worked with the landlord who reduced the rent amount by \$40 in an effort to make it affordable for Sean. Sean said after his move, ð K " n q x g " k v " j g t g 0 " K " c o " u q " j



Kevin Hylla

Kevin found Housing Access Services at Arc Mid-State through a Benton County caseworker. Kevin who receives the CADI waiver had to leave an apartment, ending up in a group home until another suitable living arrangement could be found. Kevin was ready to move.

Arc Housing Access Services staff met with Kevin and together they

searched for an apartment. Upon finding a suitable and affordable living arrangement, Housing Access Services helped him with rental deposit funds. Kevin's service provider, Catholic Charities assisted Kevin with some furnishings for his new home. After Kevin moved in, it was evident he still had very limited furnishings. Arc Housing Access Services staff were able to secure donations for additional bedding and linens and some additional items from Shopko.

Ken Moore



Ken Moore moved on April 24 2010, published his story in Arc's newsletter and spoke about his experience at the Minnesota Department of Human Services.

I lived in family foster care from my early teens to age 16. Then I moved into corporate foster care until I was 22. It was not working for me so I moved home with my Mother.

I'm now 24 and in April, I'm moving to an apartment of my own in Apple Valley. I've

already signed the lease. I'm excited and speechless.

My new place is on a bus route so I can get to work at my job at Culvers. In the summer, I'll bike back and forth to work on nice days. I'll still get the support I need from my developmental disabilities waiver and will continue to use the same staff I had while living with my Mom. I know that if I need help I can count on them, my family, social worker and Arc.

Arc's Housing Access Services helped me make a good decision. They helped me think about my budget and the things I'll need with my new place. They also helped me with a security deposit and I also know I can count on them if I have a problem with any household needs. This also gives my Mother an extra reason not to worry about me. I was ready to move.



Karli Harguth

In August 2009, Karli and her parents contacted The Arc of Minnesota for help to find a place of her own. Karli wanted a place where she could stay up late, cook her own food, have family and friends over and most importantly have a place where she could have her privacy and make her own decisions.

Housing Access Services staff from Arc Southeastern Minnesota met with Karli and her *Circle of Supports* to help figure out where she wanted to live and what it

would take to make it happen.

The Arc Housing Access Services staff helped Karli meet with the landlord, see the apartment, review the lease agreement, apply for energy assistance and cover a rent deposit. Arc staff also helped her access the Minnesota Supplemental Aid program and Shelter Needy funds. “We even helped Karli with the actual process of moving her stuff and a few days later Karli had us over for a lovely lunch,” says Melissa Evans, Housing Advocate at Arc Southeast.

“The thought of Karli being on her own will always scare me and I’ll always worry and wait for her nightly call so I know she’s ok...but deep down I knew this was what she needs and wants and I’m so thankful for the people at Arc who made it happen,” said her mother, Deb Harguth.

“I’ve been waiting for this for a long time and I can’t believe how quick Arc made it happen...I like the fact I’m not dependent on my parents and I’ve accomplished so much and I’m so proud of myself...I told people I could do this,” Karli said.

Karli uses the CADI waiver program for her supports and explored all the housing options in her area. “I thought about group homes and didn’t like the idea of someone watching over me every single minute and prompting me on things...I can do things for myself and when I need help I get what I need from my social worker, family or call Arc Housing Access Services if I need help with my place,” says Karli.



Michelle Wright

Michelle Wright connected with Arc West-Central Housing Access Services staff through her caseworker in Clay County. Michelle wanted to buy a mobile home that was in Brainerd. Budgeting help showed Michelle that she could not afford to move to the home, so Michelle began working with Arc to find a home she could afford.

Michelle was ready to move and use her supports from the CADI waiver program in her own place.

After pursuing several possibilities, Housing Access staff and Michelle found an apartment that would also accept her dog. Arc Housing Access Services staff helped with an application fee, security deposit and the paperwork needed for approval of the apartment. Staff helped Michelle get a bed for her new place from the Arc thrift store across the river in Cass County North Dakota. Michelle moved in at the end of February and said, "I am thrilled to be in this beautiful apartment with so much space and my dog Lady can stay with me."

Louis Studanski



Arc Midstate Housing Access Services staff received a call from a Benton County worker about Louis who was homeless and living in his truck. Louis was assessed for PCA services, and helped to access MSA Shelter Needy funds. Arc Midstate Housing Access Services worked hard to find a suitable and affordable place for Louis for a variety of reasons dating back to his past. He said, "he was glad to be warm." He also mentioned, "I didn't think I would be living in a place so nice." Arc Midstate Housing Access Services worked to find Louis some suitable

furnishings for his new home and offer on-going support.