



Policy Response to *Olmstead*: Opportunities and Challenges for Nonprofit Housing Providers

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Introduction

The Policy Response to Olmstead: Opportunities and Challenges for Nonprofit Housing Providers

For much of the 20th century, adults with mental, physical and developmental disabilities receiving day-to-day care and support had limited choice in where they could live. In most cases, they were placed in long-term care institutions, nursing homes and group homes, even if they were capable of living more independently in a less restrictive setting. The Americans with Disabilities Act, enacted by Congress in 1990, represented a turning point. **The law established the right of people with disabilities to live in the most integrated setting possible.** The 1999 Supreme Court decision in *Olmstead v. L.C.* affirmed this right, and made it clear that states have an obligation to create community-level supports for people with disabilities.

The *Olmstead* decision put states on notice. States with large proportions of *Olmstead* class members—people with disabilities residing in institutional settings, or at risk of institutionalization, or whose infrastructure for community-based care was limited and oversubscribed—faced potential legal consequences if they failed to enact reforms. The stakes were raised still higher when the Department of Justice, under President Obama, started filing amicus briefs and joining *Olmstead*-related lawsuits.¹ Since 2008, a number of states have reached settlements requiring that *Olmstead* class members be actively integrated into community-based settings.² Appendix 1 highlights the terms of several such recent consent decrees.

The persistent shortage of affordable housing with services is a critical barrier to integrating people with disabilities into communities.

States are now in the process of developing and implementing plans that carry out the terms of their *Olmstead* settlements. Even states that are not directly subject to *Olmstead*-related lawsuits are developing *Olmstead* plans, at least in part to avoid future litigation. As these states undertake their *Olmstead* planning processes, they are learning that **the persistent shortage of affordable housing with services is a critical barrier to integrating people with disabilities into communities.** States are obliged to provide a range of affordable housing and service choices for people with disabilities leaving institutions, in keeping with the principles of *Olmstead*. Existing affordable housing and services in most communities are already oversubscribed; housing authorities must balance the housing needs of a wide range of families and individuals, some of whom, upon leaving institutions, have extremely low incomes and face significant affordable housing need.

1 The Department of Justice also published a technical assistance on the ADA's Integration Mandate and *Olmstead* Enforcement in 2011: http://www.ada.gov/Olmstead/q&a_Olmstead.htm

2 United States Department of Justice Civil Rights Division, *Department of Justice Olmstead Enforcement by Case or Matter*. http://www.ada.gov/olmstead/olmstead_cases_list2.htm

As they work to overcome these challenges to their *Olmstead* plans, state and local agencies should work with affordable housing nonprofits in the design and implementation process. High-capacity community development nonprofits lead the way on scaled, mission-driven real estate development and management, and are uniquely experienced in engaging partners from the public, private and nonprofit sectors. State and local policymakers should also make use of the innovative approaches these nonprofits have developed for the integration of housing with supportive services for people who need long-term care. High-capacity nonprofits are positioned to be key partners in creating sustainable and scaled community-based care infrastructure for people with disabilities.

High-capacity nonprofits are positioned to be key partners in the effort to create a sustainable and scaled community-based care infrastructure for people with disabilities.

This issue brief lays out the case for high-capacity nonprofits to deepen their engagement with *Olmstead*-related policy initiatives in the communities they serve. The brief starts by illustrating the system in place and highlighting key recent policy responses to *Olmstead*. Considering three *Olmstead*-related issues that could pose both risks and rewards for nonprofit affordable housing providers, the brief suggests the following agenda for engaging policymakers to address them:

- 1. Encourage states to coordinate housing and health agencies on cross-cutting issues like managing the transition process, coordinating services and tenant placement and allocating rent subsidies;*
- 2. Ensure that state *Olmstead* settlements and plans include a broad range of supportive housing models in order to provide tenants choice of living environment and access to services; and*
- 3. Secure resources for developing and maintaining housing affordability, including Medicaid resources and the National Housing Trust Fund.*

This brief also features the case studies of three innovative, community-driven housing solutions from Housing Partnership Network members across the country: IFF in Illinois, Common Ground in New York, and Gulf Coast Housing Partnership in Louisiana. Each of these models provides high-quality affordable housing with services to people with disabilities and those with long-term care needs, using innovative finance sources and strategic service partnerships to support their residents.



Housing Partnership Network is an award-winning business collaborative of 100 of the nation's leading affordable housing and community development nonprofits. Creating private sector partnerships and enterprises that achieve ambitious social missions, HPN and its member organizations work together to scale innovation and impact,

helping millions of people gain access to affordable homes and thriving communities that offer economic opportunity and an enhanced quality of life. In 2013, HPN received a MacArthur Foundation Award for Creative and Effective Institutions, and a Wells Fargo NEXT Opportunity Award in recognition of its ongoing leadership and innovation in affordable housing, community development and public policy.

Olmstead in Context

The State of Housing Need and Supportive Housing as a Solution

Though the number of people with mental illness and disabilities living in institutions has fallen in recent decades, most adults with disabilities, including mental illness, who are eligible for Medicaid still receive care in state facilities, nursing homes, or group homes. Services in these facilities are usually at least partially billable under one or more programs included as benefits in state Medicaid plans.

The main alternative for people with disabilities with institution-level care needs is living at home with family caregivers, with services paid through private insurance, out-of-pocket, or through some state Medicaid Home and Community Based Service programs (HCBS). According to the Technical Assistance Collaborative (TAC), up to 1.3 million people with disabilities live in nursing homes, ‘congregate facilities’ such as group homes or homeless shelters, or in state and private mental health institutions. An additional 850 thousand people with intellectual or developmental disabilities live at home with caregivers who are over 60 years old.³

Olmstead-class individuals are almost always unable to afford even the lowest available market rents without some form of rental subsidy. According to *Priced Out in 2012*, a report by TAC and the Consortium for Citizens with Disabilities, people with disabilities living on Supplemental Security Income (SSI) “are the group most affected by the extreme shortage of decent and affordable rental housing across our nation.”⁴ Many also have complex care and support needs, especially if they have been institutionalized for long periods; in the absence of adequate housing and supports they could risk becoming homeless and turning to emergency care when health issues arise.

Supportive housing, the industry term for subsidized housing matched with voluntary services, is an effective community-based housing option for people with disabilities. Supportive housing units offer independent living—a lease, a private unit with a kitchen and restroom, freedom of movement—along with optional supports such as home modifications, case management and care coordination. These developments rely on public and private funding streams and subsidies for capital and operations, including tax credits, rental assistance programs, and capital grants. Funding for on-site services such as medical and mental health services, healthy living programs, resident transportation, resident service coordinators and case managers typically comes from fundraising, grant dollars, state and local government programs, or dedicated property revenue streams.



3 *Priced out in 2012 – The Housing Crisis for People with Disabilities*. Technical Assistance Collaborative, Inc. <http://www.tacinc.org/media/33368/PricedOut2012.pdf>

4 *Priced out in 2012*

Because of their experience working closely with the same or similarly diverse partners and funding sources, nonprofit housing providers are particularly adept at developing and managing supportive housing for chronically homeless individuals, veterans and people with disabilities.

Supportive housing developments are designed to serve a broad range of care needs. As a result, they can look very different from one another. One development may mix units targeted to people with disabilities with regular affordable or market rate units, while another may exclusively serve people with disabilities or long-term service needs like the chronically homeless.

Managers of supportive housing also take a variety of approaches to services: some provide services and care coordination in-house, while others contract with local providers or use some combination of the two approaches.

Supportive housing developments rely on public and private funding streams and subsidies for capital and operations, including tax credits, rental assistance programs and capital grants.

The Response to *Olmstead*

New and Reformed Policies for Housing and Services

Carrying out the *Olmstead* mandate of integrating people with disabilities into communities demands new approaches to expanding the supply of affordable, community-based housing and services for residents. In the last decade, we have witnessed considerable progress and new policies that encourage unprecedented collaboration between housing and health agencies at all levels of government. *Olmstead* litigation and settlements are important drivers of this progress, but other factors have been significant, including efforts to rein in Medicare and Medicaid costs in anticipation of increased demand from an aging population. Below is a selection of new and reformed policies that aim to expand affordable housing and long-term services and supports for people with chronic care needs:

New Funding for Supportive Housing

- **The reformed HUD 811 program:** The 2009 Frank Melville Supportive Housing Investment Act introduced major reforms to the HUD 811 program, which previously awarded capital subsidies and project-based rental assistance to nonprofit developers. The new 811 Project Rental Assistance (PRA) program was designed to leverage public and private financing sources, and aims to integrate subsidized units into mixed-use developments. The new program awards funds competitively to state housing finance agencies, which are then directed to award project-based rental assistance to rental housing projects with no more than 25 percent of units targeted to people with disabilities. State agencies applying for 811 PRA funds are also required to collaborate with their state's health agencies on a service coordination plan for people living in assisted units. The first round of 811 PRA funds was awarded to states in 2012; the initial grantees are in the process of designing and implementing the program.
- **Tax credit incentives for permanent supportive housing:** Virtually every housing credit agency has incorporated some form of supportive housing incentive into their Low-Income Housing Tax Credit (LIHTC) Qualified Allocation Plan (QAP).⁵ These incentives can include threshold requirements or minimum standards for supportive housing units, credit set-asides and scoring incentives to encourage supportive housing development. Some state housing agencies have also worked with state Medicaid agencies to coordinate tenant placement and services in set-aside supportive housing units.

5 Corporation for Supportive Housing, *Housing Credit Policies in 2014 that Promote Supportive Housing*, December 2014. http://www.csh.org/wp-content/uploads/2014/12/2014_QAP_Report.pdf

- **Federal, state and local rent subsidy programs:** HUD Housing Choice Vouchers and Project-Based Section 8 funding are key subsidies for tenants and supportive housing developers; housing authorities are authorized to establish preferences within their voucher waiting lists for people with disabilities who are ready to exit institutions or are at risk of institutionalization.⁶ Several state and local agencies have also created new rent subsidy programs as part of their *Olmstead* plans, with the aim of targeting the subsidy to individuals with disabilities leaving institutions. These subsidies are frequently funded by state or local housing trust funds.

Expanding Home and Community Based Medicaid Services

- **Consolidating Medicaid HCBS programs and expanding services covered:** Medicaid Home and Community-Based Service (HCBS) programs cover long-term services and supports for low-income individuals living in community-based settings instead of institutions. These services and supports often include home health care, case management, and personal assistance with daily living activities. Most states have several HCBS programs, many of which narrowly target people with specific disabilities and/or care needs. Some have spending caps and waiting lists; 'experimental' HCBS programs are intended to generate cost savings that can go back to the state. Recently, several states have taken steps to consolidate their HCBS programs by expanding eligibility and services covered, thereby allowing greater access to community-based long term services.⁷ The Balancing Incentive Program, part of the 2009 Affordable Care Act, also encourages states to expand community-based care options by increasing federal matching funds to states that implement structural reforms that broaden access to non-institutional long-term services and supports.
- **Supporting care needs during the transition process:** People transitioning from institutions into community-based settings often need more intensive support and services as they adjust to a new care and living environment. The Money Follows the Person (MFP) program, authorized by Congress in 2005 and extended by the Affordable Care Act, provides states with grant funds to support community transition programs for Medicaid beneficiaries. MFP funds cover transition needs for people with chronic conditions in institutions during the 12-month period following a transition into a community-based setting. According to the Kaiser Family Foundation, as of August 2013, more than 35 thousand Medicaid recipients were also MFP enrollees.⁸

6 Note that PHAs are only authorized to target individuals with specific disabilities if they do so as a remedial action; i.e., in compliance with an *Olmstead* settlement. See: National Council of State Housing Agencies, *HUD Issues Guidance on the Role of Housing in State Efforts to Comply with Olmstead*, <https://www.ncsha.org/blog/hud-issues-guidance-role-housing-state-efforts-comply-olmstead>

7 Kaiser Family Foundation, *Medicaid Home- and Community-Based Services Programs: 2010 Data Update*, <http://kff.org/medicaid/report/medicaid-home-and-community-based-service-programs/>

8 Kaiser Family Foundation, *Money Follows the Person: A 2013 State Survey of Transitions, Services, and Costs*, April 2014. <http://kff.org/medicaid/report/money-follows-the-person-a-2013-survey-of-transitions-services-and-costs/>

A Policy Roadmap

Advancing the Role of Nonprofits in the Olmstead Response

As states reform their systems for housing and services for people with disabilities in response to *Olmstead*, new policies and programs mean new opportunities and, potentially, new risks, for affordable housing nonprofits— like the members of the Housing Partnership Network. They are the ‘go-to’ developers of supportive housing in their communities and are strategically positioned to advocate for the most effective reforms. New funding mechanisms for housing construction, historic preservation and supportive services are well-suited to nonprofits with experience in mixed finance transactions and on-site service delivery. The *Olmstead* planning and implementation process may also open the door for nonprofits to enter new service partnerships with care providers or local agencies.

However, it is crucial that nonprofits engage their state agencies around their *Olmstead* and broader community-based care plans, which can vary widely from state to state, and educate their state leaders about supportive housing as an option for people with disabilities. Failure to do so could unnecessarily limit the availability and choice of housing and services for *Olmstead* class members.

Below, we lay out a roadmap to engaging state and local leaders around three policy areas that will be particularly relevant to nonprofit developers and advocates as states design and implement their *Olmstead* plans:

1

Encourage states to coordinate the work of their health and housing agencies on cross-cutting issues like managing the transition process, coordinating services and tenant placement and allocating rent subsidies.

Successfully transitioning *Olmstead*-class members from institutions into communities will require close coordination between the entities involved in identifying, assessing, caring for, and housing individuals in transition. These entities include state government and agencies, as well as local providers and site-level property managers and landlords. It is vitally important that each stakeholder in the transition process have adequate resources and staff to manage the volume and diversity of needs of individuals covered by *Olmstead* settlements.

State housing and health agencies should cooperate throughout the process of identifying candidates for transition from institutions, assessing their care needs and matching individuals with providers in housing and services that meet those needs. Local service and housing providers, landlords or property managers, and on-site or mobile care coordinators should also be in regular communication about the status and ongoing care needs of individuals transitioning from institutions, especially early on in the transition process as they adjust to a new care and living routine. Property managers and care coordinators are often front-line responders when tenant issues arise, so they need flexible, responsive support from local agencies. This is particularly crucial for individuals in scattered-site units, which may not have on-site staff support.

Coordination between state housing finance agencies and local housing authorities responsible for rent subsidies is also necessary to ensure that housing options for *Olmstead* class members remain accessible and affordable while the housing needs of other at-risk groups continue to be met. Because most individuals transitioning from institutional care live on fixed or extremely low incomes, supportive units need deep subsidies to be affordable to their target populations. In high-cost areas especially, this means that units developed using tax credits or other programs require additional subsidy, usually in the form of project- or tenant-based rental assistance. Though some jurisdictions have created rental assistance funds specifically for *Olmstead*-class tenants, in many other cases rent subsidies for *Olmstead* supportive units come from the same strained resource pool as housing vouchers for displaced public housing tenants, low-income families, homeless individuals, and other underserved populations. As it stands, local housing authorities are responsible for managing voucher wait lists and preferences and balancing the needs of all of these groups, while also meeting any legally-mandated requirements specified by *Olmstead* settlements. State agencies and advocates will need to continually monitor this balance to ensure that limited housing resources are being distributed effectively and in a way that best meets the range of community housing need.

Coordination between state health and housing agencies is necessary to ensure that units designated for *Olmstead*-class tenants are consistently occupied to sustain operating revenues for property owners.

Finally, coordination between state health and housing agencies is necessary to ensure that units designated for *Olmstead*-class tenants are consistently occupied to sustain operating revenues for property owners. In many cases, multiple agencies are involved in the process of identifying *Olmstead*-class members ready for transition out of institutions, assessing individual care needs and placing individuals in targeted units. Nonprofits and advocates should ensure that state agencies have developed a clear process, that they have tested this process to make sure that tenant placement is consistent and timely and that agencies are aware of the potential cost of unfilled units for property managers and owners.

2

Ensure that state *Olmstead* settlements and plans include a broad range of supportive housing models in order to provide tenants choice of living environment and access to services.

Partly in response to states' requests for specific guidelines to help them comply with the Americans with Disabilities Act/*Olmstead* integration mandate, some early *Olmstead* settlement agreements specified fixed percentages for the total number of units in a single setting that could be designated for to people with disabilities. These percentages met some resistance from supportive housing advocates, who felt that caps on units targeted to people with disabilities might create a 'one-size fits all' approach that would limit individuals' freedom to choose housing to fit their preferences and care needs. The *Olmstead* Supreme Court decision itself emphasizes the "need for states to maintain a range of facilities for the care and treatment of persons with diverse mental disabilities."⁹

9 *Olmstead v. L.C.* (98-536) 527 U.S. 581 (1999) <https://www.law.cornell.edu/supct/html/98-536.Z0.html>

In its January 2014 Home- and Community-Based Services rule, the Center for Medicare and Medicaid Services (CMS) finalized a definition of integrated settings that the agency considers appropriate for receiving community-based services. The rule does not specify a cap on the number of units targeted to people with disabilities or other care needs. Instead, it defines integrated community-based settings as those which provide tenants with access to the greater community, with privacy and freedom from coercion and with control over their living situations and daily routines.¹⁰ While it did not define a specific standard for integrated settings, HUD's guidance, issued in 2013, encouraged housing authorities to establish appropriate preferences for people with disabilities transitioning out of institutions.¹¹

State and local housing agencies will need to factor the *Olmstead* integration mandate into their priorities, planning and programs, but this can and should be done in a way that balances broad community needs with the mandate to provide a range of high-quality, integrated housing choice options for people with disabilities. Several states have already taken steps to support and encourage choice in housing and services for individuals leaving institutional settings.¹² These states are using tools such as their tax credit allocation plans to prioritize supportive housing choices, like the integrated single- and scattered-site developments supported by the new Section 811 PRA program, as well as developments primarily or exclusively dedicated to people with service needs. Nonprofits and advocates should take note of the work being done in these states as they advance a model for *Olmstead* planning and implementation that supports a broad range of housing choice in their own communities.

Permanent supportive housing developments provide a variety of community-integrated housing settings for tenants along with services and supports. As state governments and agencies draft and implement their *Olmstead* plans, nonprofits should connect the decision-makers with information about the benefits and varied solutions offered by successful community-based supportive housing approaches. Doing so will help to ensure that *Olmstead*-class populations have access to a broad spectrum of supportive housing options within their communities and can choose based on their personal preferences.

3

Increase and secure resources for developing and maintaining affordability of permanent supportive housing, including Medicaid resources and the National Housing Trust Fund.

In the current constrained budget environment, states and advocates must identify funding to support their *Olmstead* plans without putting excessive pressure on already-scarce affordable housing resources for families, seniors and the homeless. Disability housing advocates have long called on Congress to adequately fund the Section 8 voucher program, the Section 811 capital grant and new PRA programs. More recently, disability advocates have pointed to the National Housing Trust Fund as a possible source of state-level housing development

10 Center for Medicaid and Medicaid Services, *Fact Sheet: Summary of Key Provisions of the Home and Community Based Services (HCBS) Settings Final Rule*, <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Long-Term-Services-and-Supports/Home-and-Community-Based-Services/Downloads/HCBS-setting-fact-sheet.pdf>

11 Statement of the Department of Housing and Urban Development on the Role of Housing in Accomplishing the Goals of *Olmstead*. <http://www.fairhousingnc.org/2013/06/hud-issues-new-guidance-on-community-based-housing-for-people-with-disabilities/>

12 See: Pennsylvania Office of Mental Health and Substance Abuse Services, *The Olmstead Plan for the Pennsylvania State Mental Health System*, January 2011. http://www.parecovery.org/documents/Olmstead_Plan_MH_011111.pdf

capital and operating assistance for extremely low-income individuals and families, including people with disabilities. Several states have also developed their own housing trust funds and subsidy programs for extremely low-income individuals and families and are using them in innovative ways to ensure the broadest possible access.¹³

Several Medicaid programs also hold promise as new resources for community-based housing and services. Increased state adoption of Medicaid experimental and home- and community-based waiver programs could mean that case management, care coordination and other services in supportive housing could be eligible for Medicaid coverage. Several states have already made significant strides toward aligning their Medicaid community-based service programs with supportive housing.¹⁴ This process is largely negotiated between states and federal Medicaid officials. First, states decide which supportive services should fall within the scope of their state Medicaid plans, waivers and new programs offered under the Affordable Care Act, such as Medicaid Managed Care or medical homes. Thereafter, states apply for and receive federal approval to enroll eligible individuals in those programs. Supportive housing providers hoping to benefit from these Medicaid programs may want to consider partnerships with care providers who have experience working with Medicaid programs, as they may need technical assistance in billing Medicaid and meeting Medicaid provider standards, while also ensuring that tenant participation in services remains voluntary.¹⁵

National Church Residences in Ohio and LeadingAge demonstrated the potential savings involved in caring for seniors in community-based housing rather than in institution-style nursing homes.

Supportive housing advocates can and should point to the base of evidence demonstrating the health and cost benefits of supportive housing for high-cost populations, including people with developmental disabilities and mental illness as well as chronically homeless individuals. Some Housing Partnership Network members have already participated in building this evidence base: including National Church Residences in Ohio and LeadingAge demonstrated the potential savings involved in caring for seniors in community-based housing rather than in institution-style nursing homes.¹⁶ The Illinois Path to Transformation Medicaid 1115 waiver application advances the goal of “expand[ing] access to supportive housing by incentivizing the health care delivery system to invest in and build linkages with providers of housing and supportive housing services.”¹⁷

13 National Low Income Housing Coalition, *Aligning Federal Low Income Housing Programs with Housing Need*. December 2014. http://nlihc.org/sites/default/files/Alignment_Report_1214.pdf

14 Corporation for Supportive Housing, *Integrating Housing in State Medicaid Policy*. April 2014. <http://www.csh.org/resources/integrating-housing-in-state-medicaid-policy/>

15 Center for Health Care Strategies, Inc., *Medicaid-Financed Services in Supportive Housing for High-Need Homeless Beneficiaries: The Business Case*. June 2012. http://www.csh.org/wp-content/uploads/2012/06/SH-Medicaid-Bz-Case_Final.pdf

16 Health Management Associates and the Kresge Foundation, *National Church Residences Housing Study Project: A Final Report*. October 2012. <http://kresge.org/sites/default/files/Supportive-housing-study.pdf>

17 The Path to Transformation: Illinois 1115 Waiver Proposal, June 4 2014. <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/il/il-path-transformation-pa.pdf>

Conclusion

The policy response to legal activity around the *Olmstead* decision is opening new opportunities for high-capacity nonprofits. New resources for housing and services and new policies redefining the relationship between housing and health can drive innovative, scaled developments serving people transitioning out of institution-based care. Nonprofit developers can and should be on the front lines of this movement, advocating the supportive housing model of care—and ensuring that the policy response to *Olmstead* prioritizes expanding the supply of supportive housing across the country.

Appendix

Appendix 1: Summary of Selected *Olmstead* Settlements

State	Settlement	Individuals covered by settlement	Housing-related provisions
New York	July 2013 U.S. v. New York	4000 individuals with mental illness living in adult homes in New York City	State has committed to developing at least 2,000 (and up to 4,000) units of new permanent supportive housing for individuals transitioning out of adult homes or at risk of institutionalization.
Virginia	January 2012 U.S. v. Virginia	>5,000 individuals with intellectual and developmental disabilities residing in state-funded facilities	State to create a fund for new housing assistance; 4,200 healthcare service waivers to help people leave institutions and prevent unnecessary institutionalization
Illinois	September 2010 Williams v. Quinn	4,500 individuals residing in Institutions for Persons with Mental Disease—inpatient facilities targeted to individuals with mental illness	State to develop 'bridge' rent subsidy and housing transition funds for individuals transitioning to supportive housing
	June 2011 Ligas v. Hamos	3,000 individuals residing in Intermediate Care Facilities for Developmentally Disabled; 6,000 individuals on waiting lists for community-based services/housing	Provide community-based services for individuals residing in private care facilities, for people with developmental disabilities wishing to re-integrate and for individuals currently residing in family-home
	December 2011 Colbert v. Quinn	>16,000 Medicaid-eligible adults with disabilities residing in Cook County Nursing Facilities	Help class members locate housing and rental assistance resources; expand access to community-based supportive services; provide 'bridge' rent subsidy and housing transition funds for individuals transitioning to supportive housing
North Carolina	August 2012 U.S. v. North Carolina	3,000 Individuals with mental illness currently residing in adult care homes and state psychiatric hospitals	State to provide 3,000 'housing slot' vouchers/rental subsidies for transition to permanent supportive housing, as well as community-based services and supports for individuals with mental illness.
Georgia	October 2010 U.S. v. Georgia	150 individuals with developmental disabilities currently served in state hospitals; >600 individuals with developmental disabilities currently living in the community or with families; up to 9,000 individuals with mental illness based on the definition of persons in the <i>Olmstead</i> class	Create 1,150 home- and community-based waivers for people with developmental disabilities; provide community-based services and crisis response for individuals with disabilities or mental illness; develop capacity to provide supportive housing to individuals with serious and persistent mental illness, 50% to be provided in scattered-site settings

Appendix 2: Case Studies

CASE STUDY

IFF: Home First Program, Cook County, Illinois

In order to meet the overwhelming need for integrated housing for people with disabilities, IFF, a Community Development Financial Institution, worked with Access Living, a premier Center for Independent Living, to launch Home First: a program to develop and own integrated housing for people with disabilities. Home First's inaugural project, the Illinois Accessible Housing Initiative (IAHI), acquires and renovates condominium units throughout Chicago and Cook County. These units are then leased to *Olmstead* class members being transitioned out of nursing homes.

Home First's IAHI project targets distressed sales in order to afford units in desirable areas. The added benefit to municipalities is that back-owed assessments are resolved at closing, and future city and county assessments will be paid on time going forward by a long-term (30-year) owner of the units.

Under IAHI, all 70 studio, one- and two-bedroom units are renovated to achieve the highest accessibility possible. They are designed for households headed by people with physical disabilities earning less than 30 percent of

Area Median Income (AMI) who are transitioning through an *Olmstead* consent decree implementation plan. IAHI also negotiates with each homeowners' association to complete minor accessibility modifications to common areas to accommodate all tenants. These modifications, which could include the addition of automatic doors at building entries or grab bars in common area restrooms, are included in IAHI's budget.



The Home First units are located in nine buildings in seven Chicago neighborhoods, and in seven buildings in five suburban Cook County communities. IAHI units are made affordable for people with extremely low incomes by commitments of project-based rental assistance from the Chicago Housing Authority and the Housing Authority of Cook County.

By converting scattered-site housing stock into integrated, permanent, accessible rental housing for people with disabilities, IFF's Illinois Accessible Housing Initiative is turning the foreclosure crisis into an opportunity to create affordable, accessible, integrated housing for people with disabilities who were previously excluded from the community by the lack of housing options.

CASE STUDY

Common Ground: 1191 Boston Road, Bronx, New York

For 25 years, Common Ground has developed and provided supportive and affordable housing and outreach services to the most vulnerable New Yorkers. Common Ground has nearly 3,200 units of permanent and transitional housing and has plans to build 850 more units in the next three years.

The 1191 Boston Road property in the Bronx, Common Ground's most recent project, is one of the first developments to receive capital funding through the New York State Medicaid Redesign Team (MRT), a new capital source to fund supportive housing for high-cost Medicaid users, including homeless individuals and people with disabilities. Boston Road's total development cost is \$47.7 million, with \$6.9 million coming from MRT funding.

New York Governor Andrew Cuomo established the MRT in 2011 to bring together local stakeholders and experts to create efficiencies in the state's Medicaid program. State officials recognized that providing stable permanent housing to Medicaid users who are without reliable shelter could measurably reduce Medicaid costs. An MRT Affordable Housing Work Group was established to finance supportive housing initiatives; \$86 million was allocated in 2013-14 and \$260 million in 2014-2016 to actualize this group's strategies. The state also allotted \$1 million to the state Department of Health to develop evaluation methods to measure the Medicaid savings and health outcomes resulting from the capital investment in MRT-supported housing pilots such as Boston Road.

Boston Road's unique financing structure combines MRT dollars with other federal, state and city resources. New

York State Homes & Community Renewal provided construction and permanent tax-exempt bond financing and a \$1.6 million 4 percent Low-Income Housing Tax Credit allocation. The state Office of Temporary and Disability Assistance provided \$3.7 million, and the New York City Department of Housing Preservation and Development provided \$8.2 million in HOME funding and \$2 million in City Council funds. The state Office of Mental Health will fund supportive services for residents.



Of Boston Road's 154 units, 94 are reserved for former chronically homeless individuals with a severe and persistent mental illness—a key subsection of high-cost Medicaid users. The remaining 60 units will be available to individuals from the community earning up to 60 percent of AMI. A portion of all units will also be available to adults over 55. Renters will pay approximately 30 percent of their monthly

income toward rent, with formerly homeless residents receiving Section 8 rental assistance.

The building, designed by Alexander Gorlin Architects, will feature a landscaped terrace, green roof, recreational space, exercise room and a computer lab. It is also designed to meet Enterprise Green Communities standards. Sustainability features include high-performance boilers, energy efficient lighting fixtures and controls, water saving plumbing fixtures and Energy Star appliances. Services for the UnderServed will provide case management, psychiatric and clinical services, entitlements and benefits counseling, and therapeutic activities.

CASE STUDY

Gulf Coast Housing Partnership: One Stop Homeless Services Center, Baton Rouge, Louisiana

The One Stop Homeless Services Center, Louisiana's first comprehensive homeless services and permanent supportive housing facility, opened its doors in September 2011. The \$8.4 million facility is a Gulf Coast Housing Partnership development created in collaboration with Capital Area Alliance for the Homeless (CAAH) and the Society of St. Vincent de Paul of Baton Rouge. While Louisiana is not currently subject to a state-level *Olmstead* settlement, developments such as One Stop demonstrate the state's commitment to innovative approaches to housing and caring for its citizens with disabilities and other chronic care needs.



The One Stop Homeless Services Center supports Baton Rouge's "Ten Year Plan to End Homelessness" and advances the vision of CAAH to build a state-of-the-art facility dedicated to streamlining the process of re-housing homeless families and chronically homeless individuals with disabilities. One Stop's holistic approach to ending homelessness has brought agency collaboration and alliance programming to a new level in Louisiana. It provides homeless clients access to case management and enrollment in Medicaid, as well as showers, clothing, laundry, telephone, mail, and legal services in 13 thousand square feet of the facility's ground floor space. One Stop's approach to supporting homeless individuals with mental illness also advances Louisiana's commitment to addressing homelessness and the institutionalization of people with disabilities.

The second and third floors of the One Stop Homeless Services Center provide permanent supportive housing for homeless individuals with disabilities ready to transition into mainstream living, with 36 single room occupancy (SRO) units affordable to incomes at or below 30 percent of AMI. Seventy percent of the units are eligible for subsidy through McKinney-Vento Permanent Supportive Housing vouchers. Several One Stop tenants qualify as both formerly homeless and as having a mental health disability diagnosis in order to receive home- and community-based supportive services through Louisiana's regional Medicaid Continuum of Care provider network.

In the first nine months of operation, the Center saw 1,400 new clients, expanded service hours to include weekends, and established a roster of 298 volunteers. However, delays in approval processes as oversight transitioned between state agencies has led to extended unnecessary vacancies at the property. Additionally, cuts in key state and federal funding streams have impacted One Stop's ability to maintain consistent operating and program budgets. The demand on staff and an expanded client services roster will require on-going funding and streamlined processes to continue meeting its goals in serving Louisiana's homeless families.