

**CMS REAL CHOICE SYSTEMS CHANGE  
HOUSING WORK GROUP  
COMMUNITY LIVING EXCHANGE COLLABORATIVE**

**Moderator:** Jay Klein – *CHANCE/ILRU*

**Participants:** Dina Elani – *CMS*; Cathy Cope – *CMS*; Brian Peters – *Independence First, Wisconsin*; Freyja Sutherland – *Florida Housing Finance Corporation*; Pamela Robertson – *CHANCE*; Martha Younger-White – *Illinois Department of Human Services*; Ashley Pennock – *Illinois Department of Human Services*; Dave Evans – *Pennsylvania Housing Finance Authority*; Lisa Case – *Pennsylvania Housing Finance Agency*; Dave Adden – *Illinois Department of Human Services*; Christine Gaynor – *University of Connecticut Center on Disabilities*; Sherry Manning – *State of Nevada Office of Disability Services*; Ann Howell – *New Jersey Office of Community Choice Options*

**Guest Resource Persons:** Jean Langendorf is currently the Executive Director of the United Cerebral Palsy - Texas, which coordinates the Texas Home of Your Home Project. Langendorf was the Coordinator for the Texas Home of Your Own Project for six years before entering her current position. Martha Younger-White is the Bureau Chief of Accessibility and Safety Systems at the Illinois Department of Human Services, which was awarded a Real Choice Systems Change grant in 2001.

**Minutes:** Today's call topic is on the issue of homeownership. The Guest Resource Persons will each give a short presentation on the issue and then will answer questions from other participants.

**Jean Langendorf:** It has been almost ten years since the National Home of Your Own Alliance (NHOYOA) began, which was developed to address the housing needs of persons with disabilities. Texas responded to this national initiative by drawing together a coalition of groups interested in learning more about homeownership and what homeownership opportunities existed. Support then grew from the Texas Developmental Disabilities Council, which sponsored the Texas Home of Your Own (HOYO), and gave us the funding necessary to begin looking at homeownership issues and establishing partnerships.

At the same time the Texas HOYO was being developed, Fannie Mae had developed an experimental mortgage product, HomeChoice, which was designed to give people with disabilities financial flexibility in purchasing a home. HomeChoice had a significant impact on the policies and programs being developed in Texas. The Texas HOYO was approved to use the HomeChoice product, which many Texas lenders utilized. There still exists a strong partnership between the Texas HOYO and Fannie Mae because of HomeChoice.

The Texas HOYO felt that HomeChoice offered special features, but was segregated in the population it reached. Texas HOYO wanted to offer the program to a broader population, and after many years of working with Fannie Mae, HomeChoice is now offered as part of the Fannie Mae regular community-blending suite.

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In the process of helping people with disabilities across the state with homeownership, the Texas HOYO learned about existing barriers; many of which are attitudinal as well as physical. Texas HOYO spent much of the first few years focusing on education. Many of us working in the field understand the importance of people-first language and how to work with a person with a disability. There was a vast amount of education that needed to be done for bankers, realtors, title companies, and these groups were willing to learn the information so that they could better support and understand homeownership for people with disabilities. One of the cornerstones of any homeownership effort is an educational program for all the partners involved in the process. This educational program effort has been part of the Texas HOYO initiative. Another facet of the education we do is to educate people with disabilities on housing issues, because consumers need to understand the housing sector. Any housing initiative should be considered an opportunity to educate people about the issues and to bring all groups together to maximize the efforts.

Currently, the Texas HOYO has enabled approximately 250 people to become homeowners. The Texas HOYO program began in Austin and has since grown to the Houston, El Paso, Fort Worth and Dallas areas. An Independent Living Center recently began a HOYO program in a rural area of Texas.

We have spent a lot of time educating policy makers, Texas housing agencies and other providers to look at how they are serving people with disabilities, not only in homeownership, but in how they are allocating their housing assistance funds (i.e. HOME funds and Community Development Block Grant funds), which have not traditionally been directed towards people with disabilities.

**Jay Klein:** There are two things you could highlight. One is to discuss the different funding sources you have used to assist people to own homes. The second is the home modification education program Texas has.

**Jean Langendorf:** One of the things anyone has to have when purchasing a home is a source of down payment. The majority of people with disabilities have lower incomes and other expenses. We have obtained down payment sources for people with disabilities by requesting, from cities across the state, set-asides from the HOME funds they receive. We've worked on establishing down payment assistance programs at all of the HOYO sites in Texas using these set-aside funds. We also work the Federal Home Loan Bank, which is a different type of funding stream. Some of our lenders have put up challenge grants to partner with federal funds, so that if a consumer wants to use a particular lender, the lender might offer an additional \$3,000 - \$5,000 towards the purchase of a home. These are all pieces of the puzzle we use to secure funding for home purchases for people with disabilities.

Many times if a person with a disability is trying to purchase a home, he or she may not have the funds to make necessary home modifications. The Texas HOYO has made as part of its application, a section specifying home modification needs. This helps us secure companion funds that can be used for home modifications. These funds come from HOME funds, Community Development Block Grant funds, and Medicaid waivers in Texas (a one-time use up to \$10,000 if eligible), among others. We also educate cities and Independent Living Centers on why they

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need to advocate for home modification funding to come from some of their resources available at the city level.

**Martha Younger-White:** I'm with the Illinois Department of Human Services, which was one of the recipients of the Real Choice Systems Change grants from CMS in 2001. One of our goals was to create more effective strategies for developing, locating and maintaining affordable and accessible housing. Originally one of the goals of our grant project was to secure mainstream vouchers under the Section 8 program, but when we learned the state entity we were working with was not eligible for the Section 8 program, we had to modify our activities under that goal. Fortunately, we had used some of our planning grant funding to support our state Independent Living Council, which was already looking at the issue of homeownership for people with disabilities.

According to the National Home of Your Own Alliance, less than five percent of people who receive disability benefits own their own homes. In Illinois, less than ten percent of people receiving disability benefits are homeowners, compared to 60 percent of people *without* disabilities who are homeowners. Our statewide Independent Living Council conducted a survey. The results showed 90 percent of households surveyed had incomes of \$27,800 or less. It also revealed that 63 percent of the households surveyed had an interest in applying for low-interest loans to purchase a home.

In Illinois, we have a program called Project Ground Floor, funded by the Illinois Housing Development Authority. It was designed to provide the kind of assistance about which Jean spoke, but serving primarily people with developmental disabilities. Under a coalition developed under the Real Choice grant, we were able to expand that effort so that we now serve people with all disabilities and their families who have a variety of incomes. We also target people who live in institutional settings or are homeless, and this is significant because there is a Community Reintegration Program (CRP) in Illinois, which is run by the Centers for Independent Living under the Illinois Medicaid Waiver. The CRP provides a stipend to people who want to leave institutions or are homeless so that they may live in another community setting. We also use the continuum of care funds, reserved for the homeless programs, which are designed to do similar housing activities as the programs just described.

One of the things I've found most surprising since beginning the RCSC grant project is the attitudinal barrier that both people with and without disabilities possess. Illinois has a high-cost housing market, and there is a perception among many people that they can never be homeowners. We've had such high success with this project that we've gotten mortgage payments for people as low as \$18 a month. Our project has significantly shown that individuals can make homeownership a successful and affordable option.

In terms of coalitions, I would add that Habitat for Humanity is another great organization with which to work. Habitat for Humanity was the reason we were able to get housing costs down. The Section 8 Homeownership voucher program is another good program to use. The challenge in creating coalitions is asking each entity what it is that it can bring to the group, as each organization will provide an integral part in the delivery of the services offered by the project.

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Another critical aspect to consider is post-support. The process of homeownership does not end with obtaining the home. Our grant project has looked at providing an emergency fund from which individuals can pull, if unforeseen circumstances prevent the individual from making mortgage payments.

According to the Homeownership Coalition for People with Disabilities, most homeowners with disabilities are between the ages of 30-49 years old, most homeowners are individuals, and the average home sale price is \$62,000 with an average mortgage payment of \$354 per month.

Some of our funding sources include the Federal Home Loan Bank and the Wells Fargo Housing Foundation. We do use the Illinois Housing Development Authority, which has a low-income housing trust fund, which can make a substantial difference in down payment and closing assistance costs.

We've now begun replicating the Illinois Homeownership Coalition, which began in Springfield. It is now present in four other localities: Peoria, Decatur, Chicago and Urbana. One of the challenges we faced under the Real Choice grant was whether we could target this program to those whose incomes are under 30 percent area median income. Another achievement of our work is that over 46 percent of the homeowners we assisted do have incomes under 30 percent of the area median income. When we look at housing programs, we have to challenge the ways in which we serve low-income individuals and families.

The Chicago housing market is much different than the remainder of the Illinois housing market. We wanted to test our program in the urban area, so we partnered with Community Service Options (CSO), which already had a homeownership program in its purview. CSO is now working with the City of Chicago Department of Housing (CDH), which can provide down payment and closing cost assistance of \$8,000 to \$12,000. CSO and CDH put their emphasis on outreach, so they have developed an interactive website that serves primarily a minority community in Chicago. To date they have assisted 22 families and individuals in becoming homeowners. Of the households CSO and CDH have assisted, the average annual income is \$30,900. The average home sale price is \$110,640, which is much higher than for the rest of Illinois, but this program has demonstrated that there are options for people to become homeowners in high-cost market areas.

**Jay Klein:** It's interesting that there seem to be some of the same funding sources used in both Texas and Illinois, with some differences in each area.

**Martha Younger-White:** Another resource to utilize in rural areas is the U.S. Department of Agriculture Rural Development. They have several loans available, especially home modification loans, which have made a difference in our programs outside of Chicago.

**Jay Klein:** Let's open it up for discussion.

**Freyja Sutherland:** My question is for Jean and is in regard to the trainings you provide to the partners, for instance the 'Disability 101.' I was wondering how you started that training, what funding sources you used to provide the training, and how exactly it is provided?

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**Jean Langendorf:** Much of that initiative was funded through the Developmental Disabilities Council grant, which was used to develop the Home of Your Own program. As we initiate the partnerships at the local or state levels, we have a coalition meeting and bring together the lenders, title companies, realtors and any other entities we would be working with, and schedule trainings at that meeting. We've taken that same process in providing education to public housing authorities, as well. We just found that the education piece for those outside the disability community is really lacking, especially when one looks at the issue of people with disabilities residing in the community. It's an issue that needs to be further developed in all areas, and particularly in the housing field.

We've also partnered with our state agency to do trainings for the housing sector. Typically we do luncheon-style trainings and show a video, such as *Credo for Support*, to set the tone and help the trainees understand the disability community better.

**Ann Howell:** This is for both Jean and Martha. How do you identify possible homeowners, and what type of screening do you do?

**Jean Langendorf:** We have used the network of disability organizations in Texas to identify possible homeowners. We send out articles, brochures and newsletters through the disability organizations with contact information for the HOYO program. We have developed monthly orientations, so when someone contacts us about becoming a homeowner, we let them know when the orientation will be. We send out a packet with information called *Starting Today with Homeownership* that really allows them to think about the issues associated with homeownership. We have a lot of people self-select out of becoming a homeowner based upon this informational packet. The person decides that he or she does not want to worry about some of the responsibilities of being a homeowner (i.e. home maintenance). Those that do attend the orientation learn about the process of homeownership. If they decide they are interested after the presentation, then they receive an application for the program. The application requests information about the individual/family and gives the applicant additional information on available funds.

**Martha Younger-White:** Each of the coalitions we have built determines their own criteria, so it is varied in Illinois. I can give you the general criteria. The applicant has to agree to participate in a homeownership program, which means going through the full compliment of services listed in my handout. The applicant must be a first-time homebuyer; he/she must contribute at least \$500 of his/her own funds towards the down payment of the home, and this amount is dictated by some of the funding sources used for the program. For some of the projects, an applicant will have to live in a specific geographic area, depending upon what funding sources are used. The applicant has to agree to go through the homebuyer education courses. Our *Homebuyer Education Manual* has been of interest to many people, and I can make those manuals available to people on this call, if interested. It's a good financial planning tool for anyone. One of the major issues people with disabilities face is credit, and what credit history they may have. It may take time to help people clean up their credit history before they can become homebuyers.

To request a copy of the Homebuyer Education Manual, contact Martha Younger-White at [martha.white@dhs.state.il.us](mailto:martha.white@dhs.state.il.us)

One of the challenges we face in Illinois is how to connect the viable housing option with the Medicaid Waiver program. Our experience has shown that a lot of case management occurs with this process of assisting someone become a homeowner. There are people who would benefit from in-home services once they are living in their homes or would benefit from home modifications, which our waiver covers. We look at how we tie these services in a more complete manner, so that when the person is applying for homeownership we can somehow incorporate the waiver process, and at the same time decide if there something we should be looking at that makes that happen more routinely than it does now?

**Dave Adden:** I help coordinate a smaller homeownership project in Illinois. I have two people in the field assisting people with homeownership, and they often run into the problem of obtaining a first loan from a commercial lender, which is required by our program. Does anyone have this similar problem, and if so, how have you worked to solve it? I also work for Developmental Disabilities. Has anyone ever written a cost analysis between giving someone money to purchase their own home as opposed to giving that person money to live in a Community Integrated Living Arrangement (CILA)?

**Jay Klein:** For the first question, what are the barriers for obtaining the first loans?

**Dave Adden:** I'm surmising, but the housing market is really popular right now. The lenders can pick and choose to whom they offer loans. I believe they don't want to put in the work or effort in understanding or working with our program, which is new to them.

**Jean Langendorf:** I do not know what your lender base is, but we always try get information from our local community development corporation or some other affordable housing organization to find what lenders they work with. It does take effort to find lenders that will work with your program. We've really tried to find the ones that need to meet their obligations for the Community Reinvestment Act.

**Martha Younger-White:** That is a benefit that we've earned through our coalition. When lenders join our coalition, they have to bring something with them. Typically, they offer first loans for low-income applicants. Perhaps we need to look at what areas you work with in Illinois to try to assist you in identifying those lenders.

**Dave Adden:** Thank you. For the second question. Has anyone ever looked at the cost comparison between single-family homes and group home type settings?

**Jean Langendorf:** For us every circumstance is different for the individual or family. Their resources are different, which determines whether or not they can utilize the Section 8 program.

**Jay Klein:** CHANCE has looked at a variety of things, but not that in particular.

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**Martha Younger-White:** We work with Community Service Options, which is one of our screening agencies for the Illinois Developmental Disabilities Waiver. They began discussing how to use the homeownership programs to create parent cooperatives so that the first-time homebuyer money helps purchase the home, and then Medicaid Waiver money is used to put services in place. It's the parent of a child with a disability that becomes the provider, which puts more control into the family unit rather than in the provider unit. This is another model on how to use homeownership programs.

**Jay Klein:** Jean, have you used any homeownership vouchers in your program?

**Jean Langendorf:** The voucher use has been a struggle. When they first came out most of us thought it would be a great opportunity. However, it is optional for Public Housing Authorities (PHA) to offer any kind of homeownership assistance and to utilize these vouchers. The PHA has to put together a plan for homeownership assistance, and the majority of PHAs are primarily experienced in rental assistance. Texas did not see an immediate use of the vouchers when they came out. The City of El Paso and Dallas County PHAs are currently using the homeownership vouchers and are outreaching to their current voucher holders. We are partnering with these PHAs in assisting individuals and families with disabilities to become homeowners. The applicants can utilize the programs we offer as well as the vouchers offered through the PHA so that their homeownership is extremely affordable. The El Paso PHA has escalated the number of people that can afford homes through utilizing this voucher program. The voucher program is a supplement to the applicant's loan obtained through a lender, which agrees to accept the voucher payment.

**Martha Younger-White:** This has been our experience, as well. Right now, only the Springfield PHA does the housing vouchers.

**Jay Klein:** The Housing Law Project did a survey of PHAs around the country to find out how they were using the homeownership voucher program. There were a number of agencies that were using the program.

**Martha Younger-White:** Fannie Mae is an excellent source for homeownership options. They have multiple programs to assist people with disabilities and low-income applicants in becoming homeowners. The nice thing about the coalition aspect is that you can be creative in how you pull together funding sources. We use our Centers for Independent Living as a referral source for potential homeowners.

**Sherry Manning:** In partnership with our Council on Developmental Disabilities, we are developing a default mortgage program, which will be administrated through a local housing counseling agency. We have received some state money to fund this program, and it will be used on an emergent basis for people with disabilities and/or lower incomes who may be at risk for default on a mortgage due to unforeseen expenses or other situations.

**Jay Klein:** And how is this program funded?

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**Sherry Manning:** Nevada had a Home of Your Own project that ended about five years ago. The Nevada Office of Disability Services started its own homeownership program called My Home. The money from the HOYO project came from many sources, including state funds. We are in process of requesting to utilize the recaptured funds from the HOYO program for the My Home project. The funds we have available will be used for people with lower-incomes and disabilities. However, the money we loan out will be recaptured through, for example, the sale of that home. It's a continually renewable source of funds.

**Jay Klein:** The issue of post-counseling is an important one.

**Sherry Manning:** We've granted out money for both of our homeownership programs (down-payment assistance and mortgage default), and we require that the administrators of those programs offer post-homeownership counseling.

**Martha Younger-White:** Some of the homeownership coalitions in Illinois have started privately fundraising for their emergency assistance programs. These emergency assistance program funds are used for default, maintenance or whatever might cause a homeowner to lose his/her home.

**Sherry Manning:** I like the idea of fundraising. You are not asking for a lot of money, which will be recaptured.

Participants discussed possible topics for the next meeting. All participants are invited to send suggestions for monthly call topics to either Jay Klein at [jay.klein@unh.edu](mailto:jay.klein@unh.edu) or Pamela Robertson at [pamela.robertson@unh.edu](mailto:pamela.robertson@unh.edu).

The next meeting is scheduled for Thursday, April 21, 2005 at 3:00 pm (est).