

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

ADVANCED STRATEGIES SUBGROUP CALL

May 20, 2005

I. Welcome and Introductions

Michael Morris from NCB Development Corporation welcomed the participants to the call. He introduced Emily Fuerste, Executive Director, No Place Like Home Communities (NPLHC) located in Robbinsdale, Minnesota (just outside the Twin Cities). Ms. Fuerste was invited to present an overview of the No Place Like Home Communities (NPLHC) model. Its mission is as follows:

NPLHC is to create supportive affordable housing for adults with disabilities, helping build financial and emotional equity in independent lives as they travel the road to their full potential.

NPLHC provides a community directed at adults with disabilities at or below 30% of the area median income. NPLHC's services are designed for adults with disabilities who need supportive services to live independently. NPLHC has a unique combination of ownership and rental housing options in a condominium structure. The organization's goal is to develop a rent to own model, which will allow all people with disabilities to gain financial equity.

II. Presentation – Emily Fuerste, No Place Like Home Communities

Ms. Fuerste began by noting two key phrases that have become trademarks of No Place Like Home's approach to community: "Economic and emotional equity." This means that, in a project like NPLHC, where not all residents have invested equal amounts of money for their living accommodations, the best way to ensure that all residents are devoted to their community is to give them the chance to make decisions that shape their lives and the environment around them.

Financial/Community Model

The model for No Place Like Home Communities was born of necessity. A group of adults with mild to moderate cognitive impairment, and their friends and family, realized that with the continuing endangered status of Section 8, there was an immediate need for a housing solution for mentally-retarded and developmentally-disabled adults, who are significantly at-risk for drug and alcohol abuse, homelessness, and predation. They imagined an answer that would strike a balance between group homes – which are often stifling and frustrating to adults with mild to moderate cognitive impairment, who desire more freedom on issues like meals, bedtimes, hobbies, their surroundings, and their finances – and "scattered site" housing, which can be overwhelming and lonely for residents. A "democratically controlled" environment was envisioned, which would

allow for just that right amount of supervision for each resident's individual requirements, while giving him or her the freedom of choice they needed to be happy.

At the same time, a solution was required to take into account the financial straits faced by many cognitively impaired adults, who often find themselves earning less than half of Area Median Income (about \$16,000 /year or less). To this end, the founders established a financial plan that would allow for individuals whose families had the means to support them to purchase a condo in the complex, while others would use state rental subsidies to rent one of 15 units whose mortgages were held inside by No Place Like Home, using credit granted under the Community Revitalization Act. To establish which of the two categories an applicant would fall into (after he or she passed the initial criteria of possessing a disability, earning 30% or less of AMI, and being capable of independent living), their families were means-tested. If it was determined that they possessed the means to purchase and make payments on a condo unit, they were given only that option. As a matter of fairness, those whose families could afford to purchase were not given the chance to rent at a discount, because that would have left applicants with lower family incomes at a disadvantage.

Q) Michael O'Neil, Montana – Were you able to utilize subsidies in the purchase of 15 units owned by NPLHC?

A) Emily Fuerste -- Yes, we were able to secure 50% of the financing from the state of Minnesota.

Q) Bryan Peters, Independence First – Could you provide the group with your email contact information?

A) Emily Fuerste -- Emily@nplhc.org . Also, other materials are available online for your assistance.

Supportive Services

No place like home currently houses a 32-adult and 5-child caseload, of which approximately 40% have waivers. This qualifies NPLHC for very basic services payments and benefits. Because the residents of No Place Like Home are mildly-to-moderately impaired, many of the services they require can be provided through a “front desk”, in a manner similar to concierge services at a hotel or apartment building. Also, in many cases, higher-functioning individuals are able to assist the staff in their daily duties.

The greater part (60% or so) of the services budget is raised through the workings of a community council, working in concert with town leaders. UPS, for example (where one resident's father works) has partnered in many activities, ranging from sponsoring canoe trips and an in-house newsletter to paying a facilitator. Other funds have come through a silent auction, grant and match dollars, and a fundraising pancake breakfast last June, while still more comes from “good old fundraising.”

Thus far, results have been excellent: residents are more likely to hold jobs longer, derive greater satisfaction from their lives, and have shown correspondingly improved levels of mental health, as compared to a traditional facility.

Replication

About 18 months ago, Emily met with Michael Morris of NCBDC/ National Disability Institute. She realized their shared aims, despite the controversial nature of her [clustered community] model [as opposed to scattered sites]. Presently, with help from NCBDC, No Place Like Home is looking to make their initial model replicable in other sites and states.

Q) Victor Orija, Delaware -- Is family screening done every year?

A) Emily Fuerste -- No, only once, upon entry. If family circumstances go downhill, they can re-sell if need be. If they get better, no re-screening will be performed.

Re-sellability is important to families, because this model had not been tested before. So far, there has been a low turnover (only one owned unit), but when a unit is sold, it is sold to a family with an NPLHC prospective resident. No shortage of prospective buyers seems likely, to judge from the 150+ (and growing) waiting list.

The bank financing is experimental as well, with a ½ ownership, ½ co-op model. In the early (planning) stages, then-Governor Ventura made available a substantial planning grant, which they used on lawyers to plan a way to incorporate as a non-profit, with potential to shift to a for-profit status.

Q) Michael Morris, NCBDC -- People are obviously interested, asking questions from all over the country... What does the future look like? I know you're looking to spread across the Twin cities. Is this feasible in other cities/states/communities?

A) Emily Fuerste -- We are currently engaged in discussions in Illinois, where we're talking to Fannie Mae. One other thing is that residents have developed a leadership institute so that they can talk to other cognitively impaired people about how they approach self-governance, and the way they have created a community that works for them. For example, pets were wanted badly, but they realized that rules were necessary. So now, we allow cats/birds/rabbits/etc., but no dogs, and the residents are happy because they get the companionship that a pet provides. The residents work out issues among themselves, that's the idea.

Q) Michael Morris, NCBDC -- If you were to think about the complex of rules/red tape that you had to maneuver through at a state level, what would make it easier to do this sort of thing at a federal level?

A) Emily Fuerste -- First and largest is section 8. We're often working to relocate residents to NPLHC from homes/nursing programs, and w/o sect 8 strength, this would be impossible. View it as an incentive to landlords. CDCS option is invaluable to residents. Sect 811 dollars would also be valuable. In addition, one board member worked at NCB Development Corporation/National Disability Institute, and then went on to the Hill, where he is now working on tax preferred accounts (like 529 college accounts) to pay for housing as a stabilizer for an adult with a disability. This could combine section 8 with LIATC, making more units affordable or reducing their cost.

Q) Bryan Peters, Independence First -- Are the rental units in one building versus the owners in another? How are the different types of units distributed?

A) Emily Fuerste -- Sprinkled across, side-by-side. Even though there are only so many one- and two-bedroom units, to get the spread it's worth sacrificing a bedroom to mix in Section 8 housing with owned units.

Q) Michael Morris, NCBDC -- Any sense of what a community with market rate units might look like?

A) Emily Fuerste -- Yes, been thinking about that a lot, think it could be successful. Would be important with reduced funding of section 8.

III. Next Steps

Michael Morris thanked Ms. Fuerste for providing this valuable information. This is a great model for all states whether in view of *Olmstead* or simple need to balance housing budgets. Nothing is simple, especially when dealing with multiple funding streams, and the different types of housing that can be provided.

NPLHC always welcomes visitors at their location and participants were invited to make the trip to Minnesota. For more information on the program, please visit the website at www.noplacelikehomecommunities.org or www.nplhc.org .

The next call of the Advanced Strategies Subgroup will be held on Thursday, July 21 at 2:00PM EST.