

REPORT TO THE LEGISLATURE

Housing fund priority study report

ESSB 5092 Sec. 203 (1)(f)(III)
Chapter 334, 2021 Laws PV

ESSB 5268 Sec. 10 (1)(c)
Chapter 219, 2022 Laws

ESSB 5693 Sec. 203 (1)(f)(III)
Chapter 297, 2022 Laws PV

October 1, 2022

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Executive Summary

In 2021, the Legislature enacted Engrossed Substitute Senate Bill 5092 that required the Washington State Department of Social and Health Services' Developmental Disabilities Administration to collaborate with the Washington State Developmental Disabilities Council to improve cross-system coordination and complete several reports including a recommendation to improve coordination of support services for people with developmental disabilities.

This report, as directed by the Legislature, will address the prioritization of funding for housing for individuals with intellectual and developmental disabilities. This report will also address housing-related barriers that prevent individuals with disabilities from transitioning from institutions such as Residential Habilitation Centers, psychiatric hospitals and community hospitals.

DDA dedicated one FTE to focus on this report as well as other critical affordable/accessible housing-related matters affecting people with IDD. Additionally, DDA leveraged \$100,000 allocated through the Washington State Department of Commerce via Substitute House Bill 1080, which had an overlapping directive from the Legislature. Specifically, SHB 1080 directed DSHS to:

- Estimate the number of adults with intellectual and developmental disabilities who are facing housing insecurities.
- Make recommendations for improving housing stability.
- Share ways to increase the supply of affordable and accessible housing for people with IDD.

The more robust SHB 1080 report, including recommendations, is due to the Legislature on Dec. 1, 2022. As a result of this combined Legislative interest, DDA contracted with an independent agency, ECONorthwest, to assist with a more comprehensive assessment, conduct stakeholder outreach, assess the research literature, analyze internal and publicly available data and help provide the recommendations sought by the Legislature.



*"I'm a strong believer in housing and want DDA to do more. More clients should go from institutions to their own homes even if we require a lot of care. This is our life; we want to live it how we want."
– Self-advocate*



Background

In recent years, policymakers have been increasingly concerned about two trends that threaten housing choice and stability for the population of adults with IDD – a population who already encounters acute housing-related challenges. These two macro trends are:

- 1) The aging of the “baby boomer” cohort of caregivers who do not have adequate access to stable, safe and affordable long-term housing for their family member with IDD.
- 2) The rising cost of housing in tight markets such as Washington State.

These trends will threaten the housing security for many adults with IDD during this decade. For those who wish to live independently – some of whom may need rent assistance and or wraparound services – the affordability crisis and competing demand for regulated affordable housing limits choice. For those who live with aging family caregivers, many will be challenged to find alternative housing options should their caregiver pass or no longer be able to provide care. Without affordable and accessible options, many individuals with IDD who desire to live independently may also be unable to find a suitable unit and be forced to turn to housing settings that are less independent than they desire, more expensive than they can afford, or may face homelessness.

In 2019, the Ruckelshaus Workgroup’s report “Rethinking Intellectual and Developmental Disability Policy to Empower Clients, Develop Providers, and Improve Services” examined long-term planning and policies for people with intellectual and developmental disabilities residing in our communities and suggested to increase the capacity of community residential service providers and improve cross-system coordination.



*“For people with physical disabilities, proximity to resource is everything.”
– A Developmental Disabilities Council Member*



Methodology

Both quantitative and qualitative data were collected and analyzed for this project.

Quantitative Data

DDA Office of Accessible and Affordable Housing

Department of Commerce Housing Finance Unit

DSHS's Research and Data Analysis Unit

Open Doors for Multicultural Families Organization

DDA State-Operated Community Residential Program

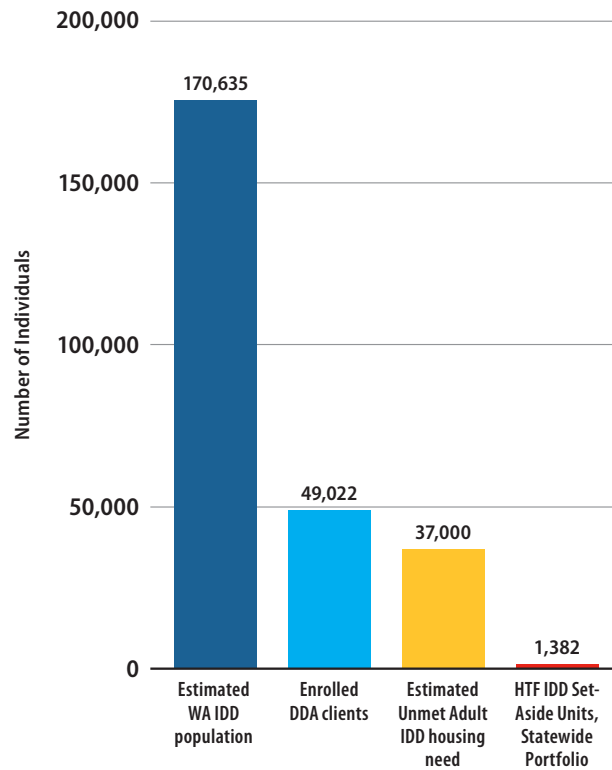
Data used in the report was gathered from DSHS's Research and Data Analysis Unit, DDA Communication office Accessible and Affordable Housing Program, DDA State-Operated Community Residential Program, Washington State Department of Commerce Housing Finance Unit and Open Doors for Multicultural Families Organization. The data was analyzed by an independent consultant, ECONorthwest, DSHS Research and Data Analysis office, as well as the DDA's Affordable Housing Program staff.

Quantitative data was used to determine:

- Current ratio of IDD set aside Housing Trust Fund vs. total Housing Trust Fund.
- The award rate of IDD housing projects vs. The award rate of general low-income housing projects.
- The number of the IDD population enrolled with DDA in need of affordable housing.
- Current IDD unit gap (has affordable/accessible housing vs. those who identified to need it, but do not have it).
- DD client/family income level.



2021 WA IDD Population and Housing at a Glance



DATA SOURCE: ECO Northwest, Washington State Department of Social and Health Services, Developmental Disabilities Administration.
May 2022



Qualitative data

Qualitative Data

Developmental Disabilities Council

DDA Show & Share stakeholder engagement activities

Focus group meetings

Housing developers' interviews

Qualitative data was collected from the DDC, DDA Show and Share stakeholder engagement activities, focus group meetings and housing developers' interviews. The data was analyzed by an independent consultant, ECONorthwest, DSHS Research and Data Analysis office, as well as the DDA's Affordable Housing Program staff.

Qualitative data was used to determine:

- How the IDD Housing Trust Fund should be prioritized.
- The need for smaller/single family homes in integrated settings (scattered single-family house to comply with Center of Medicaid Services rules).
- Barriers that prevent housing developers from successfully accessing IDD Housing Trust Fund dollars.
- Barriers that prevent developers from creating more DD housing units.
- How DDA and the Washington State Department of Commerce can collaborate to better support the utilization of IDD set-aside funds from the Housing Trust Fund.
- How DDA should strengthen its housing strategy, use of data and improve housing support services.



The disability community is telling us that a one-size-fits-all approach won't meet their needs. "We need many kinds of housing."



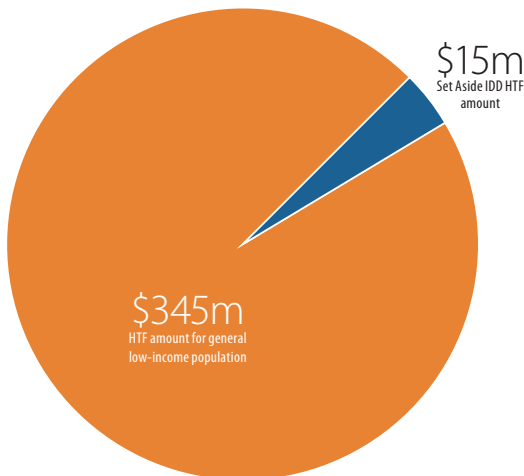
Key findings/analysis:

1. Housing Trust Fund resources – key for targeted development – and set-aside dollars

Recent national estimates show as many as 15% of children in the US experience one or more developmental disabilities. In addition, currently an estimated 37,000 adults with IDD in Washington State are facing housing insecurity. The legislature typically allocates between 3 and 5 million HTF dollars per biennium, or about 1.5% towards IDD affordable housing units. The housing need is larger than the fund can support. However, recently IDD HTF dollars are at risk of being left unspent for the first time due to a drop in developers interested and experienced in affordable housing projects.

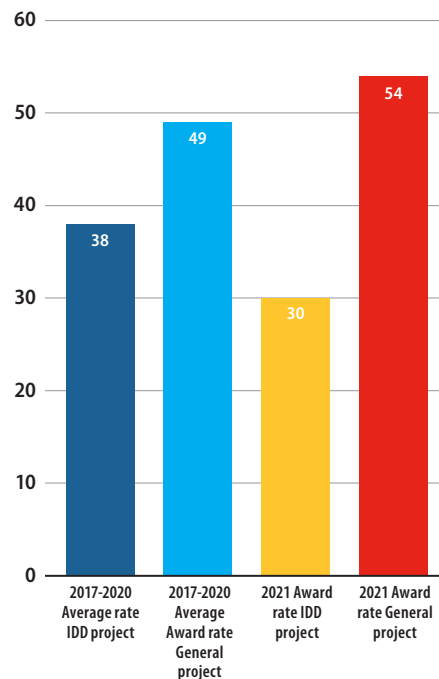
DDA spoke with the Department of Commerce as well as current and prospective IDD housing developers about this drop off. The discussions revealed several contributing factors. Among them are an increasingly complex IDD service population, including many individuals with co-occurring disabilities or challenging behaviors. In addition, the service delivery system for people with IDD is more difficult to provide, as it now includes new integrated settings requirements for home environments and heightened scrutiny connected to federal service dollars. Moreover, the HTF application process itself has become increasingly complex and cumbersome, with far fewer HTF grants issued for this extremely low-income population than in years past. Recently the Department of Commerce requested consulting assistance to evaluate the Housing Trust Fund application, provide technical assistance to applicants and make overall improvements to the process for developing IDD housing.

2021-2023 Set Aside IDD HTF vs. Total HTF in Millions



DATA SOURCE: Washington State Department of Commerce. May 2022

Award Rate Percent



DATA SOURCE: Washington State Department of Commerce. May 2022



Key findings/analysis:

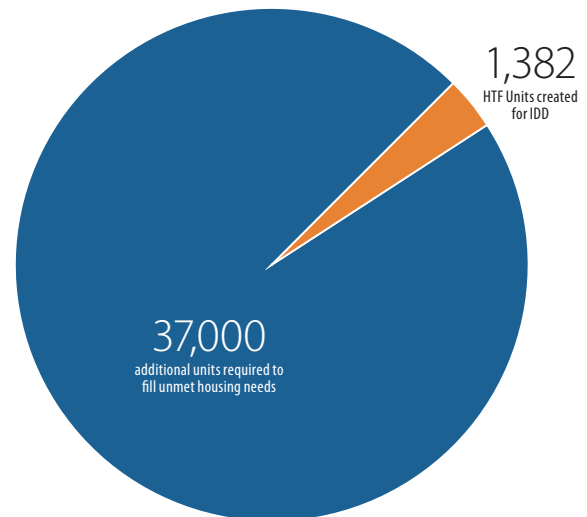
2. Developmental Disabilities Administration needs to develop a stronger housing strategy plan and reinforce the housing service workforce.

DDA does not have a housing strategic plan within DSHS despite more than 10,000 DDA clients being identified as qualified for and would benefit from affordable and/or accessible housing. DDA created one new FTE with statewide responsibility for general IDD housing-related matters. This lack of a housing strategy and talent resources has impacted the creation of much needed IDD affordable housing units.

3. According to ECONW's data analysis, an estimated 37,000 adults with IDD in Washington state are facing housing insecurity.

This estimate assumes that all adults with IDD who live with an elderly family caregiver (aged 60+) and about one-third of those living independently or with a roommate, face housing insecurity. Additionally, the DSHS Research and Data Analysis unit reported that 522 adults with IDD live in emergency shelters or on the street (Data source: Automated Client Eligibility System and Homeless Management Information System). Since 1991, 1,382 IDD units have been developed through the Housing Trust Fund. Many more are needed.

Estimated Unmet Housing Need vs. HTF IDD Set-Aside Units, Statewide Portfolio



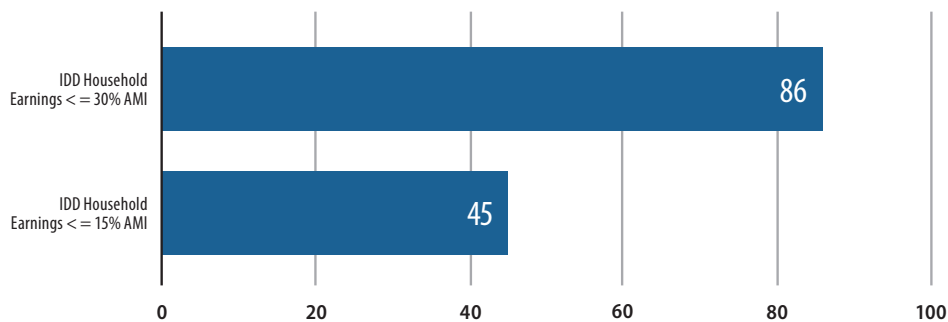
DATA SOURCE: ECO Northwest, Washington State Department of Commerce. May 2022



4. With extremely low income and without adequate housing choices, adults with IDD live with less independence than they might desire.

Households earning less than 30% Area Median Income are considered extremely low income. Many IDD individuals are below 15% AMI. Stakeholder feedback and national literature suggest that due to low income and absent housing choices, many IDD adults are facing curtailed independence.

IDD Household Income Rate



DATA SOURCE: Washington State Department of Social and Health Services, Research and Data Analysis
May 2022



“Everybody competes for housing . . . Finding housing is so tough!” – a DDA client



Recommendations:

1. Increase and prioritize the IDD Housing Trust Fund through the Department of Commerce. Over the past 30-plus years, the set aside IDD Housing Trust Fund created 1,382 IDD units with an average of 46 IDD units per year. From 2011-to 2020, the average number dropped to 27.9 units per year. However, the need for accessible and affordable DD units is increasing. Per ECONW's data analysis, the current estimated unmet IDD housing need in Washington state is 37,000. It is important that we increase and prioritize Housing Trust Fund IDD set-aside dollars allocated through the Department of Commerce. This will maximize efforts to help reduce the unmet affordable housing need and serve to reduce unnecessary hospital stays for medically cleared individuals with developmental disabilities and those experiencing homelessness.

2. Create a separate and distinct Housing Trust Fund funding round or review process for the IDD housing proposals. It is necessary to place all IDD "scattered site housing projects" into a separate pool for funding consideration and compare per-unit costs within the IDD set-aside project pool. Smaller scattered site housing projects that need to be ADA compliant including specialized environmental adaptations are inherently more costly per square foot. The IDD model of scattered site development cannot compete side-by-side with large-scale general HTF projects. However, the model is required to ensure compliance with the Centers for Medicare & Medicaid Services community integration rules necessary for federal funds. (Federal Code Title 42, Chapter IV, Subpart C, 441.530 Home & Community-Based Settings: The setting is integrated in and supports full access of individuals receiving Medicaid Home and Community Based Services to the greater community.)

A second barrier for IDD housing applications involves an expectation for proposals to leverage dollars from multiple funding sources. IDD housing is a very complex combination of housing and services and requires considerable coordination and collaboration among funders, developers, service providers and state agencies. IDD housing projects frequently are unable to generate substantial leverage dollars due to these complexities. The Department of Commerce does not currently receive funding to provide technical assistance or solicit specialized support for IDD housing.



Recommendations:

3. Greater access to grants or forgivable loans through the HTF DD Set-aside would likely attract new development. This is especially true for smaller developers and smaller projects not utilizing tax credits or those that serve or intend to serve extremely low-income individuals with developmental disabilities. These affordable IDD units serve people whose income is well below 30% AMI or even below 15% AMI. The IDD units' insurance, maintenance and repair cost are also higher than those of typical affordable housing units. Because rent is set at a maximum of 30% of the clients' monthly income, loan repayment is often prohibitive for developers.

4. Reinforce DDA Housing Strategic Planning and housing service workforce. More resources can be directed to DDA to conduct housing strategic planning and strengthen the housing service workforce (DDA Housing Specialists). A robust IDD housing plan with projected IDD population growth trends and IDD housing trends will help DDA utilize resources more effectively. Recently, DDA funded one new FTE with statewide responsibility for general IDD housing-related matters. DDA would benefit from receiving funding for this FTE and additionally for hiring three housing specialists (one for each region) to better identify risk of homelessness, conduct housing need assessments, communicate with housing providers/landlords and respond to client housing inquiries.

5. Establish a statewide accessible and affordable housing database. Current housing/sheltering information is scattered. There is no one-stop-shopping resource. A state agency should be identified to create and maintain a robust statewide resource for affordable housing and sheltering needs. This database should include the information on IDD housing units, affordable units for general low-income populations and shelters for the homeless. Such a database would benefit many disenfranchised populations across the state, including people with developmental disabilities.

"We need a better system to match people with accessible housing." – Administrator of a nonprofit providing housing for DDA clients

