

B.9 Housing

(Approved by CMS June 30, 2010)

DHCS requires lead organizations to demonstrate knowledge and some expertise of local affordable and accessible housing. The project team will ensure that lead organizations provide all demonstration participants the opportunity to choose a community setting that meets the federal definition of a “qualified residence.” Lead organizations may either employ housing resource specialists or identify a transition team member who will work with participants to locate a suitable residence where they can choose to receive waiver and/or state plan services. Residences will adhere to federal requirements and will include:

- A single family home, duplex, or condominium (owned, rented, or leased by the demonstration participant or the participant’s family member or friend). California does not regulate a home owned or leased by the participant or participant’s family member.
- A rental apartment with a lockable access and egress, with living, sleeping, bathing, and cooking areas over which the demonstration participant or the participant’s family has domain and control and regulated by a lease with a landlord, county and/or city guidelines or a public housing agency.
- A subsidized housing unit or apartment regulated by the U.S. Housing and Urban Development and county and/or city guidelines.
- Licensed community care facilities in which no more than four unrelated individuals reside.
- Community residential settings that: 1) conform to the CMS policy guidance dated July 30, 2009, for “Housing: Qualified Residence, (B) Apartment with an individual lease” and 2) are approved Assisted Living Waiver (ALW) providers.

Qualified demonstration participants who choose to enroll in the ALW will receive needed health services through a home health agency. Home health agencies that provide ALW services in public subsidized housing must be approved and enter into a lend-lease agreement with the public subsidized housing management. The California Department of Public Health’s Licensing and Certification Division licenses and monitors ALW home health agencies and requires a branch office in every public subsidized housing site that provides ALW services.

Documentation of Qualified Residence

Information on the type of qualified residence that an individual chooses is verified at the time the demonstration participant is discharged. All participants’ physical addresses are entered into DHCS’ Medi-Cal Information System, Service Utilization Review, Guidance, and Evaluation (SURGE), and the Case Management Information

Systems (“CMIS”) database for demonstration participants enrolled in home and community-based services waivers. However, project team members track participants’ community living settings in Microsoft Excel spreadsheets and Access databases developed specifically for this purpose.

Local Housing Resources

Except for direct mortgage assistance and lending programs, state programs are almost always project based, involving organizations and localities instead of individual households. Any tenant-based programs, federal or state, are administered through local Public Housing Authorities, also known as PHAs. In some cases, they offer additional PHA-specific programs, but PHAs are the consumer service and relations offices for all government based programs and exist to assist households with housing services.

The Department of Housing and Community Development (HCD) has direct links to PHAs (<http://housing.hcd.ca.gov/hpd/hrc/tech/contacts.htm>). For jurisdictions that do not have a local PHA, HCD has a Housing Assistance Program that administers the Section 8 program in those counties. HCD currently acts as the local housing authority for twelve rural counties.

Currently, no centralized State housing registry exists; however, some not-for-profit and for-profit programs have created local and regional registries. For example, the California Registry has been in existence since 1939, and now offers an online database for free referrals to independent retirement and assisted living facilities, including dementia care, senior apartments, and continuing care and life care communities (<http://www.calregistry.com>).

Partnerships with State Housing Agencies and Departments

The California Health and Human Services Agency, the California Business, Transportation and Housing Agency (BTHA), an Olmstead Advisory Committee workgroup and DHCS have met sporadically to discuss strategies to housing issues related to California Community Transitions. The Executive Directors from two housing departments within BTHA—the California Housing Finance Agency (CalHFA) and HCD—are active partners in the discussions, sharing their views about the housing outlook in California, and offering continued assistance and engagement in California Community Transitions, including ongoing technical assistance to the DHCS project team. This strong and crucial partnership will continue beyond the life of the demonstration as the state rebalances funding for long-term services and supports.

- CalHFA (<http://www.bth.ca.gov/depts/calhfa.asp>)

CalHFA was created in 1975 as the State's affordable housing bank. Currently with more than \$9 billion in pledged assets, CalHFA is the third largest State-chartered bank in California. CalHFA's \$14 billion five-year business plan will produce 75,000

jobs, finance 7,000 newly constructed homes, and create affordable housing for 105,000 Californians.

The Multifamily Programs Division provides permanent financing for the acquisition, rehabilitation, and preservation or new construction of rental housing that includes affordable rents for low and moderate income families and individuals.

Statewide programs and initiatives approved in 2008 by the CalHFA Board of Directors will facilitate the development, expansion and availability of affordable housing.

1. A \$4.73 million construction loan to increase the availability of local affordable rentals serving seniors, age 62 or older, with household incomes at or below 50% of area median income in the South Lake Tahoe area.
2. \$19.9 million in long term financing for preservation of senior housing in Los Angeles County, that will enable the Apartment Investment and Management Company to protect Grand Plaza's rental affordability for these seniors, ages 62 or older, with household incomes ranging from 30% to 80% of area median income.
3. \$4.325 million in long term loans which will allow two existing housing complexes in South Sacramento County to receive extensive renovations, to preserve the rental affordability and serve families with household incomes at or below 60% of area median income.
4. An existing high rise, Alexis Apartments, in downtown San Francisco will receive extensive renovations in order to preserve housing for 206 low income seniors. The Board approved \$9.6 million in long term loans which will allow the owners to protect the rental affordability and serve seniors with household incomes at or below 80% of area median income. A vast majority of the seniors, who are currently and will continue to reside in the complex, have household incomes below 50% of area median income.

- HCD (<http://www.bth.ca.gov/depts/hcd.asp>)

HCD works to increase safe and affordable housing for all Californians by financing the construction of affordable homeownership and rental housing, assisting local communities in developing shelter and transitional housing for homeless persons, and providing incentives for economic and community development. HCD protects public health and safety through updates of residential building codes, licensing dealers and registering owners of manufactured homes, and providing titling services.

The HCD Division of Housing Policy Development identifies California's housing needs and develops policies to meet those needs. The Division prepares and

implements the federal consolidated planning and performance reporting requirements for the U.S. Housing and Urban Development, administers state housing element law, and provides a wide range of technical assistance to local governments, public and private housing providers, business and industry groups, housing advocates, and interested persons.

At the direction of Governor Schwarzenegger, HCD started a program to develop recommendations for the Administration on securing a permanent funding source for affordable housing. During January through June 2008, HCD held regional meetings throughout the state with key stakeholders in the business, education, environmental, local government, and housing communities. DHCS encouraged lead organizations and regional transition team members to attend the meetings to communicate and exchange ideas about housing needs for demonstration participants. The HCD Director facilitated the major regional meetings and HCD Deputy Directors convened smaller focus groups throughout the State to hear from constituents.

During the months of July and August 2008, HCD compiled the recommendations from meeting participants and presented a final draft to the Governor.

Housing Legislation

California residents continue to work together to increase accessible, affordable housing. Following are some examples.

- The California Commission on Aging sponsored Assembly Bill 927 (Saldaña) with co-sponsors Housing California, Aging Services of California, Congress of California Seniors, and AARP, and Governor Schwarzenegger signed the bill on October 13, 2007. AB 927 provides for \$26 million to be made available in 2008 for low-income senior housing, and assures that low-income senior renters will receive a fair share of project funding from California's Multifamily Housing Program (MHP). The bill permanently changes the way HCD finances senior housing projects, requiring MHP dollars to be awarded for senior housing projects in proportion to the number of seniors in the low-income renter population.
- Proposition 1C, Housing Emergency Shelter Trust Fund Act of 2006, was approved by voters in November 2006. This measure authorized the State to sell \$2.85 billion of general obligation bonds to fund 13 new and existing housing and development programs. The funds assist eligible projects to build affordable and accessible housing for individuals with lower incomes, including people with developmental disabilities, in their communities over the next ten years. For example:
 1. The Affordable Housing Innovation Fund (\$100 million from Proposition 1C) creates three programs to demonstrate innovative, cost-saving approaches to creating or preserving affordable housing: the California Affordable Housing Revolving Development and Acquisition Program, the Construction Liability

Insurance Reform Pilot Program, and the Innovative Home Ownership Program. This fund also provides funding to the existing Local Housing Trust Fund Program. Specific program design is in progress.

2. The Building Equity and Growth in Neighborhoods Program (\$125 million from Proposition 1C) makes grants to cities and counties that reduce local regulatory barriers to affordable ownership housing. The grants are used to provide down-payment assistance loans to qualifying first-time low- and moderate-income buyers of homes in new single-family developments that have benefited from barrier reduction.
 3. The Multifamily Housing Program (\$590 million from Proposition 1C) assists the new construction, rehabilitation and preservation of permanent and transitional rental housing for lower-income households. The program makes simple-interest loans available to local public entities, for-profit and non-profit corporations, limited equity housing cooperatives, Indian reservations and Rancherias, and some types of limited partnerships to build, rehabilitate, or acquire and rehabilitate affordable rental housing, or convert nonresidential structures to housing. The MHP Program also includes the Multifamily Housing Program for Homeless Youths, the Governor's Homeless Initiative Multifamily Housing Program, and the Multifamily Supportive Housing Program which provides funding for rental housing development in which partners provide services targeted to these special needs populations.
- Up to \$75 million in Mental Health Services Act (MHSA) funds will be allocated each year to finance the capital costs associated with development, acquisition, construction and/or rehabilitation of permanent supportive housing for individuals with mental illness and their families, especially including homeless individuals with mental illness and their families. The new program, called the MHSA Housing Program, will also provide up to \$40 million per year in capitalized operating subsidies.
 - Proposition 46 (SB 1227, Burton) was passed by the voters in November 2002. With \$2.1 billion in funding, at that time, it was the largest approved housing bond measure in the nation's history. The \$2.1 billion bond is dedicated to affordable multi-family rental housing, rental housing with supportive services and emergency and longer term transitional shelter. As of July 1, 2006, HCD and CalHFA have awarded over \$1.5 billion. These funds will create, incentivize, and/or reward more than 97,000 rental and owner occupied homes and shelter spaces. \$910 million is allocated for the Multifamily Housing Program; awards to date produce, rehabilitate, and preserve nearly 11,500 affordable rental housing opportunities.

Strategies to Promote Availability, Affordability or Accessibility of Housing

CalHFA and HCD are enthusiastic about assisting the project team, and committed to analyzing housing resources in the regions involved in the demonstration and sharing

resources. The CalHFA and HCD Executive Directors have offered to help the project team develop relationships with regional partners. As additional lead organizations and regional transition teams choose to participate in California Community Transitions, DHCS project staff will continue to engage and inform CalHFA and HCD housing experts and request housing resources in those regions, and will share those resources with lead organizations. Lead organizations are required to ensure regional transition teams include a minimum of one person who can provide expertise and knowledge of local affordable and accessible housing.

To ensure promotion of affordable housing for demonstration participants, DHCS will partner with CalHFA, HCD and local PHAs to:

- Identify participants' housing needs and work together to increase the inventory of affordable and accessible housing through mutual cooperation and communication between all partners.
- Promote California Community Transitions to PHAs and advocate establishing a process to prioritize the needs of demonstration participants in their Housing Choice Voucher Administrative Plans.
- Communicate the goals of the Money Follows the Person Rebalancing Demonstration to each housing program and address the issue of establishing a local MFP priority.
- Encourage close collaboration with the state's programs funded under the federal Aging and Disability Resource Center Initiative: the *California Aging and Disability Resource Center program* administered by the California Health and Human Services Agency, and the *Aging and Disability Resource Connection* administered by the California Department of Aging to develop collaborative relationships, and share information and referrals to ensure effective use of resources.
- Collect and distribute housing related information to lead organizations such as availability of funds for housing programs throughout the state.
- Work with the regional transition teams' housing representatives to post affordable housing links and other needed information to the California Community Transition website.

Finally, the project team will work through HUD-administered programs such as: HOME, CDBG, ESG and HOPWA programs targeted to people with disabilities in need of affordable housing, and will rely on additional HUD funding to meet all current and future demand for affordable and accessible housing for demonstration participants.