IMPLICATIONS OF PROJECT SIZE

IN SECTION 811 AND SECTION 202 ASSISTED PROJECTS FOR PERSONS WITH DISABILITIES

U.S. Department of Housing and Urban Development
Office of Policy Development and Research

PD&R

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Prepared for:

U.S. Department of Housing and Urban Development
Office of Policy Development and Research

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Contract No. C-OPC-21759 Task Order 5

March 2004

Acknowledgements

The authors of this report, Gretchen Locke, Caryn Nagler, and Ken Lam, wish to acknowledge the assistance provided to this study by a variety of individuals and organizations. First, we appreciate the guidance and support of the task order's Government Technical Monitor, Dr. Cheryl Levine. Mrs. Gail Williamson in HUD's Office of Housing provided valuable assistance in helping us assemble data for sample selection and select site visit locations; she also contributed helpful review and comments on our reports. We also wish to recognize the members of the study's advisory group who provided insightful review during the study's design phase and in the preparation of the final report. The group's members were: Moe Armstrong, Ethel Elan, Suellen Galbraith, Bill Henning, Betsy Lieberman, Kathleen McGinley, Ann O'Hara, Anthony Penn, Susan Procop, Patrick Rafter, Liz Savage, Andrew Sperling, Becca Vaughn, Susan Weaver, Linda Williams, and Tony Zipple.

Perhaps most importantly, thanks are due to the property sponsors from the HUD-assisted study properties for volunteering their time and sharing their experiences with the Abt research staff. We also thank the Section 811 project residents who spoke with us during our site visits. Their insights greatly enriched this research. We are indebted to the local service providers for persons with disabilities who shared their time and expertise on the issues associated with project size in housing for persons with disabilities. We appreciate the assistance provided by state policymakers in agencies serving persons with disabilities for their input in clarifying issues surrounding approaches to providing affordable housing for persons with disabilities.

At Abt Associates, a number of staff members played important roles on this task order. Dr. Jill Khadduri provided thoughtful and constructive technical review throughout the design, data collection, and report writing. Technical advisor Dr. Raymond Glazier also provided valuable assistance in designing the resident interview protocols and training site visitors for the resident interviews. Site visitors Jean Amendolia, Larry Buron, Ty Hardaway, Debi McInnis, Linda Pistilli, Claudia Solari, Kristin Winkel, and Michelle Wood carried out the site visits with efficiency and thoroughness. Under the supervision of Debi McInnis, Esther Tan, Hong Ly, and Rudy Sabogal conducted the telephone surveys and assembled the survey data with attentiveness and care. Jessica Bonjorni provided programming support for the survey data analysis, and Michele Robinson produced the report. We thank them all for their diligent efforts.

Foreword

In the 2000 Appropriations Act for the Department of Housing and Urban Development (HUD), Congress directed HUD to assess the social and economic implications of project size with respect to Section 202 and Section 811 housing for persons with disabilities. Prior to Fiscal Year 1991, the Section 202 (direct loan) program provided assisted housing for both the elderly and non-elderly persons with disabilities. In the National Affordable Housing Act of 1990, Congress established that, beginning in Fiscal Year 1991, all new Section 202 projects would serve only the elderly. In addition, Congress created the Section 811 program to provide supportive housing to very low-income persons with disabilities. The Section 811 program allows persons with disabilities to live as independently as possible in the community by increasing the supply of rental housing with the availability of supportive services.

This report responds to the congressional mandate to evaluate the effects of project size on Section 811 and Section 202 (direct loan) projects for persons with disabilities, their residents, and on the immediate neighborhoods. Smaller properties that are integrated into the surrounding neighborhood are well suited for most persons with disabilities, but there continues to be an ongoing debate over the appropriate size of projects for this population. This study takes into account the perspective that very large developments are not well suited for most persons with disabilities and, therefore, focuses attention on smaller projects.

The study was based on data collected through semi-structured interviews conducted during site visits and structured telephone interviews. The sample for this study included Section 811 and Section 202 (direct loan) sponsors, state policymakers, residents, and service providers. This study had a few key findings: (1) while the assumption that larger projects with more space might tend to provide more resident services, the opposite was true; (2) Section 202 (direct loan) projects, which were the larger developments, tended to operate as independent living facilities with project sponsors playing little or no role in providing or coordinating resident services whereas Section 811 projects, which were the smaller developments, tended to have project sponsors playing a role in providing or coordinating resident services either on- or off-site; and (3) a large majority of Section 811 residents interviewed for this study reported high levels of satisfaction with their living situation regardless of the size of their development.

Findings from this study will help HUD ensure that the Section 811 program is responsive to the affordable housing and related services needs of very low-income persons with disabilities across the country.

Dennis C. Shea
Assistant Secretary for Policy
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Table of Contents

Executive Summary

In recent years, there has been growing interest among different sectors representing and serving persons with disabilities in providing more mainstream housing opportunities for persons with disabilities. The purpose of this research is to investigate the social and economic implications of project size in Section 811 and Section 202 (direct loan) projects for persons with disabilities, their residents, and the immediate neighborhoods.

A congressional mandate requires that this study look specifically at:[1]

- The benefits and problems associated with providing Section 811 housing in projects that have 7 or fewer units, 8 to 24 units, and more than 24 units; and
- The benefits and problems associated with providing housing for non-elderly persons with disabilities under the Section 202 (direct loan) program, in projects having 30 to 50 units, 51 to 80 units, 81 to 120 units, and more than 120 units.

This report presents the study's findings.

Background

In the mid-1960s, the Department of Housing and Urban Development (HUD) began providing funding for housing for persons with disabilities through the Section 202 Direct Loan Program for the Elderly as a result of Congress expanding the definition of elderly to include people with physical disabilities. The program became known as the Section 202 Direct Loan Program for the Elderly or Handicapped. In 1974, people with developmental disabilities became eligible under the program, and after a three-year joint HUD/HHS Demonstration Program for Deinstitutionalization of the Chronically Mentally Ill from 1978 through 1980, people with chronic mental illness became eligible for the regular Section 202 Direct Loan Program in 1982. HUD funded more than 2,100 projects totaling over 36,000 units for persons with disabilities under the Section 202 Direct Loan Program from 1964 through 1990. During this time period, the types of projects being developed evolved from large congregate dwellings, which offered a less restrictive setting than hospitals or nursing homes, and shifted to much smaller, community-based projects. Also, project size limits shifted to no more than 40 units if a project was an individual living complex, and a maximum of 15 residents if the project was a group home.

In the Cranston-Gonzalez National Affordable Housing Act of 1990, Congress changed the Section 202 program from a direct loan program with Section 8 rental assistance to a capital advance program with project rental assistance contract (PRAC) funds and restricted eligibility to the very low-income elderly. Congress also created a similar program, the Section 811 Supportive Housing for Persons

[1] Section 524 of Fiscal Year 2000 Appropriation Act (H.R. 2684; P.L. 106-74).

with Disabilities Program, to address the housing needs of very low-income adults with disabilities (18 years of age or older) by providing funding primarily for independent living projects of no more than 24 residents and small group homes of up to eight persons with disabilities, with an exception provision for both. Supportive services are to be made available to residents of Section 811 housing, but beginning in Fiscal Year (FY) 1996, receiving supportive services cannot be a condition of occupancy. Services may be provided on- or off-site to assist residents in living as independently as possible.

Over the 14-year history of the program, there has been a trend towards reduction in project size limits. As of FY 2003, project sizes were limited to 14 persons with disabilities in an independent living project with an opportunity to request an exception and 6 persons per group home with no exceptions. The continued reduction in the maximum project size limits is attributed to recommendations from national disability advocacy organizations as well as changes in state policy regarding the provision of supportive services in residential settings.

At the time this research project began in 2001, 65 percent of the almost 1,600 projects (totaling 15,500 units) funded since the beginning of the Section 811 program in FY 1991 contained between 8 and 24 units. Most of the remaining projects (32 percent) have fewer than 8 units.

While persons with disabilities have more housing options today than they did thirty years ago, there continues to be an ongoing debate over the appropriate size of projects for this population. Some advocates contend that persons with disabilities prefer, and are more independent, living in small developments that blend in with the surrounding neighborhoods. Others have argued that larger projects are less expensive to build and operate, an issue that must be carefully weighed given the significant need for affordable housing for this population. Another point of view suggests that there should not be any housing specifically for persons with disabilities and that an increase in the provision of housing vouchers for this population would better serve the housing needs of persons with disabilities.

This study provides an important opportunity to explore the implications of project size with housing sponsors, state policymakers, service providers, and residents of assisted housing projects for persons with disabilities. The main issues we explore are:

- What are the characteristics of Section 202 (direct loan) and Section 811 projects and their residents?
- What role does project size play in the types and locations of services provided to residents?
- How does project size affect neighborhood relations, both before the project is developed and after it is occupied? What are the economic and social relationships between projects and the immediate neighborhoods?
- What are residents' experiences in Section 811 housing?
- What is the role of project size in project development and operating costs?

Research Design

While this study responds to the congressional mandate that the research include Section 202 (direct loan) projects for persons with disabilities, these properties represented a smaller part of the overall study because advocates and policymakers appear to have concluded already that very large developments are not well suited for most persons with disabilities. Thus, it was agreed early in the research that the study would give limited attention to the larger Section 202 (direct loan) projects and greater attention to the benefits and challenges of the smaller Section 811 projects.

The key data collection activities were:

- Telephone survey of a nationally-representative sample of Section 202 (direct loan) and Section 811 sponsors;[2]
- In-depth site visits to 49 Section 811 projects located in 10 metropolitan areas across the country;
- Telephone discussions with state policymakers to obtain a broad range of views on housing for persons with disabilities; and
- Limited analysis of operating and development costs in the site visit projects, based on administrative data obtained from HUD.

Key Findings

The Role of Project Size in Housing and Service Delivery

The research literature on housing preferences among persons with disabilities emphasizes themes of consumer choice and independence, while the same literature claims that project sponsors' choices about the social setting and design of supportive housing facilities are driven by cost-efficiency and access to certain funding streams. There is also an assumption that more services can be provided more efficiently in larger projects. Researchers and practitioners acknowledge, however, that other factors may play a role in determining project size and the types and location of services, including the service needs and preferences of residents, the structure of service delivery systems, and regulatory and licensing requirements.

Our findings with respect to housing and service delivery include:

Projects funded under both the Section 811 program and the Section 202 (direct loan) program are important sources of affordable housing in their communities. Sponsors reported that their projects

[2] The term "sponsor" refers to the nonprofit entity responsible for developing and operating the project. Sponsors of Section 811 and Section 202 (direct loan) projects include nonprofit housing developers as well as agencies and organizations serving persons with mental illness, physical disabilities, and developmental disabilities.

are in demand and vacancies are rare. New residents generally come either from living with other family members or from another specialized residential setting.

Section 202 (direct loan) sponsors tend to view their projects as independent living apartments. Project residents are most commonly persons with physical disabilities who moved to the Section 202 (direct loan) project from a variety of previous residences, including subsidized or private market apartments. They presumably moved to their Section 202 (direct loan) projects in part for the accessibility features the project offers. Because Section 202 (direct loan) projects are larger, it might be expected that they would have space to offer services, but this was not the case. About one third of the Section 202 (direct loan) sponsors we interviewed reported they play little or no role in either providing or coordinating services for residents because residents arrange their own services.

Sponsors of Section 811 projects, by contrast, are more frequently part of a service system within which Section 811 projects may be one of a number of housing options. Section 811 project residents more frequently moved to the Section 811 project from another specialized residential setting or from living with family, and were referred through supportive service systems. While sponsors of Section 202 (direct loan) developments tended to be mainly housing providers, sponsors of Section 811 developments often provided services for persons with disabilities in addition to managed housing. For this reason, Section 811 developments tended to offer more resident services, even though they tended to be smaller than the Section 202 developments.

Project size does not determine the level of assistance provided. The ways services are delivered – where, by whom, and the extent of choice persons with disabilities have in service provision – are unrelated to size. That is, within the Section 811 program, larger projects can offer more or less assistance, as can smaller projects.

Most project sponsors do play a role in coordinating services for project residents, but project size is not the main factor in sponsors' decisions about what services will be provided or where. Residents' needs and preferences, sponsors' organizational philosophies about services, and regulatory and service system requirements are more important than project size. Service delivery is primarily a function of the policies, programs, and funding sources for servicing the particular population of persons with disabilities. State policies may set guidelines or more formal constraints on size, but sponsors often have some flexibility within state policy.

Regardless of project size, the majority of sponsors prefer that on-site services be limited to those that residents need to live as independently as possible in their homes and that residents go elsewhere for services that are available and accessible at other locations. The services provided on-site often (but not always) include some assistance with activities of daily living, including dressing, bathing, meal preparation, and housekeeping. Therapeutic services, such as physical or occupational therapy or medication management, are more often provided off-site. This approach has more to do with sponsors' missions and philosophies about services than with the physical availability of space or the economics of securing services.

The small number of sponsors who said size is important in service delivery were associated with larger projects. These sponsors all reported that efficiencies in on-site support are influenced by project size; that is, larger projects allow them to provide sufficient on-site support for the residents.

There does not appear to be a direct relationship between project size and the severity of disability of the residents. We visited larger projects housing residents with more severe disabilities, as well as smaller ones. Sponsors of larger projects cited efficiencies in support and service delivery as important advantages of housing people with more severe disabilities in larger settings. By contrast, the sponsor of a three-bed group home for people with physical disabilities said that this small setting in a residential neighborhood was ideal for its residents, all of whom had other disabilities in addition to severe mobility impairments (specifically, one had physical health problems and the other two had behavioral and mental health issues).

The sponsors we visited said that on-site support does depend largely on the severity of disabilities of the residents. Projects serving residents with less severe disabilities had limited on-site support, with little or no overnight support. Projects housing residents with more severe disabilities had awake, overnight support and more daytime coverage.

Project Size and Neighborhood Relations

As the number of supportive housing developments sponsored by HUD and others has increased, community concerns about project siting, scale, and management have grown, and in some cases, these concerns have led to vocal community opposition. During the site visits for this study, we explored both community acceptance of the projects at the planning and development stages and also the on-going economic and social ties between projects and neighborhoods once the Section 811 project is occupied.

Our findings regarding project size and neighborhood relations include:

For the most part, the projects visited for this study fit in well with the size, scale, and land use of the surrounding neighborhoods. Site selection often includes such factors as proximity to public transit, supportive and commercial services, and other neighborhood amenities that would enhance the quality of life for residents. Yet, in about one-third of the projects visited for this study, site visitors noted concerns primarily associated with isolation of the developments from shopping and services or criminal activity in the neighborhood.

A few sponsors we visited developed larger projects in terms of total units, but located the units on multiple sites. This helped maximize the number of units produced while keeping the scale of each project smaller.

Section 811 project sponsors typically provide advance notification to neighboring residents and businesses of the proposed development, and neighborhood acceptance of these projects is high. Where there have been "NIMBY" (Not in My Back Yard) concerns, they appear to have been mitigated through additional communication and neighborhood input into project design or other facets of the program.

Economic integration between the projects and the surrounding neighborhoods is modest. Although many residents use local businesses, there is little use of local vendors by project management, and almost no neighborhood residents are employed by the projects.

Resident Experiences in Section 811 Projects

We interviewed a small number of residents in each of the Section 811 projects we visited. Resident interviews covered a broad range of topics, including housing choices and preferences, supportive services, community integration (with other residents in the development as well as neighbors in the surrounding community), and residents' overall perceptions of their current living situation.

Findings about resident experiences include:

Resident satisfaction is high among the individuals interviewed. Overall, 65 percent of respondents reported being very satisfied with their current living situation. Another 29 percent are somewhat satisfied or between somewhat and very satisfied. Six percent of the residents interviewed are not satisfied with their current living situation. The main reasons cited for dissatisfaction include interpersonal conflicts with other residents or staff (such as excessive noise, stealing food, or gossiping).

Residents said they like the independence, privacy, and quality of their Section 811 housing. Of those who cited things they dislike, problems with other residents were the most frequently mentioned issue. Project sponsors said that interpersonal conflicts are a bigger problem in larger projects. In the resident interviews, however, residents in smaller projects were more likely to mention problems with other residents or staff.

Residents expressed a slight preference for smaller projects over larger ones, but a substantial number expressed no preference. Nearly half of the residents said they would prefer to live in projects with fewer than eight units, while about 30 percent expressed a preference for developments with more than eight units. The remaining 20 percent had no preference.

Residents' opinions are also mixed on whether they prefer to live with other persons with disabilities or with people who do not have disabilities. When asked whether they prefer to live with persons with disabilities or with people without disabilities, half of the residents expressed no preference. Of the remainder, about 30 percent would prefer to live with others with disabilities and 20 percent stated a preference for living with others who do not have a disability.

Sponsors reported that project sites are often selected to promote community integration, but residents reported little interaction with neighbors outside the Section 811 project. Residents do seem to have some sense of community within the Section 811 projects, but integration with the neighborhoods has been elusive. Some 60 percent of residents said they have no interaction at all with neighbors outside the Section 811 project. Among those residents who noted specific barriers to neighborhood interaction, the most common is that their disability prevents them from getting out into the neighborhood (or they need assistance in doing so) or prevents them from being understood. Other common reasons for limited neighborhood interaction are concerns about crime and safety, not knowing the neighborhood residents, or simply being busy with their own lives.

Project Size and Development and Operating Costs

One argument for building larger projects is that per unit operating and development costs are reduced if costs are spread across more units.

In this exploratory analysis of development and operating costs, we found evidence of economies of scale in some regions. The effect is strongest in lower cost regions of the country (the Midwest and South) compared to more expensive regions (the Northeast and West).

A more complete analysis of operating costs would need to account more fully for project support costs. Our quantitative cost analysis was limited to costs captured in HUD's reporting systems, which include only those costs covered by the Section 811 program. Support costs, which are an important operating cost category for Section 811 projects but are not covered by the Section 811 program (and are therefore not reported to HUD), vary by size in more complex ways, according to project sponsors.

Policy Implications

The Section 811 program and projects funded under the Section 202 (direct loan) program provide important sources of affordable and accessible housing for persons with disabilities. The Section 811 projects that are the main focus of this study are generally located in residential or mixed residential and commercial areas selected to provide residents with access to services in an integrated setting. Project size does not determine the availability of services. Some of the policy implications of the study's findings include:

- Given that neither costs nor service availability is strongly influenced by project size, HUD should continue to encourage the development of smaller projects. Projects with fewer units are easier to site in appropriate settings and residents express high rates of satisfaction with smaller projects.
- HUD should also maintain flexibility to permit sponsors to develop larger projects where suitable sites are available and sponsors can demonstrate the demand for the housing.
- Privacy is an important concern for both sponsors and residents. Project design should maximize privacy. Several sponsors noted design features of their projects that promote privacy and autonomy and mitigate interpersonal problems. For example, in a group home for four people with developmental disabilities and behavioral issues, a small setting with lots of space is critical because interpersonal issues, noise, or distraction can overwhelm the residents. Individual entries rather than common hallways in an independent living project define individual space and give residents a greater sense of autonomy and privacy. One sponsor noted that clusters of six units with individual entries give residents privacy, but allow them to live "interdependently," watching out for each other.
- The cost analysis shows some evidence of economies of scale in both development and operating costs for the small sample of projects we analyzed, but further research is needed to explore costs more fully. A more comprehensive cost analysis should assess

costs in a larger sample of projects and look at housing and services costs together. In addition, a broader exploration of how financing mechanisms for affordable housing could be combined and leveraged with those for housing for persons with disabilities to create mixed residential developments would be useful.

- Further analysis of the cost effectiveness of using the Section 811 program to acquire condominiums is also warranted. The small number of condominium project sponsors we visited have high acquisition and operating costs and share some of the same interpersonal problems among residents that are found in group homes and independent living projects. There seem to be few cost advantages to having the sponsor own these units compared to assisting residents with tenant-based Housing Choice Vouchers. Using tenant-based vouchers may pose challenges as well, including discrimination by landlords against persons with disabilities and a lack of affordable and accessible rental housing for voucher recipients in many housing markets.

Chapter One
Background and Methodology

In recent years, there has been growing interest among different sectors representing and serving persons with disabilities in providing more mainstream housing opportunities for persons with disabilities. The purpose of this research is to investigate the social and economic effects of project size in Section 811 and Section 202 (direct loan) projects for persons with disabilities, their residents, and the immediate neighborhoods.

A congressional mandate requires that this study look specifically at:[3]

- The benefits and problems associated with providing Section 811 housing in projects that have 7 or fewer units, 8 to 24 units, and more than 24 units; and
- The benefits and problems associated with providing housing for non-elderly persons with disabilities under the Section 202 (direct loan) program, in projects having 30 to 50 units, 51 to 80 units, 81 to 120 units, and more than 120 units.

These study objectives were addressed within the context of a broader goal: *helping HUD to identify the most effective project-based housing options that the federal government can provide for low-income persons with disabilities*. This report presents the study's findings.

Background

The need for affordable housing for low-income persons with disabilities has been clearly documented. Across the United States, the presence of a disability is generally associated with lower levels of income and an increased likelihood of living in poverty. Among persons 25 years old and over, 27.9 percent of people with a severe disability live below the poverty line, compared to 10.4 percent of people who do not have a disability.[4] According to 2004 data, some 3.9 million adults (age 18 to 64) with disabilities receive Social Security Income (SSI) benefits.[5] Nearly two-thirds of SSI recipients have no other source of income,[6] yet SSI benefits are comparable to an hourly wage rate of just $3.43, almost $2 per hour below the federal minimum wage.

Given their low incomes, housing costs pose a serious burden to low-income persons with disabilities. In every county and metropolitan area in the country, a person whose income is limited to SSI must pay more than 30 percent of monthly income to rent a one-bedroom apartment at HUD's Fair Market

3 Section 524 of Fiscal Year 2000 Appropriation Act (H.R. 2684; P.L. 106-74).

4 U.S. Census Bureau, Americans with Disabilities: 1997 – Table 3.

5 Social Security Administration, February 2004.

6 SSI Annual Statistical Report 1998, Social Security Administration.

Rent (FMR). In 2002, for the first time, the average national rent was greater than the total monthly income received by SSI recipients.[7]

Housing for persons with disabilities funded through HUD can be traced back to 1964 when Congress expanded the definition of elderly for the Section 202 Direct Loan Program for the Elderly to include persons with physical disabilities. Section 202 (direct loan) projects could be developed for the elderly or for people with physical disabilities. In projects for the elderly, ten percent of the units had to be accessible and could be occupied by either elderly or nonelderly people who required the accessibility features of the unit. These projects were primarily large congregate settings. At that time, it was thought that the elderly and persons with physical disabilities had similar housing and supportive services needs that could be met in such a setting.

In 1974, Congress again amended the eligibility definition for the Section 202 (direct loan) program to include persons with developmental disabilities. The project type of small group home was first created for this population.

The "Deinstitutionalization Movement" began in the 1970s with the closing of many state hospitals forcing persons with disabilities, primarily persons with chronic mental illness, into the community before there were appropriate community-based residential settings. In 1978, Congress directed HUD to initiate a joint three-year demonstration program with HHS entitled, "Demonstration Program for Deinstitutionalization of the Chronically Mentally Ill." Congress also indicated that it was never their intent to exclude this population from being eligible for the Section 202 (direct loan) program. In 1982, HUD made persons with chronic mental illness eligible for the regular Section 202 Direct Loan Program.

Over time, as a result of the "Deinsititutionalization Movement" and the recommendations of disability advocacy groups, it became apparent that the larger congregate projects that were first developed for people with physical disabilities in the Section 202 (direct loan) program tended to isolate persons with disabilities from the surrounding community. It was also recognized that the housing and supportive services needs of the elderly and persons with disabilities were not the same and, overall, neither population wanted to live with the other.

Through changes in HUD regulations, project size decreased gradually from projects that could contain over 100 units to independent living projects that could be no larger than 40 units and group homes that could house no more than 15 persons. Between 1976 (the first year data was collected) through the end of the Section 202 (direct loan) program for the Elderly or Handicapped in 1990, HUD provided funding for over 2,100 projects comprising over 36,000 units for persons with disabilities.

In 1990, through the Cranston-Gonzalez National Affordable Housing Act, Congress changed the Section 202 program from providing direct loans with Section 8 rental assistance to providing capital advances (which do not have to be repaid as long as the housing remains available for the intended occupants for at least 40 years) with project rental assistance contract (PRAC) funds. The other major

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7 *Priced Out in 2002*, Technical Assistance Collaborative and Consortium for Citizens with Disabilities Housing Task Force, May 2003.

change was that the Section 202 (direct loan) program could only serve the elderly (62 and older). Congress created a separate program called "Section 811 Supportive Housing for Persons with Disabilities" using capital advances and PRAC funds to develop and operate independent living projects serving no more than 24 persons with disabilities and group homes housing a maximum of eight persons with disabilities. The Section 811 program was first implemented in FY 1991.

In order to qualify for the Section 811 program, a person with a disability has to be at least 18 years old and have a very low income. Supportive services are to be made available to residents, but, beginning in FY 1996, receiving supportive services cannot be a condition of tenancy.

At the time this research began in 2001, the majority of the almost 1,600 projects (totaling 15,500 units) that had been selected since 1991 (65 percent) contain between 8 and 24 units. Most of the remaining projects (32 percent) have fewer than eight units. Services may be provided on- or off-site to provide residents with assistance to help them live as independently as possible. As of FY 2004, almost 2,300 Section 811 projects consisting of 25,436 units have been selected for funding. In the tenant-based assistance portion of Section 811, which became operationalized in FY 1997, the Department provided 12,255 housing vouchers to persons with disabilities through FY 2004.

Thus, persons with disabilities have many more housing options today than they did 30 years ago, ranging from tenant-based housing vouchers to small group homes or independent living projects to larger multifamily properties. Some housing options offer on-site services. Others offer links to off-site services, while some housing is completely "de-linked" from services; that is, there are no formal arrangements by which housing residents are linked to either on- or off-site services. Despite the growth in housing options and service models, there is still a widely held view that housing choices for persons with disabilities need to be further expanded. In particular, many advocates contend that housing for persons with disabilities should be indistinguishable from the rest of the neighborhood's housing. Some further argue that choice is maximized only when housing assistance is exclusively tenant-based and services are completely de-linked from housing, allowing persons with disabilities to make housing choices independently from choices about services.

In terms of project size, viewpoints vary as well. Most advocates have been lobbying for smaller developments for more than ten years. Advocates say that persons with disabilities prefer small properties that are integrated into neighborhoods, although there continue to be a few sponsors who prefer to build larger developments. It has been claimed that larger projects are less expensive to build and operate, an issue that must be carefully weighed, given the significant need for affordable housing for this population. In particular, providers of housing for people with physical disabilities (especially wheelchair users) further contend that the private rental housing market has failed to produce a sufficient stock of wheelchair-accessible housing. Some sponsors of housing for people with physical disabilities find it more cost effective to build larger projects because of the economies of scale they can achieve with more units.

A fairly small but vocal group of advocates maintain that all housing assistance should be tenant-based. Advocates of tenant-based vouchers contend that additional vouchers would support efforts to reduce the number of persons with disabilities who live in institutional settings by integrating them in other suitable housing developments in their communities. Some holding these opinions view developments that are built specifically for persons with disabilities as "mini-institutions" that unnecessarily segregate residents from their communities. Other proponents of expanded tenant-based assistance are not necessarily opposed to shared or congregate living arrangements, but they believe the choice should be left to the person with disabilities.

Advocates and much of the research literature suggest that the focus of policymakers has been to ensure that services and supports are in place to meet the needs of persons with disabilities, while less emphasis has been placed on promoting community integration. Yet, it is not clear what role project size plays in decisions about housing and service models for project sponsors/manager or in outcomes for residents. This study provides an important opportunity to further explore the issue with housing sponsors, state policymakers, service providers, and residents of assisted housing projects for persons with disabilities.

Research Design

In order to best meet the goals and objectives for this study, we targeted study resources toward smaller projects. The following priorities guided the study:

- ***Limited attention to Section 202 (direct loan) projects***. While the study responds to the congressional mandate that the research include Section 202 (direct loan) projects for persons with disabilities, these properties represented a smaller part of the overall study. This approach was chosen early in the design phase because advocates and policymakers appear to have concluded already that very large developments are not well suited for most persons with disabilities.
- ***Emphasis on the social and economic costs and benefits of smaller Section 811 projects, including factors that contribute to development and operating costs.*** The main focus of the study was on Section 811 projects with fewer than 25 units, concentrating comparisons on projects with 8 to 24 units and with 7 units or fewer. In particular, we have explored the factors that contribute to the costs of developing projects based on these size groups, examined how operations differ, and assessed the extent to which projects are integrated into the surrounding community and how residents' daily lives may differ in projects in each size category.

In order to conduct this study, we collected data on housing and services for persons with disabilities from numerous perspectives—state policymakers, project sponsors/managers, project residents, and local service providers and advocates. Our design was informed by two research activities undertaken during the design phase: first, a targeted literature review that focused on issues related to project scale and consumer preferences in housing and services for persons with disabilities; and second, a meeting of a study Advisory Group made up of advocates for persons with disabilities and developers of housing for persons with disabilities.

The key data collection activities are briefly described below.

Telephone Discussions with State Policymakers

The purpose of these discussions with state officials was to learn more about the role of states in establishing housing and service priorities for persons with disabilities, how HUD's programs for persons with disabilities are integrated with state strategies, and what other initiatives and approaches are being developed and implemented. We obtained recommendations both from HUD staff and from members of our study Advisory Group to assemble a list of states that could offer helpful perspectives on these issues. We asked for states that are viewed as innovative in the field of housing for persons with disabilities, as well as those seen to be solid (but not necessarily innovative) performers. In most cases, the respondents were representatives from the state's housing, mental health, developmental disabilities, and/or rehabilitation services agencies. The states selected were:

Alabama	Massachusetts
Arizona	Minnesota
California	New Jersey
Colorado	New York
District of Columbia	North Carolina
Florida	Ohio
Illinois	Pennsylvania
Kansas	Texas
Kentucky	Virginia
Maryland	Washington

Telephone Survey of a Nationally Representative Sample of Project Sponsors

As part of this study, HUD required a survey of a nationally representative sample of project sponsors, selected within certain size categories. The sampling frame for the nationally representative sample of Section 811 and Section 202 (direct loan) projects was based on a Real Estate Management System (REMS) data extract containing property-level information on the number of units, program type (Section 811 or Section 202 [direct loan]), category of people with disability served (chronic mental illness, developmental disability, and physical disability), and address.[8] We selected 200 projects, with a target of 150 completed interviews.

Our overriding sampling strategy focused on the seven congressionally mandated size categories (three in the Section 811 program and four in the Section 202 [direct loan] program). The seven size categories are as follows:

- Section 811 projects with fewer than 8 units
- Section 811 projects with 8 to 24 units
- Section 811 projects with more than 24 units

[8] Starting in 1995, HUD stopped funding intermediate care facilities under the Section 811 program. Since these facilities are no longer part of the program, they were excluded from the study.

- Section 202 (direct loan) projects with 30 to 50 units
- Section 202 (direct loan) projects with 51 to 80 units
- Section 202 (direct loan) projects with 81 to 120 units
- Section 202 (direct loan) projects with more than 120 units

Although not a statistical sample, we selected projects to represent adequately the populations of persons with disabilities served in the programs (people with physical disabilities, developmental disabilities, and mental illness) and the building types produced (group homes, independent living projects and condominiums). For more detailed information on the residents and building types reflected in the sample, see Chapter Two.

Preliminary tabulations from the sampling universe indicated a relatively high concentration of Section 811 projects with fewer than eight units. We, therefore, further stratified this group into projects with four or fewer units, and five to seven units. Together, these eight size categories were used as sampling strata when the sampled properties were drawn.

We selected the sampled properties using a stratified random sampling design, with the eight size categories serving as sampling strata. The first two columns of Exhibit 1-1 show the distribution of projects in the sampling universe across the size categories. Some of the larger size categories have very few projects in the sampling universe. Therefore, we over sampled these projects to ensure an adequate number of such projects for analysis. The next two columns of Exhibit 1-1 indicate the number and percentage of sampled projects associated with each of the sampling strata.

The distribution of completed interviews by size category, shown in the final two columns of Exhibit 1-1, is very close to our targeted sample, although we have slightly fewer projects in the largest size categories. As discussed in Chapter Two, this is because there are very few of these projects in the universe and some of them are not single projects, but rather scattered site developments with buildings in more than one location. In some cases, the scattered site nature of the development was evident in the HUD administrative data, but this was not always the case. Sponsors selected for interviews who reported their project was located on scattered sites were interviewed about a single site. For analysis, the project was then assigned to the size category corresponding to the single site for which they provided survey responses.

Exhibit 1-1
Sampling Allocation and Response Rates for Nationally Representative Sample of Section 811 and Section 202 (Direct Loan) Projects

	Sampling Universe		Sample		Completed Interviews	
Program/Size of Project	**Number of Projects**	**Pct. of All Projects**	**Number of Projects**	**Pct. of Sampled Projects**	**Number of Projects**	**Pct. of Completed Interviews**
Section 811: < 5 units	193	13.0%	21	10.5%	17	10.9%
Section 811: 5 to 7 units	292	19.7%	37	18.5%	33	21.1%
Section 811: 8 to 24 units	812	54.8%	100	50.0%	81	51.9%
Section 811: > 24 units	41	2.8%	15	7.5%	5	3.2%
Section 202: 30 to 50 units	128	8.6%	19	9.5%	15	9.6%
Section 202: 51 to 80 units	5	0.3%	2	1.0%	1	0.6%
Section 202: 81 to 120 units	9	0.6%	4	2.0%	3	1.9%
Section 202: > 120 units	2	0.1%	2	1.0%	1	0.6%
All	1,482	100%	200	100%	156	100%

Site Visits

We selected 50 projects in 10 metropolitan areas for site visits. The purpose of the visits was to explore issues of project size in greater depth, focusing on projects of 24 units or fewer. We selected metropolitan areas with at least six properties to ensure that we could identify five project sponsors who were willing to participate in the study and available for a site visit. In addition, because the site visit projects were the focus of our assessment of development and operating costs, we limited the projects eligible for site visits to those for which we were able to obtain both operating costs and development cost information from HUD's financial data systems.[9]

We made every effort to visit five projects in each metropolitan area, making substitutions if sponsors were unwilling to participate in the study or unavailable during the site visit dates. In one case, however, a Columbus, OH sponsor who had agreed to a site visit canceled the day before the scheduled visit. Due to the late cancellation, we were unable to identify a substitute project. Thus, we were only able to visit four projects in Columbus. Overall, a total of 49 projects were visited for this study.

During the site visits, we interviewed property sponsors/managers and a small sample of residents (one to five residents per property, for a total of 115 residents). In each metropolitan area, we also met with local service providers and advocates who provide services and support to persons with disabilities. The metropolitan areas selected for study, organized by Census region, are shown in Exhibit 1-2, and the characteristics of the projects we visited are summarized in Exhibit 1-3. A list of the projects we visited appears in Appendix A.

Exhibit 1-2
Metropolitan Areas Selected for Site Visits

Census Division	MSA
New England	Boston, MA-NH
East North Central	Columbus, OH
West North Central	Minneapolis-St. Paul, MN-WI
Mid Atlantic	New York, NY-NJ
South Atlantic	Charlotte-Gastonia-Rock Hill, NC-SC
South Atlantic	Washington, DC-MD-VA-WV
East South Central	Louisville, KY-IN
West South Central	Little Rock-North Little Rock, AR
Mountain	Denver, CO
Pacific	Los Angeles-Long Beach, CA

9 Operating cost information came from HUD's Annual Financial Statement (AFS) data system. Development costs came from HUD's Development Application Processing (DAP) system.

Exhibit 1-3
Projects Selected for Site Visits by Disability Group Served, Housing Type, and Size

Disability of Residents – Total Projects Visited	Housing Type: Number of Projects Visited	Number of Units: Range; Mean	Number of Residents: Range; Mean
Developmental Disabilities – 21	Group homes – 10	Range 3-8 Mean 4.9	Range 3-8 Mean 5.5
	Independent living projects – 9	Range 2-22 Mean 12.6	Range 2-24 Mean 14.6
	Condominiums – 2	N/A**	N/A**
Physical Disabilities* – 11	Group homes – 4	Range 4-12 Mean 7.3	Range 4-12 Mean 7.3
	Independent living projects – 6	Range 10-22 Mean 16.2	Range 10-25 Mean 16.5
	Condominiums – 1	N/A**	N/A**
Chronic Mental Illness – 17	Group homes – 6	Range 4-8 Mean 5.8	Range 4-8 Mean 5.2
	Independent living projects – 11	Range 4-24 Mean 11.3	Range 6-29 Mean 13.6
	Condominiums – 0	N/A	N/A

* Includes two projects for people with AIDS: one group home with 8 residents and one independent living project with 17 units/17 residents.

** These condominium projects consist of 3 or 4 scattered site units purchased within larger condominium complexes. The projects we visited housed 1 or 2 residents in each unit.

Organization of the Report

The findings from the study are presented in the following chapters. In Chapter Two, we discuss the characteristics of projects funded under the Section 811 and Section 202 (direct loan) programs for persons with disabilities, including the role of project size and other factors in approaches to delivering services. In Chapter Three, we discuss the relationships between the developments and their neighborhoods. In Chapter Four, we present the results of our interviews with project residents. In Chapter Five, we review our findings on the development and operating costs in the Section 811 projects selected for site visits. Chapter Six presents a summary of findings and a discussion of policy implications.

Chapter Two
Project Size and Housing/Services Models

This chapter presents the study's findings on the characteristics of projects serving persons with disabilities under HUD's Section 811 program and Section 202 (direct loan) program and the role of project size in decisions about housing features and service delivery. The research literature on housing preferences among persons with disabilities emphasizes themes of consumer choice and independence, while the same literature claims that project sponsors' choices about the social setting and design of supportive housing facilities are driven by cost-efficiency and access to certain funding streams. There is also an assumption that more services can be provided more efficiently in larger projects. Researchers and practitioners acknowledge, however, that other factors may play a role in determining project size and the types and location of services, including the service needs and preferences of residents, the structure of service delivery systems, and regulatory and licensing requirements.

In this chapter, we review the findings on project size and housing and services models from discussions with Section 811 and Section 202 (direct loan) project sponsors. The research questions addressed in this chapter include:

- What are the physical characteristics and management practices of the projects funded under the Section 811 and Section 202 (direct loan) programs?
- What is the relationship between project size and the types or severity of disabilities that can be accommodated in developments?
- What is the relationship between project size and service models? What are the feasibility and cost implications of de-linking housing and services?
- Do sponsors consider resident preferences with respect to project size and service delivery?
- How do federal, state, and local governments' regulations and policies affect the size of developments?

The information on Section 202 (direct loan) projects for persons with disabilities is drawn from our telephone survey of Section 202 (direct loan) sponsors and focuses primarily on the characteristics of projects and their residents, services available, and the factors sponsors consider important in determining the type and location of services. Information on Section 811 projects is more detailed and comes from the telephone survey, as well as from in-depth information collected during site visits about resident needs and preferences and the role of regulatory requirements in determining project size.

We begin the chapter with a discussion of the survey and site visit findings for Section 811 projects followed by a discussion of how the findings on the Section 811 program compare with the findings from our telephone survey of Section 202 (direct loan) project sponsors. Information from state policymaker interviews has been incorporated where appropriate as well.

Characteristics of Section 811 Projects and Their Residents

Since the Section 811 program was implemented in FY 1991, almost 2,100 projects have been selected for funding to house people with physical and developmental disabilities and mental illnesses. Given that 90 percent of the projects specified for inclusion in the study are Section 811 projects rather than Section 202 (direct loan) projects, our survey included interviews with a considerably larger sample of Section 811 project sponsors. The characteristics of the projects selected for the survey are summarized in Exhibit 2-1.

Exhibit 2-1
Project Characteristics: Section 811 Survey Respondents

Size Category	Developmental Disabilities	Chronic Mental Illness	Physical Disabilities	All Projects
Up to 4 units	8	8	1	17
5-7 units	17	13	3	33
8-24 units	18	40	23	81
>24 units	0	1	4	5
All projects	43	62	31	136

Source: Telephone Survey of Section 811 Project Sponsors, October 2003

Most of the Section 811 sponsors we spoke to had projects that had been occupied for at least a few years. Ten projects were funded in 2000 or 2001, with the remainder distributed fairly evenly over the 1990s. Sponsors across all size categories reported their projects are almost always fully occupied. Sponsors we interviewed during site visits reported their projects are in high demand and often offer some of the highest quality affordable housing in their communities. Turnover is low, with a median of just one move-out during the previous year. Nearly half of the projects (including most of the smallest projects) had no move-outs in the previous year.

Nearly three-quarters of Section 811 sponsors (71 percent) said that referrals from state agencies, institutions, or nonprofit services providers are the most common way applicants find out about their projects. Word of mouth was infrequently cited as an important way persons with disabilities learn about Section 811 projects.

Before moving to the Section 811 project, sponsors most frequently reported that residents lived with family or in another specialized residential setting (such as another group home or a state mental health facility). Overall, 30 percent of residents came from other specialized residential settings and 26 percent previously lived with family, as shown in Exhibit 2-2.

Exhibit 2-2
Residents' Prior Living Situations

Prior Residence	Developmental Disabilities	Mental Illness	Physical Disabilities	All Projects
Nursing home	5%	2%	7%	**4%**
Hospital/rehab facility	7%	12%	13%	11%
Other specialized residence	52%	37%	6%	30%
Family	28%	19%	34%	26%
Market housing	4%	12%	19%	12%
Homeless	1%	9%	5%	6%
Subsidized housing	1%	8%	13%	8%
Other	2%	1%	5%	2%

Source: Telephone Survey of Section 811 Project Sponsors, October 2003 (N=136)

Prior living situations do not vary by project size, but do vary somewhat by disability group. For example, few sponsors of projects for people with developmental disabilities reported residents coming from settings other than living with family or in another specialized residential setting. By contrast, projects for people with chronic mental illness and those for people with physical disabilities serve residents from more varied prior residences. About one-third (34 percent) of residents of projects for people with physical disabilities previously lived with family members. About 20 percent of residents of projects for people with physical disabilities came from hospitals or nursing homes and a similar proportion had previously lived in their own market rate housing. Very few of these projects' residents (6 percent) came from specialized residential settings.

Among projects for people with chronic mental illness, 37 percent of the residents came to the Section 811 project from another specialized residential setting. Just under one-fifth (19 percent) came from market rate housing and 9 percent had been homeless previously.

The survey findings are consistent with what we learned about the resident referral process during our site visits. Most Section 811 projects receive referrals from organizations that provide services (and often advocacy) for persons with disabilities. In some cases, this organization is the Section 811 sponsor, but in other cases they are organizations such as councils on developmental disabilities, independent living centers, or mental health authorities that serve as clearinghouses for information and referrals. In many communities, the referral process was described as "closed;" that is, all referrals to the Section 811 project came through a single referring source. The referring source is responsible for assessing an applicant's needs and making a housing referral, which could be to the Section 811 project or to some other type of housing. In other places, referrals to the Section 811 project come from more varied sources.

The site visits also confirmed that Section 811 project residents often come from other specialized residences, such as group homes, supervised apartments, and residential mental health treatment programs. As residents' needs change, they may move from one type of setting to another. For example, project sponsors that are mental health agencies often have a variety of types of residential settings, with varied levels of support. Some of the Section 811 independent living projects for people with mental illness provide some of the most independent housing (other than Housing Choice Vouchers) offered by the mental health provider.

We also visited some projects that had been developed to meet the needs of residents with developmental disabilities who also have physical limitations. In one community, most of the housing options for people with developmental disabilities are in single-family homes with stairs. To facilitate aging-in-place, the sponsor used a Section 811 grant to build a single story, group home for eight residents with mobility problems, most of whom are older. Most of the residents of this project had lived in other group homes, but moved to the Section 811 project when they developed mobility limitations.

Project Size and Service Delivery in Section 811 Projects

Based on our site visit and telephone interviews with project sponsors, it is clear that Section 811 residents have access to a variety of services, but there are different approaches to ensuring residents have the services they need. Intuitively, it makes sense that larger projects would have more space available for services and there might be economies of scale in offering on-site services rather than transporting people. In the projects we visited, however, the types and locations of services were driven by sponsor choices and regulatory requirements, not by size. In this section, we discuss the role of size in sponsors' decisions about service delivery.

Sponsors that also are service providers develop many Section 811 projects. Others have contractual relationships with service providers to work with project residents, while a small number provide housing for residents who make their own arrangements for services. In our telephone survey, sponsors were asked who coordinates services for residents; that is, whether services are coordinated by sponsor staff (either on- or off-site) or by staff from another agency or organization (either on- or off-site). Multiple responses were possible and indeed in many cases, service coordination is shared by on- and off-site staff or across organizations. On-site staff who work for the project sponsor coordinate services for residents in 55 percent of all projects, and sponsor staff based off-site provide service coordination in 42 percent of projects. In just under a quarter of projects (23 percent), services are coordinated by off-site staff who work for another agency or organization. Only 9 percent of sponsors said that on-site staff working for an outside organization handle service coordination.

Just under two-thirds of Section 811 sponsors we visited (30 of 49) play an active role in providing services for residents, often both on-site at the project and off-site at other locations. Among the 13 sponsors that do not provide services, most (eight sponsors) contract with other agencies for services, limiting the sponsor role primarily to housing management. In the remaining projects, there is no formal arrangement between the sponsor and service providers; instead, residents make their own arrangements for services. For example, in a ten-unit independent living project for people with physical disabilities, the sponsor does not provide or even coordinate services for residents. The sponsor representative explained that it would be impossible to meet the diversity of residents' needs with on-site services, and that residents should choose their own service providers because they know what they need. (The two residents we interviewed agreed.) The sponsor added that the residents share information about providers, creating an effective network among themselves.

The majority of sponsors we visited prefer that on-site services be limited to those that residents need to live as independently as possible in their homes and that residents go elsewhere for services that are available and accessible at other locations. This sentiment was echoed by policymakers, including those in Ohio and New Jersey, where the emphasis is on services connected to the individual and not to the housing. The services provided on-site often (but not always) include some assistance with activities of daily living, including dressing, bathing, meal preparation, and housekeeping. The services that need to be provided on-site depend on the individual resident and may include more therapeutic services, such as physical or occupational therapy or medication management.

This approach has more to do with sponsors' missions and philosophies than with the physical availability of space or the economics of securing services. Sponsors typically view housing as housing, not as a therapeutic setting. The goal is to provide a setting that is safe, permits privacy and security, encourages independence, supports community integration, and reduces stigma. For example, in Maryland, state policymakers are trying to formalize a policy that will de-link services and housing, and providers are responding positively. So far, the state has had more success with this approach in projects serving residents with mental illness or physical disabilities, due in part to the funding sources for those populations. Service delivery approaches may also have to do with regulatory requirements and reimbursement policies. For example, group home residents with developmental disabilities in Massachusetts are required to attend a day program, so daytime support costs in residential facilities like Section 811 projects are not reimbursed by the state. (Additional regulatory and licensing issues are discussed in more detail below.)

When we discussed the role of project size in service delivery with the sponsors we visited, only a handful said project size played an important role in the type of services they provide or the way services are delivered. The majority of sponsors said that the needs of residents drive the types of services provided and the sponsor's philosophy about services and regulatory and service system requirements determine the ways services are delivered. Sponsors of a few of the smaller group homes (three to seven residents) said that regulatory requirements and reimbursement policies are the most important factors. State policymakers in New Jersey, where "A-level" group homes require 24-hour support, also noted this.

Some sponsors reported they had reduced the services they offer on-site. For example, the sponsor of a project for people with AIDS began designing the project in the early 1990s, assuming that the future residents of the planned independent living project would be quite ill and would require extensive on-site services. When the project opened in 1999, improvements in AIDS treatment meant that the residents were healthier than expected and preferred to receive services off-site. A nearby multiservice center for people with AIDS offered a wide array of services, as well as meals and social events. Residents preferred to go to the multiservice center rather than receiving services in their building. The project manager also noted that the project initially offered mental health treatment on-site, but residents were uncomfortable that other residents would see them going to the therapist's office. The sponsor decided to arrange off-site therapy at a clinic instead.

The six sponsors who said size is important in service delivery were generally associated with larger projects. These sponsors all reported that efficiencies in on-site support are influenced by project size. For example, three sponsors of large, independent living projects with a high level of support (one for people with brain injuries and other physical disabilities and the other two for people with severe developmental disabilities) said their residents need intensive support and the larger sizes of these projects (which range from 10 to 16 units) make it cost efficient to have more intensive support. In these projects, the sponsors' views on the need for on-site support set the lower limit for project size, while in the other projects, efficiencies in support set the upper limit. Two of the largest projects we visited were independent living projects for people with mental illness; one project has 18 units and the other has 20. Both sponsors reported they built the largest projects that could be accommodated with the resources they had for on-site support. The sponsors said the need for affordable housing for people with mental illness was as important in deciding on project size as efficiencies in service delivery.

In another example, size plays an important role in the housing and services model used by Accessible Space, Inc. (ASI), a Minneapolis-based service provider and developer of housing for people with mobility impairments. The service model used by ASI relies on larger developments. Residents pool the hours of service provision available to them for personal care attendants through Medicaid to provide 24-hour per day service coverage at the development. On site support staff is present at all times. This arrangement works best when there are at least 10 residents pooling service hours. To achieve maximum efficiencies in development costs and management as well as service provision, ASI favors properties with 20 to 25 units.

Project Size and Severity of Disability in Section 811 Projects

We explored sponsors' views on whether the severity of residents' disabilities plays a role in decisions about project size. We will limit our discussion of this topic to the findings from the site visits, because we did not obtain extensive information on the severity of resident disabilities in our telephone survey. The projects we visited ranged in size from 2 units to 24. Among projects serving people with particular disabilities, we visited projects across the full size spectrum: projects for people with developmental disabilities ranged from 2 to 22 units; projects for people with physical disabilities from 3 to 22 units; and projects for people with mental illness from 4 to 24 units. The size ranges within housing types was limited for condominium projects (3 to 4 units).

There does not appear to be a direct relationship between project size and the severity of disability of the residents. We visited larger projects housing residents with more severe disabilities, as well as smaller ones. Sponsors of larger projects cited efficiencies in support and service delivery as important advantages of housing people with more severe disabilities in larger settings. By contrast, the sponsor of a three-person group home for people with physical disabilities said that this small setting was ideal for its residents, all of whom had other disabilities in addition to severe mobility impairments (one had physical health problems, and the other two had behavioral and mental health issues). The renovated single-family home offered sufficient privacy for the residents, and a personal care attendant was on-site at all times. The sponsor said a larger project would make it more difficult to meet the needs of the residents, as well as making it difficult to find suitable homes to renovate in residential neighborhoods (the sponsor's preferred development approach).

The sponsors we visited said that the degree of on-site support does depend largely on the severity of disabilities of the residents. Projects serving residents with less severe disabilities had limited on-site support, with little or no overnight support. Projects housing residents with more severe disabilities had awake overnight support and more daytime coverage. The three projects we visited for people with developmental disabilities in North Carolina provide examples of the interaction of project size and the severity of residents' disabilities. There seemed to be economies of scale in providing on-site support for six residents or more, but this depended on the level of disability of the residents: one daytime support person was sufficient for three residents with severe developmental disabilities, but six such residents would require two daytime support personnel. Even for those with severe disabilities, there are some economies of scale in overnight coverage, when only one support person is required regardless of the number of residents. For residents with moderate developmental disabilities, one support person would be enough for up to six residents both during the day and at night. For high functioning residents, the size of the project did not seem to matter, because support could be provided on a drop-in basis.

There is great interest in expanding housing options by using Section 811 to purchase condominiums. We visited only three condominium projects, and they were quite different from each other. However, taken together, they seem to offer evidence that residents with a variety of types and severity of disability can be accommodated in condominiums. For our purposes, these "projects" are considered small, because the sponsor purchased only three or four units for Section 811 residents. The units are all in large condominium complexes, so residents are living in a larger community but sometimes with more privacy than in a group home or independent living project. Two projects housed people with developmental disabilities who are able to live independently with roommates. The residents are "group home graduates" who require few services. By contrast, the third condominium project housed people with physical disabilities, including brain injuries and cognitive difficulties. Some of the project's five residents require considerable assistance.

De-linking Housing and Services

Since the Section 811 Project Rental Assistance Contract (PRAC) does not cover the cost of services, sponsors do not view de-linking (that is, separating services from housing) as a cost issue for the Section 811 program. Persons with disabilities are eligible for services based on their incomes and the nature of their disabilities, regardless of where they live. To varied extents, Section 811 sponsors do separate housing and services. For many developments, the services offered on-site are limited to those necessary for residents to live as independently as possible, while residents access other services at other locations.

Sponsors reported few problems with securing the services residents need. In some cases, residents come to the housing already connected to a support network. Many sponsor organizations are also service providers, so there is a natural link to services even if the services are not located on-site. The challenge in this arrangement is that, if the resident is dissatisfied with either the services or the housing, it may be difficult to make a change. (See Chapter Four for examples of concerns raised by residents.)

There were a few cases in which sponsors noted problems with contracted services. We visited three projects – all for people with mental illness – where there seemed to be such a "hands-off" approach that some residents' needs were not being met. In all cases, the project sponsors were aware of the problems and were working on improving contractor performance or exploring options to change service providers. In geographic areas with limited choices of service providers (more rural communities, for example), finding an alternative service provider may be difficult.

Sponsors' Views of Resident Preferences

Sponsors place the preferences of persons with disabilities about project size and design high in their priorities when designing their projects. Overall, 39 percent of survey respondents cited the home-like environment of their projects as a key advantage of their project size. Fewer sponsors of larger projects (32 percent) cited this advantage compared to sponsors of smaller projects (about half). The greater diversity of residents in larger projects was cited as an advantage by 17 percent of respondents, but 21 percent noted that the greater potential for interpersonal conflict is a problem in larger projects. Just over one-quarter of sponsors (27 percent) said that larger projects stand out from their neighborhoods, making integration more difficult. (Issues related to project size and neighborhood integration are discussed in detail in Chapter Three.)

Whether sponsors succeed in responding to residents' preferences is subject to the confounding effects of self-selection: the persons with disabilities who move in to Section 811 projects (or their families or others involved in selecting their housing) have made a decision that the project and its associated services would be a suitable place to live. From the sponsors' points of view, one of the main advantages to developing housing specifically for persons with disabilities is that residents can form a community, rely on each other, and have peer relationships. (As discussed in Chapter Four, residents do not always agree that such a sense of community exists, or that it is even desirable.) Larger projects offer opportunities to meet more people and perhaps a greater likelihood a resident will develop social networks. On the other hand, some sponsors believe larger projects can be more alienating and may encourage isolative behavior. There may also be more interpersonal problems among residents.

Sponsors were asked what proportion of their residents are satisfied with their living situations. While most sponsors believe that most residents are satisfied, they acknowledged that a small proportion of their residents are not fully satisfied. As we describe in Chapter Four, most of the residents we interviewed during site visits confirmed that they are very satisfied with their living arrangements. Even those who were less satisfied often commented that the Section 811 housing was their best option in terms of quality, affordability, and suitability for their needs. (Resident views on segregation of housing and services and project size are also reported in Chapter Four.)

Group or shared living arrangements pose challenges, however. In smaller projects (especially group homes with shared common space or independent living projects (ILPs) where residents share units), sponsors take considerable care to select residents who will get along with each other.[10]

[10] In ILPs, residents do not share bedrooms, but two residents may share a two-bedroom unit with each resident having a private bedroom. Some older Section 811 group homes have double occupancy

Considerations include the type and level of disability, level of functioning, personality, age, and gender. For example, in one Boston group home for people with developmental disabilities, one resident was much more social and had higher-level independent living skills than her housemates. As a result, she moved to another group home with residents whose characteristics and interests were more similar to hers.

A few independent living projects we visited were originally designed to have residents share units, but sponsors elected to limit occupancy to one resident per unit because it was too difficult to find compatible roommates. For example, in one metropolitan area, we visited two ILPs for people with developmental disabilities owned by the same sponsor. The two bedroom units in the ILPs each had only one resident. The sponsor was working with HUD on various options for addressing the two under-occupied two bedroom units.

Role of Federal, State, and Local Government Regulations on Project Size and Service Approach

Among the communities we visited, project sponsors in a number of locations said that state regulations or policies influence their decisions about project size and service approach. In projects for people with developmental disabilities in North Carolina, for example, decisions on what services to provide and whether to provide them on-or-off-site are dominated by the way the service delivery system is structured. County mental health department staff provides service coordination off-site, while contractor agencies provide support, assistance with activities of daily living, and transportation assistance both on-and-off-site.

State policies in a number of states, including Massachusetts, Colorado, North Carolina, and Maryland, dictate the size of projects for persons with disabilities. In addition, state reimbursement policies may influence program design. In Massachusetts, for example, most clients of the Department of Mental Retardation (DMR) are required to attend a day program. Residents typically have some choice among programs and some residents (such as those who are elderly) have some flexibility about participating. In general, however, it is assumed that group homes housing residents with developmental disabilities do not require daytime support; DMR, therefore, will not reimburse housing providers for daytime support staff. Two sponsors serving residents with developmental disabilities noted that some residents complain about having to go to day programs every day, but the sponsors generally cannot let them stay at the group home because there is no on-site support present during the day.[11]

Other states set guidelines rather than firm requirements. For example, Kentucky's state housing agency provides recommendations for special needs developments based on preferences established by an agency-sponsored committee. A staff member termed Kentucky's approach as "flexibility with parameters," designed to make sure good projects do not slip through the cracks because they do not

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bedrooms, but beginning in FY 1999, sponsors were no longer permitted to develop double occupancy bedrooms in group homes. (A group home resident may choose to have a roommate, however.)

11 If a resident is ill, the project does arrange for a support person to be at the group home during the day.

fit within strict guidelines. In Alabama, policymakers said the preferred size for housing projects for persons with disabilities is no more than six units, while New Jersey reportedly promotes small, scattered site models, including small projects specifically for persons with disabilities as well as apartments in integrated developments.

Sponsor preferences and local guidance may result in even smaller project sizes than official policy would dictate or recommend. In Maryland, for example, state policy indicates that group homes can house no more than eight residents. In one of the counties we visited, however, the county mental health authority's preference was no more than six, whereas the project sponsor we interviewed said that no more than three unrelated adults should live together.

Local zoning requirements were an issue in some of the communities we visited. In Los Angeles and Louisville, group home sponsors must notify neighbors of a new project, but only if the project is larger than a certain size. The sponsors we spoke to preferred to keep projects small rather than meet the notification requirements. In Colorado, group homes with four or more residents are subject to more reviews and requirements than smaller group homes. Two Denver sponsors we visited had different responses to the requirements. In one case, the sponsor elected to build a larger group home in order to provide more housing. Another sponsor elected to limit its group home to three residents to avoid the more stringent requirements.

In addition to influencing project sizes, requirements for the development and updating of service plans are also often dictated by states. Although participation in services is not generally mandated, developing and updating the plans is required. States expect residents to be as actively involved in service planning as possible. Families of residents with developmental disabilities are involved when possible as well.

Characteristics of Section 202 (Direct Loan) Projects for Persons with Disabilities and Their Residents

In the next few sections, we review our findings on projects funded under HUD's Section 202 (direct loan) program for persons with disabilities and how these older, larger projects contrast with the more recent Section 811 projects discussed above. HUD funded over 2,100 projects for persons with disabilities under the Section 202 (direct loan) program from 1964 through 1990. The earliest Section 202 (direct loan) projects for persons with disabilities were developed for persons with physical disabilities. In 1974, people with developmental disabilities became eligible, and after a three year joint HUD/HHS Demonstration Program for Deinstitutionalization of the Chronically Mentally Ill from 1978 through 1980, people with chronic mental illness became eligible for the regular Section 202 (direct loan) program in 1982. The project size limits under the Section 202 (direct loan) program for persons with disabilities were 20 units for independent living projects for persons with chronic mental illness and 40 units for independent living projects for persons with disabilities other than chronic mental illness. The size limit for group homes was 15 persons per site (regardless of the disability of the residents).

As described in Chapter One, we interviewed a sample of Section 202 (direct loan) project sponsors by telephone, but did not conduct site visits to Section 202 (direct loan) projects. The sample of projects was selected according to the congressionally-specified size categories. Exhibit 2-3 shows the number of sponsors we interviewed for each size category of project and type of resident disability. These projects represent about 15 percent of projects within the size categories covered by the study funded under the Section 202 (direct loan) program.

Exhibit 2-3
Project Characteristics: Section 202 (Direct Loan) Survey Respondents

Size Category	Developmental Disabilities	Chronic Mental Illness	Physical Disabilities	All Projects
< 50 units	9	1	5	15
51-80 units	0	0	1	1
>80-120 units	0	0	3	3
>120 units	0	0	1	1
All projects	9	1	10	20

The Section 202 (direct loan) sample has fewer large projects than initially expected. Projects with more than 40 units often turned out to be clusters of buildings or scattered site developments, rather than single buildings with large numbers of units. The survey was designed to capture information about projects at a single location. Therefore, in cases of scattered site projects, we selected a single location and administered the interview for that location.

The disabilities of the residents in the projects selected for interviews included all three disability groups: one project for people with chronic mental illness; nine projects for people with developmental disabilities; and ten projects for people with physical disabilities. Reflecting the early priorities of the program, all of the projects with 50 units or more are projects for people with physical disabilities.

The Section 202 (direct loan) project sponsors we interviewed were funded between 1967 and 1989, thus spanning nearly the full period during which projects for persons with disabilities were funded under the program. Not surprisingly, given that all of the projects were funded nearly 15 years ago (and some considerably longer ago than that), some of the respondents had difficulty answering questions about the program design and development phases of their projects. When important for interpreting findings, we note cases for which respondent recall was a problem.

Like the Section 811 sponsors, the Section 202 (direct loan) sponsors reported that these projects are generally fully occupied, with vacancy rates over the past year of no more than 4 percent across all project size categories. Sponsors said that the most common ways people hear about their projects are through referrals by housing organizations or advocacy groups that work with persons with disabilities (16 sponsors each) and through word of mouth (18 sponsors). This contrasts with the Section 811 program, where residents are more likely to learn about the project through formal referral networks and word-of-mouth referrals are more rare.

Across all project sizes, turnover is low. Very few sponsors reported that more than one or two residents moved out of these projects within the previous year. Among those who did report move-outs from these projects, the residents who left typically went to places with higher levels of services, such as a nursing home, hospital, or other specialized residential setting. Very few moved to market or other subsidized independent housing.

Resident Characteristics

The previous residences of Section 202 (direct loan) project residents seem to be somewhat different from those of Section 811 project residents. The Section 202 (direct loan) sponsors often were not able to specify the number or proportion of residents coming from various types of prior residence, but they generally were able to say whether or not some current residents came from each type of place. Previous residences mentioned by sponsors included the following: living with family (19 sponsors); in their own subsidized housing (12); in other specialized residences, such as group homes (9 sponsors); in their own market rate housing (9); and in hospitals or rehabilitation facilities (8 sponsors). Respondents said their residents most commonly moved to the Section 202 (direct loan) project from living with family, in another specialized residential setting (such as a group home), or in their own subsidized or market rate housing. Section 202 (direct loan) project residents seem somewhat more likely to have lived in their own subsidized or market rate housing than Section 811 project residents.

When asked about the criteria they use to select tenants (in addition to HUD eligibility requirements), 12 sponsors said they consider the severity of the applicant's disability. Very few mentioned other personal factors such as the gender of the applicant or how the applicant would get along with other project residents. These criteria were more often noted in interviews with Section 811 sponsors.

Project Size and Service Delivery in Section 202 (Direct Loan) Projects for Persons with Disabilities

In most of these Section 202 (direct loan) projects, a mixture of on- and off-site support personnel is responsible for coordinating services for project residents. Most of the Section 202 (direct loan) sponsors (14 of 20) said that on-site support personnel who work for the project sponsor provide this function. In one project, an employee of an outside organization provides coordination on-site. On-site coordination is supplemented by off-site support personnel who work for the sponsor (in four projects) or support personnel who work for other organizations (in five projects).

Six of the Section 202 (direct loan) project sponsors we interviewed said that their projects do not provide or coordinate services at all for their residents. Some respondents seemed surprised we even asked, responding that their projects are considered "independent living" and that residents who are unable to live independently or make their own arrangements for services would not be living in the Section 202 (direct loan) project. This seems consistent with the fact noted above that a relatively large proportion of sponsors reported that their tenants moved to the Section 202 (direct loan) project from living in their own subsidized or market rate housing. Some of the sponsors of projects for people with physical disabilities said that residents move to the Section 202 (direct loan) project for the accessibility features that are difficult to find in other rental housing.

Respondents who do provide or coordinate services for residents were asked what services were provided and who provided them, the sponsor or an outside organization. Between 7 and 9 of the 14 sponsors reported they or another organization provides home-based services, such as assistance with activities of daily living, shopping, medications, transportation, or housekeeping. Case management is arranged for residents of 12 of the 14 projects. Clinical services, such as psychological counseling, medical treatment, physical or occupational therapy, independent living skills training, and career or vocational assistance, are coordinated for residents at between eight and ten projects. Several projects offer case management and independent living skills training on-site, but most of the clinical services are more commonly offered off-site, regardless of project size.

Respondents were asked about the importance of a series of factors in deciding what kinds of services would be provided for residents and where services would be provided. As we heard from Section 811 sponsors, project size was not viewed as an important factor in determining either the types or locations of services. Sponsors said the most important factors were regulatory or licensing requirements (cited by five respondents), the needs of the residents (three respondents), and the mission or philosophy of the sponsor organization (two respondents.)

Services funding for Section 202 (direct loan) residents was not tied to project size. When asked whether the size of their project affected the availability of services funding, only two Section 202 (direct loan) sponsors said yes. Both of these projects had between 30 and 50 units.

The factors sponsors consider most important in deciding the appropriate size for a project most frequently were operating costs and the type and severity of disability of the residents. When asked what the most important factor was, six respondents cited operating costs, while five respondents said the disability of the residents was most important. The remaining sponsors cited the housing location (two respondents), the preferences of persons with disabilities (two respondents), the service approach (two respondents), or other factors (two respondents.)

Summary

The sponsors we interviewed provided insights into the characteristics of projects funded under the Section 811 program and the Section 202 (direct loan) program and the role of project size in housing and service models. The Section 202 (direct loan) sponsors we spoke to view their projects as independent living apartments. Project residents are mostly commonly people with physical disabilities who moved to the Section 202 (direct loan) project from a variety of previous residences, presumably in part for the accessibility features the Section 202 (direct loan) projects offer. About one third of the Section 202 (direct loan) sponsors we interviewed reported they play little or no role in coordinating services for residents because their residents arrange their own services. Project size is not viewed as an important factor in service delivery.

Sponsors of Section 811 projects, by contrast, are more frequently part of a service system within which Section 811 projects may be one of a number of housing options. Through referrals within these service systems, Section 811 residents more frequently come from another specialized residential setting or from living with family. Section 811 projects offer access to a wide array of services, but most sponsors prefer to limit on-site services to those residents who need to live as independently as possible. This service approach derives more from the sponsor's organizational approach and regulatory requirements than from project size.

Sponsors do consider residents' preferences about project size and service location, and most sponsors believe the majority of their residents are satisfied with the arrangements they have. One challenge sponsors do struggle with is managing group living arrangements. A few sponsors we visited had such difficulty matching compatible roommates that they have elected to reduce the number of residents they house. We discuss resident perceptions of their housing and service arrangements in Chapter Four.

Chapter Three
Project Size and Neighborhood Relations

As the number of supportive housing developments sponsored by HUD and others has increased, community concerns about project siting, scale, and management have grown, in some cases leading to vocal community opposition. Community opposition may be attributed in some instances to the NIMBY (not in my back yard) syndrome. In this chapter, we explore the relationship between project size and neighborhood relations in HUD's Section 811 Supportive Housing Program for Persons with Disabilities. We discuss both community acceptance of the projects at the planning and development stages and also the on-going economic and social ties between projects and neighborhoods once the Section 811 project is occupied. The research questions addressed include:

- Do projects match surrounding land uses?
- What have been community reactions to projects for persons with disabilities and to what extent are reactions linked to project size?
- What approaches have sponsors used to respond to neighborhood opposition?
- What social and economic ties exist between projects and neighborhoods?

In our telephone surveys of Section 811 project sponsors, we found that about half of the projects encountered no community opposition at all and very few encountered major opposition that delayed the project substantially.[12] A large majority (85 percent) of sponsors reported they had a favorable relationship with their neighbors once the project was occupied. Given the nature of a telephone survey, however, we were not able to determine the extent to which projects are similar to surrounding land uses or are integrated in their neighborhoods.

The findings on neighborhood relations issues we present in this chapter are drawn primarily from the site visits, where we had the benefit of both talking to local respondents (sponsor/managers, residents, and services providers/advocates) and seeing the properties and communities first-hand. We also present findings on the extent of social and economic integration between the developments and the neighborhoods, based on information about issues such as resident employment in the neighborhood, neighborhood employment at the property, and managers' and residents' reported use of neighborhood businesses for products or services.

[12] Although we asked Section 202 (direct loan) project sponsors about community opposition to their projects, we did not obtain very useful responses. Because the projects were built at least 15 years ago (and some considerably longer ago than that), nearly half the respondents did not know or did not recall the neighborhood's reaction to the project.

Project Sites

Among the Section 811 projects included in this study, the majority (about two-thirds) are located in exclusively or largely residential neighborhoods. A small group are situated in a "buffer zone" between residential and commercial areas or in a mixed use neighborhood that includes residential, commercial, or institutional buildings. One project is in a primarily commercial area. The type of neighborhood in which the project was built does not vary by project size or disability group. One sponsor in Minneapolis, however, indicated that for larger projects, they try to avoid exclusively residential neighborhoods, presumably to minimize neighborhood opposition. A few of the Section 811 projects we visited are located in rural or semi-rural areas. Transportation is more difficult to obtain in these areas, and the locations provide little opportunity for neighborhood interaction and integration. According to project sponsors and site visitors, nearly all of the projects fit in well with the surrounding land uses, including the size and scale of other housing.

Sponsor staff reportedly consider a variety of criteria when selecting sites for Section 811 projects. For about 15 percent of the projects visited, the sponsor already owned the land or it was donated to the organization. In general, whether the land was donated or acquired, sponsors sought to develop projects in locations that would meet multiple criteria typically including the following: proximity to bus lines or other transit; access to shopping and supportive services; and a safe, desirable neighborhood. Sponsors in several cities remarked on the need to strike a balance between desirability and cost when finalizing site selection. The site selection criteria for Section 811 projects in our sample does not appear to vary by project size or disability group. Despite sponsor efforts to locate projects in desirable neighborhoods that are accessible to transit and services, site visitors noted concerns with about one-third of the project sites. These projects are somewhat isolated from commercial activities or services (including transportation) or are located in areas where crime is an issue. Sponsors and residents noted issues with neighborhood crime in about 12 percent of the projects visited.

Neighborhood Acceptance

The majority of Section 811 projects visited were developed through new construction and undertook a community notification process to inform residents and businesses in the surrounding neighborhood about the proposed project. In a few cases, where the project was developed through the rehabilitation of an existing structure, sponsors stated that they were not required to notify the community. Interviews with project sponsors revealed a wide range of responses regarding the community notification process. On one end of the spectrum are sponsors or developers who made minimal efforts to notify the community and provided little or no information about the project or their organization. This approach is generally intended to minimize unwanted attention on the project. A few sponsors stated outright that they "never ask permission" or that their organization's philosophy is to build without notification and "fly under the radar" when developing Section 811 projects. On the other end of the spectrum are organizations that used many methods to notify the community including: media releases; letters of support; written neighborhood and municipal notification; zoning notices and in-person meetings with neighbors/officials; and provided information about the proposed project, residents, and the sponsor. This approach is intended to build neighborhood support by highlighting the sponsor's good track record, offering tours of other projects, inviting input on design decisions, and telling neighbors about how any problems that may arise will be dealt with. In a few instances, sponsors held groundbreaking ceremonies at the start of construction or open houses once the project was complete to help cultivate good relations with neighbors. About half of the sponsor agencies we interviewed used multiple methods, and roughly one-third of project sponsors provided detailed information to the community, such as the number of residents, disability group, physical design, management, services, and sponsor agency information. Sponsors of projects that serve residents with chronic mental illness were the least likely to provide detailed information to the surrounding neighborhood during the community notification process. The extent of community notification does not appear to vary by project size.

According to project sponsors, more than half of the projects visited faced no opposition whatsoever to the Section 811 development, and just over one-fourth faced only “minor” opposition in the form of questions or issues raised (typically related to the disability group) that caused no delays. One project encountered “major” opposition from the community, resulting in what they characterize as a “NIMBY” lawsuit and several months of construction delays. The rest faced “moderate” opposition that caused brief delays in the development phase. This opposition was typically around concerns over property values or the disability group to be served. Among the projects we visited, those serving residents with chronic mental illness were more likely to have faced opposition during development. When viewed by project size, larger projects (with 8 or more units) were slightly more likely to have faced community opposition.

Sponsors for about half of the projects visited characterized the project’s relationship with the neighborhood as excellent, and another 30 percent as good. Only one sponsor noted a mixed relationship with the neighborhood. Several sponsors indicated that there is no relationship to speak of between the project and the neighborhood – either good or bad. Of the projects that faced initial community opposition, all but one now reportedly have a good or excellent relationship with the neighborhood. Although initial opposition to the remaining project was only minor, the sponsor described the current relationship with the neighborhood as mixed, where some neighbors are supportive while others are not.

Project sponsors were asked whether they thought neighborhood reaction to a project was influenced by its size, defined as the number of units. Most respondents said that project size does matter and that larger projects are more likely to generate concerns around issues such as traffic, parking, and increased activity in the neighborhood. A few respondents mentioned that larger projects also tend to stand out due to the large vans used to transport residents. In general, larger projects tend to be more conspicuous in residential areas even if efforts are made to match the neighborhood’s architectural style.

Sponsors were quick to point out, however, that several other factors are also influential in neighborhood response. Chief among these is the type and level of disability of the residents to be served. Some sponsors who did not report neighborhood concerns related to project size are nonetheless reluctant to house large groups of residents with mental illness together because of the increased likelihood of conflict among residents. Other key factors in the ongoing relations between projects and their neighborhoods include the general upkeep/maintenance of the property and fear of declining property values.

Interviews with project sponsors revealed a number of strategies employed to facilitate project acceptance in the neighborhood. Ongoing communication and the good track record of the sponsor agency are said to go a long way in smoothing this process. Another strategy is to make the physical design of the development resemble other neighborhood structures. For example, one independent living project in the Boston area is relatively large in scale, but has Victorian features that are similar to those of neighboring homes. Also, it is a long building that sits perpendicular to the street, so from the street it does not appear as large as it actually is. A sponsor in Columbus addressed community concerns about the density of a project by reconfiguring the site design to locate one of three buildings on an adjacent street and connect the development with a shared courtyard. Some projects boost neighborhood acceptance by creating something of benefit to the community. For example, in response to neighbors' interest in maintaining open space in a dense urban neighborhood, one Boston sponsor built a garden area on the project site.

In general, neighboring residents want to be assured that the presence of the Section 811 project does not adversely affect their neighborhood. To that end, project sponsors strive to maintain the physical property, including landscaping and repairs. In addition, some sponsors publicize contact information for neighbors to report problems with the building or residents, and sponsors respond quickly to address any issues. Other strategies to enhance project and resident acceptance include holding open houses or welcome parties when the development is complete, so that neighbors can see inside and meet the new residents. In a few instances, project sponsors reported resident participation in neighborhood events, such as holiday celebrations and clean-up efforts.

In several cases, the development of the Section 811 project appears to "bring up" the neighborhood in which it is located. This was claimed by sponsors in Denver, Columbus, and Little Rock of well-maintained and attractive developments in somewhat neglected or unsafe areas. On the other hand, residents of these projects cited safety concerns that inhibit their integration into the neighborhood.

Social and Economic Integration

Staff generally select sites for Section 811 projects with community integration in mind; this requires finding a location close to services, transit, and in residential areas where people can interact. Despite these efforts, the extent to which project residents are socially integrated into the surrounding community is limited, as discussed in more detail in Chapter Four. The project's economic ties to the neighborhood are discussed below.

Sponsors typically contract out project services through a central office. Only 20 percent reported using neighborhood businesses to provide some services to the project. The services most often contracted for locally are landscaping and snow removal. As another measure of economic integration with the neighborhood, we asked project sponsors whether they hire residents from the surrounding neighborhood. Very few project sponsors (about 12 percent) reported employing neighborhood residents at the project.

We also examined the extent to which project residents got out into the neighborhood to work, volunteer, or attend school. Overall, residents in about 40 percent of the projects pursue such activities in the neighborhood in which they live. This does not differ by disability group. We also asked sponsors whether residents of their project use businesses and services in the neighborhood; the majority do (about 65 percent overall). Most of the service/business use involves grocery stores and pharmacies, but sponsors also mentioned resident use of local restaurants, churches, YMCAs, dry cleaners, and banks. Sponsors of projects serving residents with physical disabilities reported slightly lower use of neighborhood businesses.

Summary

For the most part, the projects visited for this study fit in well with the size, scale, and land use of the surrounding neighborhood. While site selection often includes such factors as proximity to public transit, supportive and commercial services, and other neighborhood amenities that would enhance the quality of life for project residents, site visitors noted concerns in about one-third of the project sites – primarily associated with isolation of the developments from shopping and services or criminal activity in the neighborhood.

Project sponsors typically provide advance notification to neighboring residents and businesses of the proposed Section 811 development, and neighborhood acceptance of these projects is high. Where there have been concerns, they appear to have been mitigated through additional communication, and sometimes the inclusion of neighborhood opinions in project design or other facets of the program.

Economic integration between the project and the surrounding neighborhood is mixed. Although many residents use local businesses, there is little use of local vendors by project management, and almost no neighborhood residents are employed by the projects.

Chapter Four
Resident Experiences in Section 811 Projects

In this chapter, we explore the experiences of a sample of residents from HUD's Section 811 Supportive Housing Program for Persons with Disabilities. The findings on resident experiences are gleaned from both the resident interviews and the perceptions of other respondents about the residents' experiences. Resident interviews covered a broad range of topics, including housing choices and preferences, supportive services, community integration (with other residents in the development as well as neighbors in the surrounding community), and residents' overall perceptions of their current living situation. The research questions we address include:

- What are the characteristics of the residents?
- Are residents satisfied with their housing and its management? What are the housing preferences and supportive services needs of the residents?
- What are residents' views about project size, the location of services, and links between housing and services?
- What are residents' relationships with other residents and with the neighboring community?

Resident Characteristics

The research team conducted in-person interviews with a total of 115 residents of 49 Section 811 projects in ten metropolitan areas around the country. We interviewed between one and four residents for each project. To determine the resident interview sample we selected units randomly, but did have to rely on the project sponsor or manager to determine if the selected resident or a proxy could respond. Some residents were unable to participate fully in the interview because of the nature or severity of their disability. Where possible and known in advance, interviewers arranged for a proxy (typically a service provider or advocate) to respond on behalf of the resident. A proxy was used in seven percent of the interviews. Residents without proxies had difficulty comprehending questions or were non-responsive in approximately 18 percent of the interviews. This was much more common for residents with developmental disabilities.

Of the 115 residents interviewed, 65 are women and 50 are men. Exhibit 4-1 presents some basic individual and project characteristics for the sample of residents interviewed. They range in age from 18 to 79 years. We interviewed residents in Section 811 projects classified as serving *primarily* one of the following four disability groups: developmental disabilities, chronic mental illness, physical disabilities, and HIV/AIDS. While some projects serve residents with more than one type of disability (e.g., an individual with developmental disabilities *and* mental illness), for the purpose of this analysis these individuals are classified under the primary disability served by the project. Comparable numbers of interviewees reside in projects serving residents with developmental disabilities (47 residents) and projects serving residents with chronic mental illness (42 residents). The remainder of study interviewees lives in projects serving persons with physical disabilities (20 residents) or persons with HIV/AIDS (6 residents).

The residents interviewed live in scattered site condominiums, group homes, and independent living projects. While most independent living projects (ILPs) we visited consist of one building or a small cluster of buildings on a contiguous site, some ILPs are scattered among two or three separate geographic locations, giving residents the sense of a smaller "project" at each location. Overall, 74 of the residents interviewed (65 percent) live in an independent living project, while 36 reside in a group home setting, and 5 are in scattered site condominiums.

Exhibit 4-1
Resident/Project Characteristics

Residents Interviewed	
Women	57%
Men	43%
Primary Disability	
Developmental Disabilities	41%
Chronic Mental Illness	37%
Physical Disabilities	17%
HIV/AIDS	5%
Housing Type	
Independent Living Project	65%
Group Home	31%
Scattered Site Condominiums	4%

Source: Resident interviews during on-site visits in spring/summer 2003 (N=115).

Among the residents interviewed, the size of the project in which they live varies considerably, ranging from 2 to 24 units. Forty-two (37 percent) reside in developments with fewer than 8 units (classified as "smaller" projects for the purpose of this research), while 73 residents (63 percent) live in "larger" projects with 8 or more units. The group homes visited range in size from three to 12 units; however, the 12-unit project is actually comprised of two 6-unit buildings on the same site. Excluding this project, the largest group home has eight units. Most of the 34 residents in group homes (82 percent) live in "smaller" projects with fewer than eight units, while most of the 74 residents in independent living projects (88 percent) live in "larger" projects. This relationship between housing type and project size is a function of the Section 811 program rules.

The length of time respondents have lived in their current home ranges from two months to ten years, with a median length of stay of about three and one-half years. The residents interviewed arrived at their current Section 811 project from a variety of housing situations. The largest proportion, about one-third, most recently lived with family members, while sizeable groups came from other supportive housing projects (including group homes), other subsidized housing, or private apartments. Smaller groups of residents previously lived in institutional settings, such as mental health facilities, rehabilitation centers, nursing homes, and intermediate care facilities for the mentally retarded (ICFMR). Several were homeless prior to moving to the Section 811 project. When viewed by disability type, a much higher proportion (49 percent) of residents with developmental disabilities came from living with family members. The previous residence of those interviewed does not vary when viewed by current housing type or project size.

Resident Satisfaction

Resident satisfaction is high among the individuals interviewed. As shown in Exhibit 4-2, 65 percent of respondents reported being very satisfied with their current living situation. Another 29 percent are somewhat satisfied or between somewhat and very satisfied. Six percent of the residents interviewed are not satisfied with their current living situation. The main reasons cited for dissatisfaction include interpersonal conflict with other residents and/or support staff (excessive noise, stealing food, gossiping, etc.). Interestingly, issues with roommates or household dynamics are also voiced by about nine percent of the residents who are somewhat or very satisfied.

Regardless of the size of their development, a large majority of residents interviewed for this study reported high levels of satisfaction with their living arrangement. Eighty-eight percent of residents of Section 811 projects with less than 5 units reported being very satisfied or somewhat satisfied. Among respondents living in projects with 5-7 units and 8-24 units, the rates of very satisfied and highly satisfied are 92 percent and 90 percent, respectively.

Resident satisfaction varies only slightly by disability group. Among the small sample of residents with HIV/AIDS, 50 percent reported being very satisfied, while for residents with developmental disabilities it is 60 percent. The rates of very satisfied residents with chronic mental illness and physical disabilities are 69 percent and 70 percent, respectively. On the other hand, the rate of dissatisfaction is higher among residents with chronic mental illness (ten percent are not satisfied) as compared to residents with developmental disabilities or physical disabilities (five percent each) and residents with HIV/AIDS (none reported being dissatisfied).

Exhibit 4-2
Resident Satisfaction

Overall Satisfaction	
Very Satisfied	65%
Somewhat Satisfied	29%
Not Satisfied	6%
Very or Somewhat Satisfied, By Project Size	
Less than 5 Units	88%
5-7 Units	92%
8-24 Units	90%

Very Satisfied, By Primary Disability	
Developmental Disabilities	60%
Chronic Mental Illness	69%
Physical Disabilities	70%
HIV/AIDS	50%
Not Satisfied, By Primary Disability	
Developmental Disabilities	5%
Chronic Mental Illness	10%
Physical Disabilities	0%
HIV/AIDS	0%

Source: Resident interviews during on-site visits in spring/summer 2003 (N=111).

Resident satisfaction does not vary much based on the type of housing, whether group homes, independent living projects, or scattered site condominiums. Between 60 and 65 percent of residents in each housing type reported being very satisfied overall, while the rate of dissatisfaction ranges from 5 percent in independent living projects to 9 percent in group homes (compared to 6 percent overall).

When asked what they like about their living situation, residents most often noted the independence it affords them, whether it is having their own unit or simply a room of their own. One resident in an independent living project in Denver remarked, "It's a place I can call home." A number of residents are also pleased with the condition and appeal of their unit or building and the services and on-site support available to them. Being around friends or friendly people; privacy; peace and quiet; and location are among the other "likes" noted by residents.

When examined by disability group, there are some slight variations in what residents like about their living situations. Residents with developmental disabilities and those with HIV/AIDS (albeit a much smaller sample) put more of a premium on having friends and friendly people with whom to interact. Not surprisingly, residents with physical disabilities are more likely to laud the condition of the unit or building, sometimes noting features or design elements that enhance accessibility.

Residents were also asked what they do not like about their living situation. Consistent with their reports of overall satisfaction, resident conflict (including issues with roommates) is the most frequently cited concern for respondents overall. This conflict ranges from relatively minor annoyances (e.g., perceived nosiness) to excessive disturbances, as in the case of one group home resident who likens his housing situation to a "prison sentence" due to the nightly turmoil created by one housemate. The prevalence of interpersonal issues among those interviewed does not vary by disability group. However, these issues are more common in smaller projects (those with fewer than eight units) than in larger ones. Respondents in scattered site condominium housing also commonly note resident issues. Two residents without on-site support typically share these units, and problems with roommates were noted in our small sample of interviews.

As another measure of general satisfaction, interviewers inquired whether residents want to live somewhere other than their current home. Overall, three-quarters of the respondents want to remain in their current residence. Even among residents expressing a desire to live elsewhere, about one-third are reportedly very satisfied or somewhat to very satisfied overall. For those who do want to move, reasons most often cited include: a desire to live alone or with one roommate at most (because of interpersonal conflict and/or privacy concerns); a desire for a larger unit; and a desire for a better location (e.g., more urban, closer to activities). Resident desire to live elsewhere does not vary by disability group or project size.

Residents' Housing Preferences

When asked what is important to them about where they live, most residents cited a long list of preferences, typically with no indication of relative importance. Very few expressed only one or two overarching considerations. For those who do, common priorities include location, independence, cleanliness of the unit or development, quiet, affordability, privacy, the availability of supportive services, and safety. The responses to this particular question were not sufficiently detailed to examine differences across disability group or housing type, or project size. It should be noted that residents with developmental disabilities had a particularly hard time with preference questions such as this.

As a follow up to the question about housing preferences, residents were asked whether their current housing meets their needs in the areas they deem important. For the overwhelming majority of respondents, most or all of their housing needs are met by their current living situation. Despite the favorable ratings overall, however, about 40 percent indicated at least one area of importance in which their housing needs are not met. The most common unmet needs are transportation (noted by 13 percent) and more privacy (9 percent). Additional areas of concern include: distance to supportive services, safety, and distance to work. There appears to be very little variation by disability group in whether residents' priority housing needs are met. In each disability group about 80 percent of residents believe that most or all of their housing needs are met.

Interviewers also asked whether residents prefer to live with other persons with disabilities, or those without. As shown in Exhibit 4-3, nearly half of the respondents have no preference on the matter with some noting that it really depends on the people. Almost one-third prefer to live with other persons *with* disabilities. Reasons for this – cited by residents with developmental disabilities, physical disabilities and chronic mental illness – include a desire to live with people facing the same issues, because they can relate better, feel more comfortable, and more easily form peer groups and friendships. One resident in a Louisville project stated that she feels like "a fish out of water" when around people without disabilities.

Exhibit 4-3
Residents' Housing Preferences

Prefer to live with others… (N=100)	
With disabilities	31%
Without disabilities	20%
No preference	49%

Preferred project size (N=106)	
Fewer than eight units	48%
Eight or more units	32%
No preference	20%

Source: Resident interviews during on-site visits in spring/summer 2003.

The remaining 20 percent of respondents prefer to live with people *without* disabilities. Several of these residents expressed frustration about living with others who may be “worse off,” particularly those with behavior issues that affect other residents. A few respondents who prefer to live with people that do not have disabilities said they feel “trapped” by the community they are in and just want to “be normal,” presumably something that can be achieved in a more integrated setting. Among respondents with a housing preference, those with developmental disabilities and physical disabilities are more likely to prefer living with others who have a disability. Conversely, respondents with chronic mental illness are more likely to prefer living with other residents who do not have a disability.

Resident interviews included a set of questions related to general preference regarding the number of units in the development. Nearly half of the respondents prefer to live in developments with fewer than eight units, while almost one-third prefer developments with eight or more units. The remaining 20 percent have no preference regarding project size. (As noted above, 37 percent of the residents we interviewed actually do live in a project with fewer than eight units and the remaining 63 percent live in a larger project.)

The reasons for preferring a smaller project include a dislike (or sometimes fear) of crowds and noise, a desire for more privacy, and a greater sense of independence. Among those with a preference for larger projects, the overwhelming reasons are to meet more people and make more friends (noted more often by respondents with developmental disabilities and physical disabilities than by those with chronic mental illness). When viewed by disability group, there is little variation in the preference for smaller verses larger projects. The only noticeable difference among groups is that respondents with HIV/AIDS and physical disabilities are less likely to have a preference regarding project size.

Project sponsors have varying opinions about the relationship between project size and quality of life for residents. Some said that smaller settings are preferable because they create a more home-like atmosphere, while others think quality of life is improved in larger projects because residents have an opportunity to meet and develop friendships with more people. Several sponsors said that the key factor is not the overall size of the project, but whether residents have their own bedroom and are able to maintain some level of privacy. Project sponsors were also asked how they thought residents feel about project size. Many think the residents are satisfied with the current project size, but others said that residents would probably prefer a smaller development, or, better still, their own apartment.

Service Needs and Preferences

Among the residents interviewed for this study, the type and level of supportive services provided vary considerably. While some residents receive only minimum support, such as job coaching or case management, others require a more intensive combination of medical and psychological services, housekeeping support, and training in independent living skills. As noted earlier, some residents had difficulty responding to preference questions during the interview. Overall, the vast majority of residents interviewed (80 percent) said that they are able to obtain the services they need. The few exceptions noted unmet service needs in several areas primarily transportation, recreation, and wheelchair repair (mentioned by three residents in the same project).

A small minority of residents interviewed (about 15 percent) reported that they have encountered some difficulty in obtaining needed services. Some respondents were unsure of the reason for the difficulty; a few noted challenges such as budget cuts, a lack of transportation, or service workers simply not understanding their needs. When viewed by disability group, residents with physical disabilities are somewhat more likely to get the services they need, while residents with chronic mental illness are slightly more likely to report issues with obtaining services. Residents in larger projects (with eight or more units) are also more likely to report difficulty in obtaining needed services.

Resident Service Needs

- The vast majority of residents interviewed (80 percent) are able to obtain the services they need.
- Residents with physical disabilities are somewhat more likely to get needed services.
- Residents with chronic mental illness and residents in larger projects reported more difficulty in obtaining needed services.
- Unmet service needs include transportation and recreation.

The location in which residents receive particular services is typically determined by both the service needs of the resident and the philosophy of the service provider and project sponsor. As presented in Exhibit 4-4, the majority of residents interviewed (about 65 percent) receive a combination of on- and off-site services, while about 25 percent receive primarily off-site services and only a very small minority (10 percent) receives almost exclusively on-site services. Interviews with project staff revealed that they generally think it is important to have on-site services when needed, but to provide as much as possible off-site to encourage residents to get out of the house, to separate home life from services, and to reduce the stigma that may be associated with services. One sponsor agency in Los Angeles confirmed that residents receive many services off-site, consistent with the agency's commitment to "normalization" for these residents (with developmental disabilities). He added that this arrangement is also a selling point to the community, because it puts money into the local economy.

Exhibit 4-4
Resident Services

Location of Resident Services (N=107)	
Mix of on-site and off-site	65%
Primarily off-site	25%
Primarily on-site	10%
Preferred location for services* (N=85)	
Current location (as is)	66%
Prefer more on-site services	24%
Prefer more off-site services	10%

*Among residents with a stated preference.
Source: Resident interviews during on-site visits in spring/summer 2003.

About one-fourth of the residents interviewed did not indicate a preference for the location of services. Of those residents with a stated preference, about two-thirds are pleased with the location of the supportive services they currently receive (generally, a combination of on- and off-site). About ten percent would like more off-site services, and nearly one-fourth would like to have more on-site services (typically psychological or other medical services). Preferences for the location of supportive services are consistent across disability group and project size.

Community Integration

Section 811 project support personnel we interviewed said that the development of a sense of "community" within the project is important to residents. To that end, many take great care when selecting new residents for a project (particularly in roommate situations). Residents interviewed also seem to place some importance on "community" within the project. About half interact daily with at least one other resident, while only about 12 percent noted little or no interaction with other project residents. Furthermore, as mentioned above, the most common reason for residents wanting to live in larger projects is the opportunity to meet and become friends with more people. Interaction with on-site support personnel provides another level of socialization for many residents, but one Boston group home sponsor added that residents would benefit from a more integrated setting where they have opportunities "to develop relationships with people who are not paid to have a relationship with them."

Support personnel often noted that site selection is done with community integration in mind in order to find a location close to services, transit, and in residential areas where people would have opportunities to interact with neighborhood residents and businesses. Despite these efforts, the extent to which the residents interviewed are integrated into the surrounding community is limited. When asked how often they interact with neighbors outside of the project, only about 15 percent of the respondents have daily or frequent contact with neighbors, and a small group noted occasional interaction (typically waving hello or goodbye). On the other hand, nearly 60 percent of residents interviewed have no interaction at all with residents in the surrounding neighborhood. Some of the residents in this group are unable to articulate specific barriers to neighborhood interaction. Others do not feel there are barriers; they simply do not do it. Among those residents who noted specific barriers to neighborhood interaction, the most common is that their disability prevents them from getting out into the neighborhood (or they need assistance in doing so) or prevents them from being understood. Other common reasons for limited neighborhood interaction are concerns about crime and safety, not knowing the neighborhood residents, or simply being busy with their own lives. The latter is not surprising, given that more than 60 percent of residents interviewed spend at least part of the day off-site in sheltered workshops, other day programs, at work, or in school.

Summary

The residents we interviewed expressed high rates of satisfaction with their housing and the type and location of the services they receive. Residents said they like the independence, privacy, and quality of their Section 811 housing. Of those who cited things they dislike, problems with other residents were the most frequently mentioned issue. As noted in Chapter Two, project sponsors said that interpersonal conflicts are a bigger problem in larger projects. However, in the resident interviews, residents in smaller projects were more likely to mention problems with other residents or on-site support personnel.

In terms of preferences regarding project size, nearly half of the residents said they would prefer to live in projects with fewer than 8 units, while about 30 percent expressed a preference for developments with more than 8 units. The remaining 20 percent had no preference.

Half of the residents expressed no preference about living with persons with disabilities versus those without disabilities. Of the remainder, about 30 percent would prefer to live with others with disabilities and 20 percent stated a preference for living with others who do not have a disability. Sponsors reported that project sites are often selected to promote community integration. Residents do seem to have some sense of community within the Section 811 projects, but integration with the neighborhoods has been elusive. Some 60 percent of residents said they have no interaction at all with their project's neighbors.

Chapter Five
Factors in Operating and Development Costs

Many persons with disabilities, their advocates and families applaud the trend toward smaller projects. Given the great need for affordable housing for persons with disabilities and the limited funds available, however, there are concerns that larger projects may offer cost efficiencies while having a greater impact on the supply of housing.

This chapter presents an exploratory analysis of operating and development costs in Section 811 projects. We asked the telephone survey respondents a few questions about the most important factors determining development and operating costs in their projects. During the site visits, we discussed the development and operating costs in somewhat greater detail with project sponsors. Where appropriate in this chapter, we have included sponsors' comments on what they perceive to be important cost considerations for their projects. The quantitative analysis we present here focuses primarily on the purposive sample of 49 Section 811 projects selected for site visits and in-depth interviews.[13] The projects are located across ten metropolitan areas and were selected to represent projects of different sizes, building types, and population of persons with disabilities served. Since it is not a statistically representative sample, findings from our analysis may not be generalizeable to the universe of Section 811 projects. The sample size is particularly small for condominium projects (three projects) and projects that are designed to serve people with HIV/AIDS (two projects).

The costs we analyze are the development and operating costs reported by sponsors to HUD's administrative data systems. Operating cost data are based on the 2001 Annual Financial Statement (AFS) data that property owners submitted to HUD's Real Estate Assessment Center (REAC). One project in the Louisville MSA is not included in the analysis because its cost data are missing from HUD's data system. Development cost estimates were obtained from HUD's Development Application Processing (DAP) system. Data are incomplete for five projects in the Boston MSA and one project in the Twin Cities MSA. Property characteristics are provided by HUD's Real Estate Management System (REMS).

The analysis is stratified by census region, since previous studies have indicated that location is a major determinant for both operating expenses and development costs of multifamily developments.[14] Cross tabulations are used to examine how average per-unit costs are related to the project size, building type, and the particular population of persons with disabilities served.

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[13] The research approach did not include analysis of cost data for the larger universe of Section 811 and Section 202 (direct loan) projects for persons with disabilities. Instead, the approach focused on analysis of quantitative data for the smaller site visit sample, augmented by exploratory discussions with project sponsors during the site visits to obtain their views on the factors driving costs.

[14] *Public Housing Operating Cost Study: Final Report*. June 6, 2003. Harvard University Graduate School of Design. *Analysis of Total Development Costs in Public Housing: Final Report,* prepared for the U.S. Department of Housing and Urban Development. Christopher Logan, Ken Lam, James Wallace, and Seth Cooper. Abt Associates Inc., July 1998.

One challenge in this analysis that is not clear is how a "housing unit" is defined in the various HUD databases. In particular, for condominium projects, housing units might actually refer to the number of bedrooms in the apartments that make up the "project." Because of this ambiguity, condominium projects are analyzed separately when we look at the relationship between project sizes and costs.

Another problem we discovered is that, for 23 projects, the unit counts obtained from REMS are different from the information collected by our site visitors. In a number of cases, this is because the location we visited is actually part of a larger, scattered site project. We adjusted the REMS unit counts accordingly for this analysis.

The remainder of this chapter is organized as follows. We first examine total operating expenses. Major components that make up the total operating expenses are analyzed separately in the following sections. The last section focuses on the total development costs.

Total Operating Costs

In our telephone survey of Section 202 (direct loan) and Section 811 sponsors, we asked what factors are important in driving operating costs. The majority of Section 202 (direct loan) sponsors said either project size (35 percent) or regulatory or licensing requirements (20 percent) are the most important factors, as shown in Exhibit 5-1. Size is viewed as most important by 40 percent of the Section 811 sponsors we surveyed, followed by administrative costs (19 percent) and the type and severity of the residents' disabilities (12 percent).

Exhibit 5-1
Sponsor Views on Most Important Factor Driving Operating Costs

Most Important Factor Cited	All Section 811 Sponsors (N=136)	All Section 202 (Direct Loan) Sponsors (N=20)
Type/Severity of Disability of Residents	12%	5%
Project Size	40%	35%
Regulatory/Licensing Costs	10%	20%
Administrative Costs	19%	10%
Service Coordination Costs	6%	10%
Supportive Services Costs	8%	10%

Source: Telephone Surveys of Section 811 and Section 202 (Direct Loan) Project Sponsors, October 2003 (N=156).

Although survey respondents rated size as an important factor in overall costs, many Section 811 sponsors we interviewed during site visits said that operating costs are not closely linked to project size. Audit costs, insurance, and maintenance were often cited as examples of costly items in operating budgets that do not vary with project size. Sponsors with older projects and those who had renovated existing properties (rather than building new), commonly mentioned maintenance costs.

Interviews with state policymakers revealed a variety of perspectives about the factors that contribute to operating costs. Few mentioned project size as an important factor, but several respondents noted the importance of service coordination and supportive services costs in operating budgets.

For the purpose of our quantitative analysis of HUD administrative data on operating costs, total operating cost is defined as the total of administrative expenses, operating and maintenance expenses, and taxes and insurance expenses. Utilities expenses are excluded because the treatment for tenant-paid utilities is not uniform across projects in the AFS reporting. For ease of comparison, we report per-unit-month cost estimates.

Exhibit 5-2 shows how total operating cost is related to project size, building type and population group, stratified by census region in the Section 811 projects we visited. On average, the total operating cost is $346 per-unit-month for this sample of Section 811 projects. As expected, developments located in higher cost regions of the Northeast and West are more expensive to operate, while projects in the South are associated with the lowest operating cost. The effect of development size on cost is presented in the first two panels of the exhibit, with condominium projects presented separately.

For projects other than condominiums, economies of scale correlate with geography. There appears to be a strong "economies of scale" effect for projects located in the Midwest and South as shown in the bar chart in Exhibit 5-3. This means that as project size increases, per-unit total operating cost declines. For example, for projects in the South, the per-unit operating cost decreases from $316 for projects with 1-4 units to $194 for projects with 19-24 units. Projects located in the two high-cost regions, the Northeast and West, show the opposite trend with costs increasing as size increases. There are too few condominium projects in the sample to allow us to identify any relationship between project sizes and operating costs for this development type. Sponsors in these regions noted that high audit costs, insurance rates and utilities costs all contribute to their high operating costs. One Los Angeles sponsor said insurance costs (including property and liability, workers' compensation, directors and officers insurance, and health insurance for employees) have increased by 200 percent per year for the last several years.

The relationship between building type and cost is presented in the third panel of Exhibit 5-2. It shows that in most areas independent living projects have the least per-unit total cost. Projects in the Northeast are exceptions, where group homes appear to be the least expensive to operate.[15]

No discernable relationship between total operating costs and the population group served is observed, as shown in the last panel of Exhibit 5-2.

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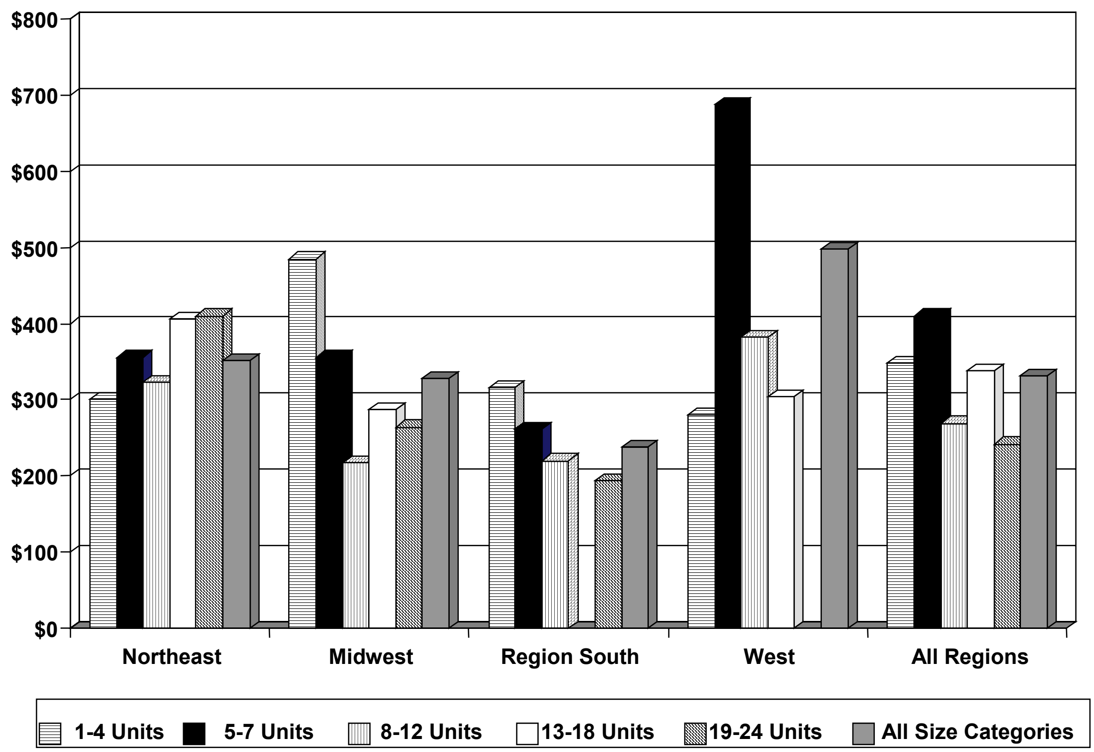
[15] In the case of group homes, bedrooms are counted as "units." Some projects have an extra bedroom for a resident manager; these units are not included in cost calculations because HUD-assisted clients do not occupy them.

Exhibit 5-2
Distribution of Total Operating Cost (Per-Unit-Month)

	Region				
	Northeast (N=10)	Midwest (N=9)	South (N=19)	West (N=10)	All Regions
Group Homes & Independent Living Projects					
Project Size (Units)					
1-4	$301	$485	$316	$280	$348
5-7	$356	$356	$261	$688	$410
8-12	$323	$217	$220	$382	$269
13-18	$406	$287		$304	$338
19-24	$410	$264	$194		$242
All Size Categories	$351	$328	$238	$498	$331
Condominiums					
Project Size (Units)					
1-4			$335	$638	$487
5-7	$757				$757
All Size Categories	$757		$335	$638	$577
Building Type					
Condominium	$757		$335	$638	$577
Group Home	$271	$410	$243	$569	$389
Independent Living Project	$415	$263	$236	$252	$280
All Building Types	$392	$328	$243	$512	$346
Population Group					
HIV/AIDS	$362			$712	$537
Developmental Disabilities	$379	$374	$217	$623	$383
Chronic Mental Illness	$301	$268	$251	$252	$263
Physical Disabilities	$757	$323	$283	$395	$369
All Population Groups	$392	$328	$243	$512	$346

Exhibit 5-3
Total Operating Costs (Per-Unit-Month) by Region: Group Homes and ILPs



Administrative Expenses

Categories related to administrative expenses are a major component of each property's operation. On average, they account for about 55 percent of total operating expenses and include categories such as management fees, office salaries, bookkeeping fees, legal costs, and audits.

As Exhibit 5-4 indicates, projects in the Northeast and West are associated with high administrative expenses. The relationship between administrative expenses and project sizes for projects other than condominiums is shown in the first panel of the exhibit. Across all four regions, per-unit administrative expenses decline as project sizes increase. This "economies of scale" effect is especially strong for projects located in the Midwest and South.

Exhibit 5-4
Distribution of Administrative Expenses (Per-Unit-Month)

	Region				
	Northeast (N=10)	Midwest (N=9)	South (N=19)	West (N=10)	All Regions
Group Homes & Independent Living Projects					
Project Size (Units)					
1-4	$148	$284	$220	$262	$214
5-7	$138	$165	$136	$390	$213
8-12	$183	$87	$141	$219	$155
13-18	$160	$114		$158	$141
19-24	$98	$116	$96		$100
All Size Categories	$147	$157	$138	$293	$175
Condominiums					
Project Size (Units)					
1-4			$94	$527	$310
5-7	$621				$621
All Size Categories	$621		$94	$527	$414
Building Type					
Condominium	$621		$94	$527	$414
Group Home	$129	$213	$122	$337	$212
Independent Living Project	$161	$113	$146	$137	$142
All Building Types	$194	$157	$136	$316	$190
Population Group					
HIV/AIDS	$183			$481	$332
Developmental Disabilities	$149	$201	$122	$364	$201
Chronic Mental Illness	$132	$132	$138	$137	$136
Physical Disabilities	$621	$137	$161	$293	$224
All Population Groups	$194	$157	$136	$316	$190

There appears to be no coherent relationship between administrative expenses, building types and the population groups served across the four regions, as indicated in the third panel of the exhibit.

It is important to note that, although not covered by the Section 811 PRAC, support costs for on-site support and assistance in activities of daily living are an important operating cost in many projects and do vary by project size, according to the project sponsors we visited. The level of support necessary depends on the needs of the residents and the approach to service delivery (as discussed in Chapter Two). Several sponsors offered examples of the interplay between project size and staffing levels and the effect on support costs. For example, a sponsor of a 17 unit ILP for people with mental illness said her agency also has residential programs with 8 and 12 beds in addition to the 17-unit ILP. She said that the 8 and 12 bed programs are not cost-effective and the agency loses money on them. The costs of on-site support are the key factor, she explained. Given state budget cuts in her location, having enough residents to generate sufficient revenue for on-site support costs determines whether a project covers its costs. The Section 811 ILP had one live-in resident manager; an agency client who had completed mental health services training and received reduced rent in exchange for her support role. Case management and clinical services were coordinated by the agency and provided off-site.

As another example, at a group home for eight people with mental illness, sponsor staff said eight units is the minimum size that assures a proper level of on-site support. Staff noted the same level of support could cover a group home for up to 12 persons, and that other per unit operating costs would not differ substantially. The sponsor had requested a waiver from HUD to develop a ten-person group home at their current site, but the waiver request was denied.

Operating & Maintenance Expenses

In general, expense categories related to operating and maintenance make up about 29 percent of the total operating expenses. Analysis of these expenses is presented in Exhibit 5-5. Conforming to our expectation, it shows that projects located in the Northeast and West have the highest per-unit operating and maintenance expenses. For projects other than condominiums, an "economies of scale" effect is observed only in the South region. For projects in other areas, there is no relationship between project size and operating and maintenance expenses.

Similarly, operating and maintenance expenses appear to be uncorrelated with either building type or the population group served.

Exhibit 5-5
Distribution of Operating & Maintenance Expenses (Per-Unit-Month)

	Northeast (N=10)	Midwest (N=9)	Region South (N=19)	West (N=10)	All Regions
Group Homes & Independent Living Projects					
Project Size (Units)					
1-4	$146	$64	$103	$68	$105
5-7	$114	$102	$85	$166	$115
8-12	$84	$91	$63	$74	$72
13-18	$159	$71		$97	$111
19-24	$95	$59	$42		$54
All Size Categories	$129	$80	$70	$117	$93
Condominiums					
Project Size (Units)					
1-4			$77	$78	$77
5-7	$147				$147
All Size Categories	$147		$77	$78	$101
Building Type					
Condominium	$147		$77	$78	$101
Group Home	$132	$72	$74	$122	$101
Independent Living Project	$127	$86	$68	$100	$87
All Building Types	$131	$80	$71	$113	$94
Population Group					
HIV/AIDS	$169			$52	$111
Developmental Disabilities	$135	$68	$67	$115	$96
Chronic Mental Illness	$106	$101	$88	$100	$94
Physical Disabilities	$147	$78	$28	$150	$84
All Population Groups	$131	$80	$71	$113	$94

Taxes & Insurance Expenses

On average, expense categories related to taxes and insurance account for approximately 16 percent of the total operating expenses. As shown in Exhibit 5-6, projects located in the Northeast are associated with the highest per-unit taxes and insurance expenses, while projects in the South have the lowest taxes and insurance expenses.

Across the regions, there appear to be no discernable relationships between taxes and insurance expenses per unit and project sizes. The same is true for building types and population groups.

Exhibit 5-6
Distribution of Taxes & Insurance Expenses (Per-Unit-Month)

	Northeast (N=10)	Midwest (N=9)	Region South (N=19)	West (N=10)	All Regions
Group Homes & Independent Living Projects					
Project Size (Units)					
1-4	$65	$96	$25	$0	$55
5-7	$42	$49	$47	$94	$60
8-12	$51	$35	$36	$41	$38
13-18	$86	$63		$18	$63
19-24	$65	$70	$25		$40
All Size Categories	$63	$59	$36	$58	$51
Condominiums					
Project Size (Units)					
1-4			$19	$30	$25
5-7	$96				$96
All Size Categories	$96		$19	$30	$48
Building Type					
Condominium	$96		$19	$30	$48
Group Home	$59	$54	$47	$71	$58
Independent Living Project	$66	$65	$31	$11	$44
All Building Types	$67	$59	$35	$55	$50
Population Group					
HIV/AIDS	$92			$104	$98
Developmental Disabilities	$75	$78	$14	$66	$52
Chronic Mental Illness	$33	$29	$41	$11	$34
Physical Disabilities	$96	$68	$66	$45	$65
All Population Groups	$67	$59	$35	$55	$50

Utilities Expenses

Because the treatment of tenant-paid utilities is not uniform across projects in the AFS reporting system, we do not include utilities costs when analyzing total costs. It is still useful to check whether the total utilities expenses reported bear any relationship to geographic locations, project sizes, building type, or population group served. Exhibit 5-7 presents such an analysis.

As expected, projects located in the Northeast and West bear the highest per-unit utilities cost. There appears to be no "economies of scale" effect across the four regions. There is no consistent relationship between building types and utilities costs.

Exhibit 5-7
Distribution of Utilities Expenses (Per-Unit-Month)

	Northeast (N=10)	Midwest (N=9)	Region South (N=19)	West (N=10)	All Regions
Group Homes & Independent Living Projects					
Project Size (Units)					
1-4	$88	$105	$71	$18	$79
5-7	$176	$141	$78	$204	$137
8-12	$88	$78	$43	$122	$72
13-18	$160	$110		$128	$133
19-24	$247	$77	$72		$102
All Size Categories	$141	$105	$64	$148	$104
Condominiums					
Project Size (Units)					
1-4			$223	$81	$152
5-7	$40				$40
All Size Categories	$40		$223	$81	$115
Building Type					
Condominium	$40		$223	$81	$115
Group Home	$83	$130	$74	$160	$115
Independent Living Project	$188	$85	$59	$103	$95
All Building Types	$131	$105	$72	$141	$105
Population Group					
HIV/AIDS	$86			$127	$106
Developmental Disabilities	$155	$95	$81	$193	$130
Chronic Mental Illness	$136	$92	$71	$103	$90
Physical Disabilities	$40	$119	$56	$57	$80
All Population Groups	$131	$105	$72	$141	$105

As the last panel of the exhibit indicates, projects that serve people with developmental disabilities tend to require the highest per-unit utilities costs compared to projects that serve other particular populations of persons with disabilities. Projects for people with physical disabilities are associated with the lowest utilities costs. Projects in the Midwest are exceptions, where projects that serve people with physical disabilities tend to have higher costs.

Total Development Cost

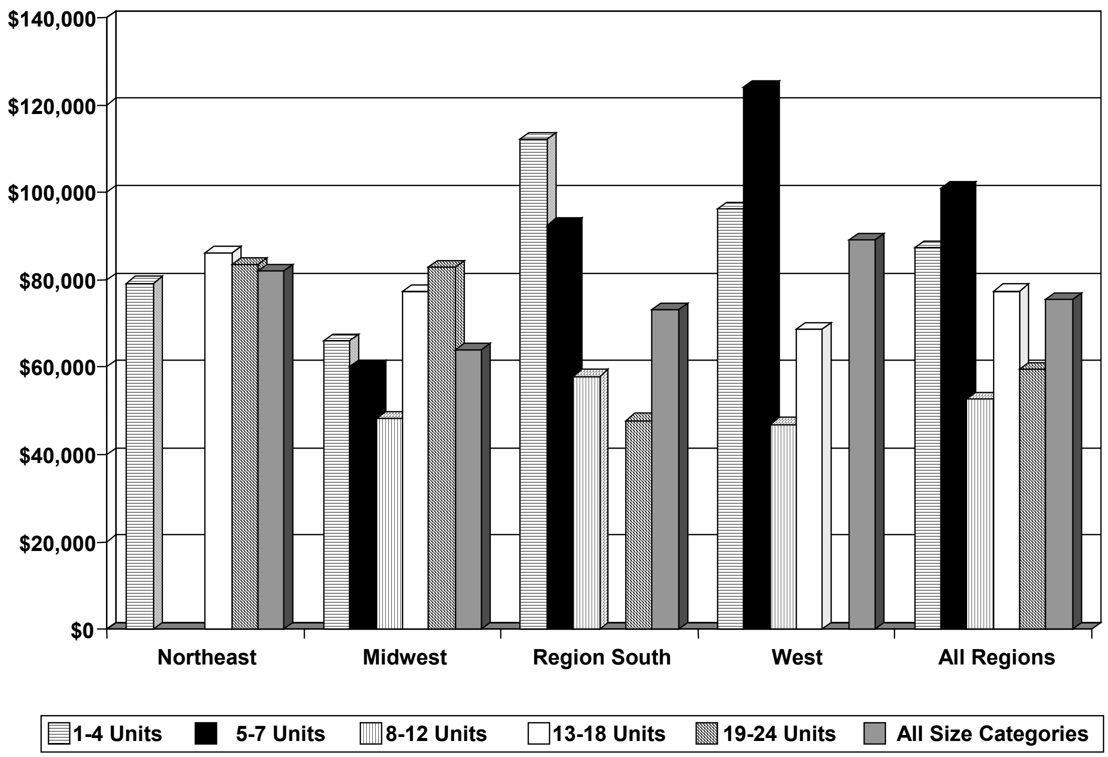
Our analysis of total development costs is shown in Exhibit 5-8. On average, the per-unit development cost is $78,826 for this group of projects. Consistent with our expectation, projects located in the Northeast and West have the highest development cost. Projects in the Midwest are associated with the lowest development cost.

Exhibit 5-8
Distribution of Total Development Cost (Per-Unit)

	Northeast (N=10)	Midwest (N=9)	Region South (N=19)	West (N=10)	All Regions
Group Homes & Independent Living Projects					
Project Size (Units)					
1-4	$79,182	$66,100	$112,100	$96,267	$87,290
5-7		$60,117	$92,528	$124,001	$101,026
8-12		$48,303	$57,829	$46,931	$52,723
13-18	$86,106	$77,356		$68,644	$77,366
19-24	$83,545	$82,976	$47,766		$59,597
All Size Categories	$82,004	$63,879	$73,189	$89,079	$75,551
Condominiums					
Project Size (Units)					
1-4			$80,275	$196,850	$138,563
5-7	$90,340				$90,340
All Size Categories	$90,340		$80,275	$196,850	$122,488
Building Type					
Condominium	$90,340		$80,275	$196,850	$122,488
Group Home	$79,182	$62,796	$93,598	$93,587	$85,592
Independent Living Project	$84,826	$64,746	$62,985	$73,300	$66,467
All Building Types	$83,671	$63,879	$73,562	$99,856	$78,826
Population Group					
HIV/AIDS				$32,775	$32,775
Developmental Disabilities	$84,826	$61,987	$59,801	$121,177	$81,182
Chronic Mental Illness	$79,182	$51,858	$87,476	$73,300	$77,989
Physical Disabilities	$90,340	$77,793	$63,932	$106,650	$80,979
All Population Groups	$83,671	$63,879	$73,562	$99,856	$78,826

For projects located in the South and West (excluding condominiums), per-unit development cost declines as the project size increases. However, for projects in the Midwest, the exact opposite is observed. There appears to be no relationship between development costs and project sizes in the Northeast. Across all developments in the sample, we find a weak "economies of scale" effect as shown graphically in the bar chart in Exhibit 5-9.

Exhibit 5-9
Total Development Cost (Per-Unit) by Region: Group Homes and ILPs



There is not a strong relationship between development costs and building type, although condominium projects appear to be associated with high development costs. Under the Section 811 program, condominiums are acquired rather than developed. In other words, the sponsor purchases existing units in a condominium complex. The development cost for the sampled condominium project in the West is especially high – $196,850 per unit. This project consists of four, two-bedroom units (with two residents in each unit) located in two very attractive unassisted condominium complexes. In addition to acquisition costs, the Section 811 grant paid for renovations to improve accessibility. HUD also required soil surveys, site surveys, and 'other activities' that had high costs (including legal fees), according to the sponsor.

Cost variations across developments that serve different population groups are shown in the last panel of the exhibit. In general, projects that serve people with physical disabilities appear to be the most expensive to develop. Projects that are designed to house people with HIV/AIDS and those with chronic mental illness are associated with relatively low development costs. Projects in the South are exceptions. Some of the sponsors of these projects noted specific project features or amenities that increased their costs. Examples included elevators, therapeutic tubs, keycard entry systems, and chair-lift systems (for stairways).

In contrast to the results of the development cost data analysis, project sponsors interviewed during our site visits generally agreed that project size is an important driver of per unit development costs in the Section 811 program. According to the sponsors we visited, specific features that drive development costs include the following: accessibility features to meet statutory or regulatory accessibility requirement; and code compliance features, such as sprinkler systems and earthquake resistance features (for Los Angeles area projects). Sponsors of ILPs said that equipping units with individual utility systems (such as heating and air conditioning) is costly. Policymaker interviews supported the notion that regulatory or licensing requirements are an important factor in overall development costs. Total soft costs, such as architectural and legal fees, do not vary much with project size within the size range permitted under Section 811. Thus, larger projects that spread these relatively fixed costs over more units have lower per unit soft costs.

Sponsors noted that they may make trade-offs to control costs. For example, several sponsors noted that land *availability* is as much an issue as land *cost*. Sponsors are often looking for a parcel that is in a residential area (for smaller projects) or a mixed residential and commercial area (for larger projects). In addition, they are often looking for locations that are safe, accessible to transportation and shopping, and meet requirements for residential space, parking, and other uses (such as a lawn or patio area). Finding a parcel that meets all the sponsor's needs and is affordable can be difficult in many housing markets. Several sponsors also noted that the agency must carry the costs of land acquisition until the grant is received. This can be a costly requirement for a small agency and may serve to drive project size down, as a smaller parcel will have a lower carrying cost.

The choice between building a new project and renovating an existing structure may be driven by cost concerns as well. Among the projects we visited, the majority were built new, but there were a few exceptions. Sponsors in North Carolina, for example, explained that new construction is more cost effective than rehabilitating an existing property. By contrast, some sponsors in the higher cost communities we visited in Maryland and Colorado reported that renovating existing properties is more cost effective.

Sponsors of at least five of the projects we visited minimized development costs by either building on donated land or renovating a site already owned by the sponsor. For example, two projects in Boston were already owned by their respective sponsors and were being used for supportive services for agency clients. Both projects were in residential areas and offered good locations for residences. The Section 811 grants provided a way to renovate the structures for residential uses in a cost-effective way.

One of the Little Rock area projects was built on land the sponsor owned, even though the location was "challenging" in regard to safety. Despite the location in a troubled neighborhood, the project is attractive, and the housing and services offered seem to meet the needs of the residents. The sponsor added that the Section 811 project "helps boost the neighborhood." The sponsor viewed the parcel as a good opportunity because it was sufficiently large to build the 19-unit project the agency said was required to meet the need for affordable housing.

We asked sponsors whether they used additional sources of funding other than the original Section 811 capital advance to develop their projects. Few project sponsors reported receiving amendment funds in addition to the amount of their original Section 811 fund reservation, although a number of sponsors reported other sources of funding to supplement the Section 811 capital advance. Other sources included Federal Home Loan Bank funds, CDBG and HOME funds, state housing finance agency funds, and private fundraising. In some cases, the additional funding sources were used to cover the costs of items that HUD does not cover in the Section 811 capital advance. For example, in one project, central air conditioning and an extra half-bath were funded with private donations. A developer of projects for persons with AIDS commented that combining funding sources, such as HUD's homeless assistance programs or the Housing Opportunities for Persons with AIDS (HOPWA) program, can be challenging because eligibility requirements are slightly different across programs.

Summary

Across the sample of Section 811 projects we analyzed, we found an average per unit operating cost of $346 per-unit-month. In most areas, independent living projects have the least per-unit total cost. Operating costs do not vary by type of population served. It is important to note, however, that our quantitative analysis was limited to costs captured in HUD's reporting systems, which include only those costs covered by the Section 811 program. Support costs, which are an important operating cost category for Section 811 projects but are not covered by the PRAC (and are therefore not reported to HUD), vary by size in more complex ways, according to project sponsors. A more complete analysis of operating costs would need to more fully account for project support costs.

The sample projects had an average per unit development cost of $78,826. There is not a strong relationship between development costs and building type, although condominium projects appear to be associated with high development costs. During the site visits, sponsors mentioned a number of strategies to reduce their development costs, including building on donated land or sites the organization already controlled or making choices about renovation or new construction based on relative cost advantages.

Do larger projects offer more cost efficiencies? In this exploratory analysis, we found some evidence of economies of scale for both operating and development costs in some regions of the country. The effect is strongest in lower cost regions of the country (the Midwest and South) compared to more expensive regions (the Northeast and West).

Chapter Six
Summary of Findings and Policy Implications

According to project sponsors, residents, service providers, and policymakers, HUD's Section 811 and Section 202 (direct loan) programs for persons with disabilities provide important sources of affordable housing for people with physical and developmental disabilities and mental illness. Sponsors do struggle with the tension between providing more housing for more people while creating a home-like environment and integrating projects in their neighborhoods. Our key findings with respect to the role of project size on projects, their residents, and the immediate neighborhoods are as follows:

- Project size is not the main factor in sponsors' decisions about what services will be provided or where. Residents' needs and preferences, sponsors' organizational philosophies about services, and regulatory and service system requirements are more important.
- Sponsors prefer to limit on-site services to the services residents need to live as independently as possible while offering other services off-site. This approach is viewed as supporting independence and protecting privacy while using service resources efficiently.
- Overall, the vast majority of residents interviewed (80 percent) said that they are able to obtain the services they need. When viewed by disability group, residents with physical disabilities are somewhat more likely to get the services they need, while residents with chronic mental illness are slightly more likely to report issues with obtaining services. Residents in larger projects (with eight or more units) are also more likely to report difficulty in obtaining needed services.
- Most sponsors we visited chose sites for their projects that are in residential neighborhoods or in mixed residential/commercial areas. The sponsors were seeking safe, desirable neighborhoods with good access to services. Views on the value of neighborhood notification are varied. Some sponsors see notification as an opportunity to build good relations early on while others prefer to keep a low profile (assuming there are no requirements that they do otherwise.)
- Few projects encounter Not in My Backyard (NIMBY) concerns from neighbors at the development stage, and nearly all have good relations with their neighbors once the project is occupied. Sponsors of projects for people with mental illness were more likely to be concerned about community opposition and may have selected their project sites to minimize opposition.
- The majority of residents of Section 811 projects are satisfied with their living situations: 65 percent of the residents we interviewed were very satisfied and an additional 29 percent were at least somewhat satisfied. The rate of dissatisfaction was slightly higher among residents of projects for people with mental illness. Although many residents had difficulty answering questions about what was important to them about their housing,

those who did answer said location, independence, cleanliness of the unit/development, quiet, affordability, privacy, the availability of supportive services, and safety were important. Almost all said their Section 811 housing meets their needs in the areas that are important to them.

- When asked whether they prefer to live with persons with disabilities or with persons without disabilities, half of the residents we interviewed expressed no preference. Of the remainder, 30 percent would prefer to live with others with disabilities and 20 percent stated a preference for living with others who do not have a disability.
- Community integration, while clearly embraced as a goal, is challenging to achieve. A substantial majority of Section 811 sponsors who responded to our telephone survey (75 percent) said that community integration is a key advantage to their project size; that is, even sponsors of larger projects said they are able to integrate in their communities. On the other hand, a few project sponsors across project sizes (18 sponsors in all) said a disadvantage to their size is that the project stands out in the neighborhood.
- Sponsors noted that, even in residential neighborhoods, residents have few opportunities to interact with neighbors outside the project. Residents of some projects spend much of the day at day programs or working, leaving little time to spend at home. Others need assistance to leave their project and there may be insufficient support persons on site to accompany people when they want to go out.

Policy Implications

The Section 811 program and existing Section 202 (direct loan) projects provide important sources of affordable and accessible housing for persons with disabilities. The Section 811 projects that are the main focus of this study are generally located in residential or mixed residential and commercial areas selected to provide residents with access to services in an integrated setting. Project size does not determine the availability of services. Some of the policy implications of the study's findings include:

- Given that neither costs nor service availability is strongly influenced by project size, HUD should continue to encourage the development of smaller projects. Projects with fewer units are easier to site in appropriate settings and residents express high rates of satisfaction with smaller projects.
- HUD should also maintain flexibility to permit sponsors to develop larger projects where suitable sites are available and sponsors can demonstrate the demand for the housing.
- Privacy is an important concern for both sponsors and residents. Project design should maximize privacy. Several sponsors noted design features of their projects that promote privacy and autonomy and mitigate interpersonal problems. For example, in a group home for four people with developmental disabilities and behavioral issues, a small setting with lots of space is critical because interpersonal issues, noise, or distraction can overwhelm the residents. Individual entries rather than common hallways in an independent living project define individual space and give residents a greater sense of

autonomy and privacy. One sponsor noted that clusters of six units with individual entries give residents privacy, but allow them to live "interdependently," watching out for each other.

- The cost analysis shows some evidence of economies of scale in both development and operating costs for the small sample of projects we analyzed, but further research is needed to explore costs more fully. A more comprehensive cost analysis should assess costs in a larger sample of projects and look at housing and services costs together. In addition, a broader exploration of how financing mechanisms for affordable housing could be combined and leveraged with those for housing for persons with disabilities to create mixed residential developments would be useful.
- Further analysis of the cost effectiveness of using the Section 811 program to acquire condominiums is also warranted. The small number of condominium project sponsors we visited have high acquisition and operating costs and share some of the same interpersonal problems among residents that are found in group homes and independent living projects. There seem to be few cost advantages to having the sponsor own these units compared to assisting residents with tenant-based Housing Choice Vouchers. Using tenant-based vouchers may pose challenges as well, however, including discrimination by landlords against persons with disabilities and a lack of affordable and accessible rental housing for voucher recipients in many housing markets.

Appendix A

Projects Selected for Site Visits

Site	Project	Project Size	Number of Residents	Disability Group	Housing Type	Sponsor
Maryland	Irish Meadows	4	6	MI	ILP	Way Station
	Georgetowne Apts	8	14	MI	ILP	Way Station
	Old Towne Homes	6	6	MI	ILP	Way Station
	Next Step Housing	7	7	MI	GH	Family Services Inc.
	Castleton Homes	5	3	MI	GH	Rehab Services Inc.
Minneapolis	Pesch Place	5	5	PD	GH	Accessible Space, Inc.
	Leah's Apts	17	16	PD	ILP	Accessible Space, Inc.
	Silver Lake House	4	4	PD	GH	Accessible Space, Inc.
	Evergreen	21	21	PD	ILP	National Handicap Housing Institute Inc.
	Apple Grove Ct.	17	17	DD	ILP	LW Fraser
Charlotte	Powell Home/WNC #5	6	6	DD	GH	United Methodist Agency for the Retarded
	Camelot (ARC Rowan #6)	6	6	DD	GH	ARC of NC
	RSS Condominiums	4	8	DD	Condo	RSS
	Tillinghast Place	22	25	PD	ILP	NC Independent Living for Deaf Persons
	Caramel Forest (CHS Metrolina #5)	6	6	MI	GH	Mental Health Assoc of NC
Denver	4040 Radcliff	3	3	DD	GH	Community Options
	Rosewood	8	8	DD	GH	Developmental Disability Resource Center
	Fenton Place	9	18	MI	ILP	Jefferson Center for Mental Health
	Lowell Terrace	18	18	MI	ILP	Mental Health Corporation of Denver
	Our House	8	8	PD	GH	Our House Inc.
Louisville	Cedar Lake East	8	8	DD	ILP	Cedar Lake Residences
	Abigail Apts	2	2	DD	ILP	Cedar Lake Residences
	Center Place III	8	8	MI	GH	Lifespring
	Hagan-Trabue	10	10	PD	ILP	Cain Center
	Anderson Place	10	10	PD	ILP	Cain Center

Site	Project	Project Size	Number of Residents	Disability Group	Housing Type	Sponsor
NY/NJ	Rivervale Supervised Apts	16	29	DD	ILP	Spectrum Housing
	Jawonio Apts	3	5	PD	Condo	Jawonio
	Clifton Consumer Home	5	3	MI	GH	CSP
	Belmont House/Haledon	4	4	MI	GH	CSP
	Camp Venture	22	24	DD	ILP	Camp Venture
Los Angeles	New Vision	12	12	PD	GH	Therapeutic Living Centers for the Blind
	LARC Homes	3	6	DD	GH	LARC Housing Corp
	Village Way	6	6	DD	GH	Valley Village
	Rainbow Homes	3	6	DD	GH	Rainbow Horizons Inc.
	HOPE Condominiums	4	8	DD	Condo	Harbor Regional Center
Columbus	Network Housing 92	12	12	MI	ILP	Community Housing Network Inc
	Parkview Plaza	10	11	DD	ILP	Licking Arc
	Sunrise Dwellings II	6	6	MI	ILP	Del-Mor Dwellings
	Jireh Manor	4	4	DD	GH	Jireh Services Inc.
Boston	Robert McBride House	17	17	PD	ILP	Archdiocese of Boston
	Warren House	11	15	DD	ILP	Supportive Living Inc.
	120 Prospect Street	5	8	MI	ILP	Advocates Inc
	18 Dale St	6	6	DD	GH	Charles River ARC
	Pitman Drive	4	4	DD	GH	EMARC Reading
Little Rock	Conway Apts	20	21	MI	ILP	Counseling Associates Inc.
	VOA Living Center	12	12	MI	ILP	Pulaski County VOA
	Kathleen Peek Apartments	24	29	MI	ILP	Little Rock CMHC
	Howell Complex	19	18	DD	ILP	Pathfinder, Inc.
	Pathfinder Meadows	9	8	DD	ILP	Pathfinder, Inc.

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