



Autistic Adult Supportive Housing

A Call to Action

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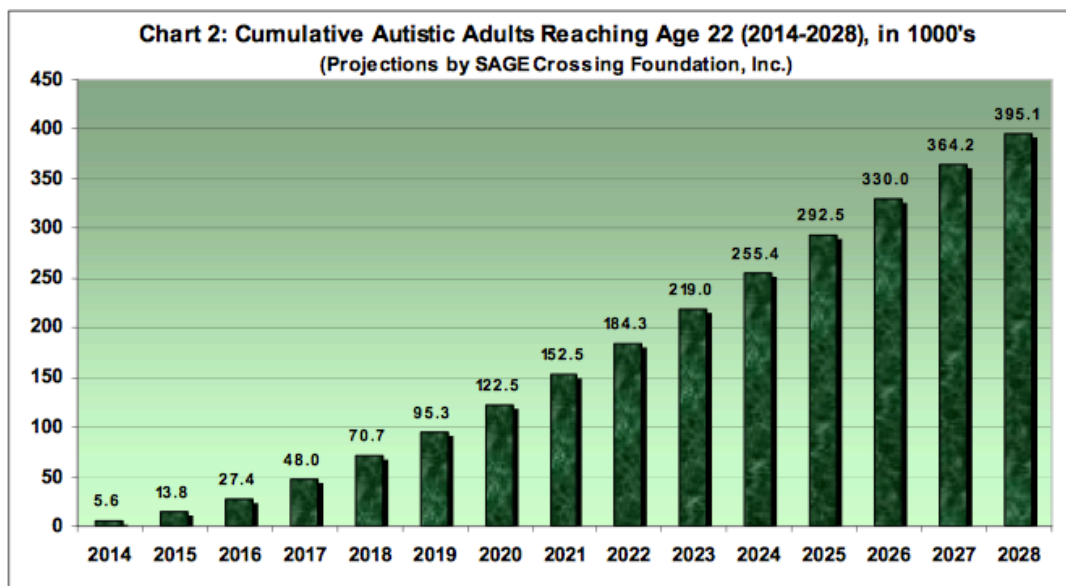
Purpose

- To raise awareness of the oncoming wave of seriously autistic children that will require supportive housing in years 2014-2028
- Communicate the current supply deficit for supportive housing
- Highlight current movements in social investment that may assist in providing supportive housing



Need for Supportive Housing Serving the Adult Autistic Population

According to research done for the Sage Foundation, about 395,000 seriously handicapped autistic children will enter adulthood over the 14 year period starting in 2014, and at the end of that period, the annual cost to society for their care will probably have increased to nearly \$18 billion in current, non-inflated dollars – over and above the cost for adults already in the system today. According to the recently released National Housing and Residential Survey by Autism Speaks the need is closer to 500,000.



The quality and cost of care for autistic adults varies by the needs of the sufferer and the desire and means of the provider. But for the purposes of this projection, the Sage Report estimates the annual costs per person at \$51,000 in 2013 dollars. The three components of this figure are:

- Living expenses: \$37,000
- Transportation costs: \$10,000
- Medical expenses: \$ 4,000
- Total: \$51,000

The referenced research details the assumptions for the projections and the costs. Of course any set of assumptions can and should be thoroughly reviewed. However, the sheer size of demand and the associated costs are monumental despite any reasonable challenge to the underlying assumptions. These figures exclude cost borne by family members.

Supply Deficit for Supportive Housing

The employment rate for all the disabled is approximately 30%. Therefore that percentage, if not less, of the seriously autistic population will not be employable. This typically results in income primarily being derived from government-sponsored social services. With a very low median income, housing options (without private support) become the domain of government sponsored affordable housing programs. Not only does a seriously affected population require housing, it typically requires ancillary life maintenance support services, generally included in the market segment termed supportive housing. Other than Autism Speaks, to date, my anecdotal research in speaking with the National Autism Association, Fannie Mae and other autism community participants is that this issue is not on anyone's radar.



In New York State, the Office of People with Developmental Disabilities (OPWDD- Laurie Kelly, Acting Commissioner) is charged with serving the disabled population, including autism. The primary funding stream is Medicaid funds. Pursuant to the Olmstead Decision in 1999, the delivery of care was mandated to change from an institutional setting to a community setting. This has imposed significant change on state agencies such as OPWDD in terms of operations and facilities. In 1999 the U.S. Supreme Court ruled in *Olmstead v. L.C.* that under the Americans With Disabilities Act (ADA) unjustifiable institutionalization of a person with a disability who, with proper support, can live in the community is discrimination. In it's ruling, the Court said that institutionalization severely limits the person's ability to interact with family and friends, to work and to make a life for him or herself.

The current NYC administration has made affordable housing a cornerstone of its agenda. Its Housing New York plan is a five-borough, ten-year strategy to address the City's affordable housing crisis. The plan, which was created through coordination with 13 agencies and with input from over 200 individual stakeholders, outlines more than 50 initiatives to support its goal of building or preserving 200,000 units of high-quality affordable housing to meet the needs or more than 500,000 people. While this is a laudable endeavor it still leaves an unmet need of 60%!



Supportive housing is a subset of affordable housing. Since the 1990s, New York City and New York State have signed groundbreaking collaborative commitments—the “NY/NY” agreements—to develop and operate over 15,000 supportive housing units for vulnerable homeless New Yorkers. The latest agreement, NY/NY III, is on track to create 9,000 units serving people with severe mental illness, substance use disorders, HIV/AIDS or other disabling medical conditions. The City will continue its commitment to finish out the NY/NY III agreement. The effort is commendable, however, the amount barely scratches the total population's need without including the autistic adult community.

Social Investment

Historically, financing social goods/needs in the US has typically been the purview of the tax-exempt municipal bond market and to a smaller degree the taxable municipal market. For smaller nonprofit entities and municipalities, commercial banks and CDFIs (community development financial institutions) have also provided financing.



For supportive housing, many of the financing methods used are currently in the toolbox of the affordable housing market, which utilizes both federal and local grant, loan, bond and guaranty programs. Another major financing is the Low Income Housing Tax Credit (LIHTC) program, which exchanges equity for tax credits with equity investors. According to research published by the Supportive Housing Network of New York, funding development of supportive housing with hard debt is difficult due to the lack of understanding of the nonprofit space by investors and the lack of comprehension of complex financing by the nonprofit developers.

A more recent innovation is the Social Impact Bond (SIB) in essence a public/private

partnership, which is more prevalent in Canada and Europe. A social impact bond (SIB) is a contract with a public sector body to pay for programs that address specific social issues for a target population. The investment capital is raised from private investors, with government agreeing to provide a return to investors from a portion of the projected cost savings if the program is successful.

Example – Social Impact Bond at Rikers Island - A recent SIB pilot was announced in New York City with Goldman Sachs as the primary investor. The four-year program is intended to reduce the rate at which male juveniles incarcerated at Rikers Island reoffend after their release. Goldman Sachs is providing a \$9.6 million investment, backed by a partial guarantee of \$7.2 million from Bloomberg Philanthropies. The NYC Department of Corrections is the government agency signing the SIB contract and agreeing to pay a return to Goldman Sachs if recidivism rates fall more than 10%.

To date, only two States have done a SIB, New York and Massachusetts. The Bond Buyer has reported on August 15, 2014 that social impact bond legislation introduced in Congress authorizes the creation of public-private partnerships that would be rewarded if they achieve socially desirable outcomes. The proposal calls for the creation of public-private partnerships that would attempt to solve social challenges by scaling up scientifically proven social and public health programs. The revitalized programs would be funded with philanthropic and other private sector investments. If the programs achieve social goals set by the federal government, a P3 would have its investments reimbursed and receive a small return from the realized government savings. The social impact bond proposal, HR 4885, was introduced by Rep. John Delaney, D-Md., and Rep. Todd Young, R-Ind. The measure has been referred to the House Ways and Means Committee and Finance Committee, but no text is yet available of the legislation.

Government is embracing innovation and securing talent to address social needs. Recently, Alicia Glen was appointed by NYC Mayor DiBlasio as Deputy Mayor for Housing and Economic Development. Most recently, Glen served as the Head of the Urban Investment Group (UIG) at Goldman Sachs, which provides capital to underserved urban communities. Additionally, she was a member of the Diverse Business Engagement Committee, the GSBank USA Management Committee, and co-lead the 10,000 Small Businesses initiative. Under her leadership, UIG spurred more than \$5 billion of development across dozens of residential, mixed-use and commercial projects, as well as financed job creation and neighborhood revitalization



Alicia Glen will use her experience leading Goldman Sachs' Urban Investment Group to push the city's developers to build more affordable housing.

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strategies like the \$40mm New York Healthy Food and Healthy Communities Fund. In her role at GS, she helped catalyze projects like NYC's Citi Bike, development in the Brooklyn Navy Yard, and affordable housing projects in Harlem and across the outer boroughs.

Reflections

- Unlike other segments of the disabled population, the autistic community is growing at an exponential rate, which will require an adult supportive housing solution far greater than noted here unless the cause of autism is addressed.
- Autism affects the entire socioeconomic continuum. Henceforth, there may be broader political support for government action. In addition, payor mix (i.e.: private pay and or insurance) option based revenue and financing models maybe more possible for autism than the typical low income individual.
- There is a significant financial impetus for government to provide employment, housing and ancillary services to reduce the pressure on the public purse. This impetus may be an opportunity for public/private partnerships to bring forth operating and financing solutions.

Conclusions

- Currently there appears to be a substantial need for supportive housing to serve the maturing autistic community.
- Supportive housing will most likely be under-financed like much of the total affordable housing market.
- Medicaid Waiver programs and financing innovations such as social investing bonds provide some new tools in addition to the current affordable housing financing methods.
- Now is the time to build relationships with advocacy groups, government and the investment community to better define the situation and develop awareness and solutions.

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