



Issue Brief

HOME MODIFICATIONS FOR PEOPLE WITH DISABILITIES AND THE ELDERLY

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Issue Statement

In Rhode Island, the home modification needs of individuals with disabilities and elders are not being met. There is limited funding for home modifications and the funding that is currently available is difficult to identify and obtain. This has resulted in a delivery system that is fragmented and uncoordinated with major gaps in services, funding, modifications, eligibility criteria and geographic location.

The use of home modifications provides people with disabilities and elders the opportunity to live or remain in the environment of their choice. In addition, accessibility features can assist an individual in completing daily living tasks as well as enhance opportunities for work, community or social events, and supportive services. Without the necessary home modifications, many people may feel isolated from the community and some are left with no choice but to move to a nursing home or an institutional setting.

People want to live independently in the community or housing arrangement of their choice. The lack of available, affordable and accessible housing for people with disabilities and the elderly prevent many individuals from obtaining this goal. Increased funding for home modifications for rentals or purchased homes is a significant means by which policy makers can assist people with disabilities in achieving the goal of independent living.

Background

Demographics

According to the 2000 census reports, there are approximately 195,805 individuals with disabilities living in Rhode Island. This figure includes individuals five years or older who are not institutionalized and represents approximately 20% of the state's population. In addition, the state has the 6th largest proportion in the United States of people ages 65 and over and approximately 40% of this population has a disability. As the population of the state ages and the number of people with disabilities increases, many individuals are faced with living in inaccessible and often unsafe housing environments.

In Rhode Island, the majority of homes were not built to meet the needs of elders or people with disabilities. Approximately one third of the homes in the state were built before 1940 and the majority of these homes are cape or bungalow style. A few features of this style home include narrow doorways

and small bathrooms. In the 1970's, many raised ranch style homes were built throughout the state with the notable feature of split levels followed by more contemporary homes which tend to pull together a variety of architectural features from the past (Census, 2000). As an individual ages or if a homeowner or family member has a disability, these style homes are often not accessible, and as a result, many people are not able to live in their homes. If someone with a disability purchases a new home, unless it is customized with accessibility renovations to meet their individualized needs, it will also present barriers to accessibility.

Advances in health care, technology, housing rights and a movement away from institutionalization have led to an increased awareness in the state of the housing needs of people with disabilities and elders. One housing area that has seen an increase in critical need is home modifications; changes or adaptations to a home increase independence and safety. Unfortunately, due to limited funding, many people who would benefit from more accessible homes do not receive the necessary modifications.

Home Modifications-Defined

The National Resource Center on Supportive Housing and Home Modification defines home modifications as “an adaptation to the living environment intended for ease of use, safety, security and independence.” A few examples of home modifications include:

- Ramps
- Lift installation
- Widening of doorways
- Accessible door hardware (e.g., lever door handles that open easily)
- Handrails on both sides of staircase and outside steps
- Accessible bathroom features (e.g., roll-in shower, grab bars in the shower, by the toilet, and by the tub, hand-held shower head, lever-handed faucets that are easy to turn on and off)
- Accessible kitchen features (e.g., lower counter tops, sliding or pull out shelves, easy gripping cabinet handles)
- Remote control lighting
- Emergency calling systems

According to the Center for Universal Design, home modifications can range in price from \$100 to \$50,000 with accessibility features ranging from minor adaptations such as installing grab bars in a bathroom or easy to grip door handles to larger accessibility renovations such as adding a downstairs bathroom or renovating a kitchen.

In many instances, individuals or families do not plan for home modifications. The need for accessibility modifications may occur as a result

of an injury or an individual having a progressive decrease in functional abilities. At times, even if a family is aware of the fact that a modification would be beneficial (e.g., having to carry a child with a disability up the stairs with the knowledge that it will eventually be a challenge to continue lifting), the cost for home modifications are often not part of the financial planning for the family (Duncan, 2005).

When a home modification is needed to assist an individual to remain in the home, many families are faced with the dilemma of having to find funding to assist with paying for the modification. According to the Center for Universal Design, families who have moderate incomes may have the option to utilize savings or obtain a loan or line of credit on their home. However, many households with moderate incomes do not have extra savings or equity in their home to afford the modifications especially if they are unplanned. In addition, low income households do not have access to funds to pay for modifications. In these instances, some households may be eligible for funding sources but they are limited, hard to locate and target specific criteria such as age, employment, type of modification, location and disability.

Cost Effectiveness of Home Modifications

The use of home modifications provides elders and people with disabilities the opportunity to live independently in the home environment of their choice which results in a cost savings to the state. The degree to which an individual has the necessary home modifications directly impacts his/her ability to be an active member of society; to work and pay taxes as opposed to being unemployed, collecting public assistance or costing the state money for unnecessary nursing home care (US Department of Labor, Office of Disability Employment Policy).

Research has shown that increasing the opportunities for home modifications will save money. A one time cost of \$5,000 to \$50,000 for a ramp or adding a downstairs bathroom or renovating a kitchen for accessibility can keep an elder or person with a disability out of nursing home care costing the state approximately \$44,896 annually (RI Long Term Care Spending Report). The following are additional examples of how home modifications can be cost effective:

- From 1999-2003, a home modification loan program in Massachusetts assisted over 300 elders, adults with disabilities and children with disabilities to remain in their homes. One time expenditures averaging \$20,800 saved an estimated \$43,000 to \$127,750 per person annually on nursing home costs.

- In 1994, the Franciscan Children's Hospital, based in Boston, spent an added \$452,950 due to the delayed discharges of seven children, in part because homes modifications were needed before they could return.
- In 1993, a study in Minnesota found that the home rehabilitation program of the state averaged \$9,000 per household modification; with an estimated 17% of individuals served kept out of nursing homes or residential care environments as a result of home modifications.
- In 2004, the Ocean State Center for Independent Living reported assisting 50 individuals from nursing home facilities (over a five year period of time) transition back into the community with the assistance of home modifications; saving the state approximately \$2,550,000.

Home Modification in Rhode Island

Current Programs

In Rhode Island, many elders, adults with disabilities and families who have children with disabilities cannot afford to make the necessary home modifications. Currently, the state has programs but the funds and eligibility criteria are limited. These programs include Community Development Block Grants, Department of Housing and Urban Development HOME Program, Rural Housing Services, Veterans Administration Funds, Medicaid Waivers, RI Housing Home Repairs Fund, Division of Developmental Disabilities as well as the Office of Rehabilitation Services. However, since these programs target specific communities or have small amounts of funding many people with disabilities and elders remain underserved and are often on long waiting lists.

Since 1999, a line item for approximately \$200,000 has been allocated for the Office of Rehabilitation Services in the Department of Human Services budget to be used for home modifications. The Office of Rehabilitation Services splits the funding equally between the state's two Independent Living Centers, OSCIL and PARI and contracts with the centers to provide the home modifications.

In addition, the RI State Plan for Independent Living (developed by the Office of Rehabilitation Services and the Statewide Independent Living Council) allocates annual funding to the Centers for home modifications and operating expenses. This funding is 90 percent federal with a required 10 percent state match (*Title VII of Rehabilitation Act of 1973 Section 704*). In

the fiscal years 2005-2007, \$93,000 will be allocated annually to each of the Centers.

In 2004, the Centers reported assisting 37 individuals with home modification funding so they could remain independent and potentially have the opportunity to work as opposed to residing in an institutional environment. The General Assembly's \$200,000 appropriation for home modifications saved the state an approximate \$1,400,000 in nursing home costs. This estimate was based on OSCIL's estimate of Medicaid costs. The Centers additionally reported that they had 77 individuals on the waiting list for home modifications with an estimated cost of accessibility renovations of \$494,015. The continuation of state funding in the following fiscal year assisted approximately half of the requested projects on the waiting list. As of October 2005, there were 40 individuals on the waiting list. If these individuals do not receive home modifications, the estimated cost to the state, if they were to enter a nursing care facility, would be \$1,795,840 based on Long Term Care Spending Report of the Long Term Care Coordinating Council.

Although the state has also invested in home and community services to ensure people with disabilities and the elderly can live in the community, the services available do not meet the demands. Research on individuals utilizing home and community based services in the state shows that more money is being spent on nursing home care versus home and community options. The Long Term Care Spending Report (FY 2004) reported that the state spent \$470,863,916 in Medicaid dollars on long term care; 89% or \$418,169,912 was in institutional care and 70% of this funding, \$291,981,426 went to nursing home care. In contrast, \$42,400,554, only 9% of the total long term care dollars, was spent on home and community care programs including home care/homemaker, residential/personal care, adult day and other services.

These figures demonstrate the state's continued commitment to institutionalization rather than appropriating the dollars for people with disabilities and seniors to remain in their homes and live independent and quality lives.

Rhode Islanders Speaking Out on the Need for Additional Funding

Rhode Island elders and people with disabilities have shared their concerns over the lack of accessible home opportunities. Each year, the RI Governor's Commission on Disabilities holds public forums to identify the concerns of citizens and for the past several years, the critical need for increased accessible housing options, including additional home modification funds, has been continually identified as a critical need.

In 2005, Rhodes to Independence conducted research on housing for Rhode Islanders with disabilities. The findings of this research further support the need for increased funding for home modifications. The following statements highlight participants' concerns:

“Do I feed my family and pay my mortgage or have a ramp built? It is terrible to have to make choices like this.”

“It is impossible to live independently when your house is not accessible.”

“The current waiting list is long for home modifications. How can people be expected to live in home where they can't get up the steps or access their kitchens or bathrooms?”

“People do not have extra money at the end of the month to make their homes accessible.”

“For people in wheelchairs, getting into the apartment building is half the battle. Making the individual unit accessible can be easy or complicated depending on the individual's needs. But we need more funding options.”

“I make enough money so I do not qualify for home modification funding but I do not make enough money to make the needed home modifications. I know there are many other people and families in this situation that feel like they are being forced to choose between work and having an accessible home.”

To further support the need for additional funding options for home modifications in the state we present the following case studies.

- ❖ A 50 year old man, who has a progressive disease, uses a wheelchair for mobility. Living in bungalow style home (mortgage low and affordable) with an inaccessible bathroom, he could not access the bathroom. A one-time cost of \$10,263 to widen the doorway, install a roll-in shower, relocate the toilet and install grab bars, provided this individual with the independence needed to remain functional in his home. ---OSCIL, 2004
- ❖ An older woman, recently widowed, has lived in her home for the last 50 years. She can no longer safely use the stairs and must start to live on the first floor. This requires the addition of a door or partition to create a private space in the living/dining room and grab bars in the first floor bath. The home modifications would cost \$3,700. A total cost

of \$13,349 including the fee for DHS adult day care would allow her to remain safely and independently in her home and prevent a move where the state would be paying for nursing home care (\$44,896 annually).

- ❖ Due to Multiple Sclerosis, a man who lives in a small home with the bedroom and a bathroom on the second floor can no longer access the 2nd floor. Due to a lack of accessibility, he had to sleep and bathe (sponge—independently) for two years. The one-time cost of \$13,100 paid for bathroom modifications and a stair lift for the home; providing independence for the resident.---OSCIL, 2004

Rhode Island is faced with the challenge of identifying additional funding strategies or deal with the high cost of nursing care and institutionalization. With federal budget reductions and increased state competition for limited funds, there is a critical need to be proactive and implement alternative home modification funding options.

A Creative Solution: Massachusetts Home Modification Loan Program

Similar to Rhode Island, Massachusetts was faced with a growing population of people with disabilities and elders. Annually, the percentage of people aged 85 years or older grows 20%. A study conducted in 1994 found that 8% of families with children with disabilities were not able to afford home modifications. In addition, the federal Community Development Block Grants funding was only available in 30 cities with 321 communities not able to utilize the funds. Also, funding sources such as the Massachusetts Rehabilitation Commission and the Commission for the Blind were experiencing shortages and long waiting lists. People were waiting approximately three years for a simple grab bar or other accessibility renovation.

In 1999, to address the growing need for home modification funds, a loan program for home modifications was developed. Through the efforts of the Massachusetts Rehabilitation Commission and advocates throughout the state, the Home Modification Loan Program was established. A collaborative project between the Massachusetts Rehabilitation Commission and the Community Economic Development Assistance Corporation, this loan program provides loans for access modifications to the principal residence of seniors, adults with disabilities and families with children with disabilities.

The program was initially established by the Massachusetts State Legislature with \$10 million in state bond funds. The program received an

initial \$2 million in bond funding for the fiscal year 2000 and \$1.5 million over the next four years until reaching the \$10 million voted by the legislature. The initial \$10 million assisted over 300 adults with disabilities, children with disabilities and seniors to remain in or move back into the community. It is estimated that the average loan was \$20,800. The home modifications saved the state an estimated \$43,800 to \$127,750 per person annually in nursing home costs.

The second authorization of funds for the Home Modification Loan Program was in 2004 when the Massachusetts State Legislature enacted a Housing Bond Bill authorizing \$25 million over five years to continue funding loans for accessibility modifications (see Appendix).

Program Overview

Applicant Eligibility

The applicant must be the owner of the property but may or may not be the direct beneficiary of the completed accessible modifications. In owner occupied properties, where the homeowner will be the applicant, the income requirements are based on the total gross income of the household. In non-owner occupied properties, where the landlord will be the applicant, the beneficiary's household income must be less than 200% of the median income. The owner or landlord must also demonstrate that the property has fewer than 10 units and provide a judgment from a court of law to prove undue burden.

Eligible Modifications and Properties

In order to be eligible, the property must be located in Massachusetts and be the primary residence of the beneficiary

The home modifications requested must provide improved access or allow the beneficiary to live more independently in the community. In addition, the modifications requested must relate to the functional disability of the beneficiary. For example, housing projects that are not directly related to the disability are not eligible.

A few examples of the modifications that may be eligible under this loan program include ramps, lifts, bathroom and kitchen accessibility features, widening doorways and accessible door hardware. In some instances, increasing the housing square footage or adding an addition to the first floor may also be eligible modifications under the program. For example, an accessible bathroom may be larger than the existing bathroom and room is needed to expand within the home.

Application Process

The application process is based on a first come first served basis. The process involves several steps including an initial application and intake meeting, letters of commitment or referral, trust ownership procedure, obtaining lead and historic certifications and reviews by the loan committee.

The provider will conduct an initial inspection of the property and review the required home modification.

The borrower works directly with the designer and/or contractor in all phases ranging from bidding to reviewing the specifications for the modifications. The loan Program is committed to empowering the borrower to be proactive throughout the modification process. However, the provider agency gives technical assistance as needed. For example, the borrower may need help with sample bid and contract forms or assistance with the design of modifications.

Once the bids for the modifications and loan commitments are met, the provider drafts the loan documents. After the documentation has been completed and signed by the borrower and provider, the requisition package is sent to the Community Economic Development Assistance Corporation requesting the disbursement of the loans.

Upon the completion of the home modification, the provider will inspect the property to ensure that the construction has been completed in compliance with the contract.

Program Administration

The Massachusetts Rehabilitation Commission contracted with the Community Economic Development Assistance Corporation (CEDAC) to administer the Home Modification Loan Program. CEDAC initiated a request for proposals for provider agencies that would administer the funds and work directly with eligible applicants. The six provider agencies chosen represent the six regions of the state.

The provider agencies have a variety of responsibilities including: outreach, establish and maintain waiting lists, complete intakes and eligibility reviews, conduct inspections, provide technical assistance such as identifying and hiring architectural, design and contracting professionals, underwrite and process loans, provide information and referral, record keeping and verification of legal requirements.

The provider agencies also work collaboratively with the Massachusetts Rehabilitation Commission and the Community Economic Development Assistance Corporation on program implementation and monitoring.

Loan Terms

The applicants are eligible for a one time per property loan in amounts ranging from \$1,000 to \$25,000. If the cost estimate to complete the modification is more than \$25,000, the borrower must have a commitment of funds from another source to cover the balance.

The Program offers two types of loans: deferred payment loans and amortizing loans depending on the income of the household. Homeowners with up to 100% of median income may be eligible for 0% interest deferred payment loans. In the deferred payment loan, the loan payment will only have to be made if the property is sold or transferred, or if a loan condition is not met. Homeowners with incomes ranging from 100% to 200% of the median income may be eligible for 3% deferred payment loans or 3% amortizing loans. The 3% deferred and amortizing loans require monthly payments and must be repaid in 5 to 15 years, depending on the amount of the loan. The Home Modification Program loans are secured by promissory note and a mortgage lien on the property.

Summary

A 15 year old young man, who was born with a disability and uses a wheelchair, lives with his family in a 2-story home. His family provides all his personal care assistance. When he was younger, his parents were able to carry him up and down the stairs to the bath and his bedroom. At 15, however, this has become a challenge. However, his family cannot afford to make the necessary modifications to keep him at home. The modifications include widening the doorways to a first floor room so it can be used as a bedroom and making the first floor bathroom accessible, for a cost of \$13,750. Unless these modifications are made, the youth may have to move to a residential treatment center potentially housed at Tavares Pediatric Center at a cost to the state of \$44,896 annually (Long Term Care Report Cost for Nursing Facilities).

With the current fiscal environment in the state and the limited current funding sources for home modifications that target specific communities or very low income individuals, Rhode Islanders with disabilities and seniors would gain assistance from a loan program funding by a bond issue.

The implementation of a Home Modification Loan Program, similar to the one developed in Massachusetts would complement the current programs in Rhode Island by filling in the gaps to ensure that all Rhode Islanders who could benefit from home modifications have access to home modification assistance and can achieve the goal of independently living in the housing environment of their choice.

APPENDIX

Chapter 290 of the Acts of 2004. An Act Relative to Low Income Housing Tax Credits

Executive Office of Health and Human Services (*Massachusetts*)
Office of the Secretary

4000-7997

For a program of loan guarantees or interest subsidies to assist homeowners with blindness or severe physical disabilities in making modifications to their primary residence for the purpose of improved accessibility or to allow such homeowners to live independently in the community; provided, that said secretary shall take all steps necessary to minimize such program's administrative costs; provided further, that such loan guarantees shall be available on the basis of a sliding scale that relates homeowner's income and assets to the cost of home modifications; provided further, that interest subsidies shall be means-tested and may be for zero interest loans pursuant to income standards developed by said secretary; provided further, that the repayment of any such loans may be delayed until the sale of the principal residence by any such homeowner; provided further, that persons residing in any development covered by section four of chapter 151B of the General Laws shall not be eligible for said program unless the owner can show that the modification is an undue financial burden; provided further, that said secretary shall consult with the Massachusetts commission for the blind and the Massachusetts rehabilitation commission in developing the rules, regulations and guidelines for such program; provided further, that nothing

herein shall give rise to enforceable legal rights in any party or an enforceable entitlement to services; provided further, that nothing stated herein shall be construed as giving rise to enforceable legal rights or enforceable entitlement to any services; and provided further, that said secretary shall submit quarterly reports to the house and senate committees on ways and means detailing the status of the program herein established
.....\$25,000,000