

Housing Expert Panel – Recommendations to the Housing Work Group
Draft date: October 20, 2016

1. BUDGET PROPOSAL: New funding to increase permanent supportive housing units for adults with serious mental illness. Target funding to address frequent users of high-cost systems (state psychiatric hospitals and local/regional jails)

People with serious mental illness often cycle in and out of jails, the health care system, and homelessness - at great public expense and with limited positive human outcomes. Through use of emergency rooms, jails, and other institutions, frequent users are a high cost to local government, state government, and federal government. The Expert Panel recommends that new general fund dollars be provided to increase permanent supportive housing units in Virginia. Funding should be targeted to address frequent users of high-cost systems (state psychiatric hospitals and local/regional jails).

2. LEGISLATIVE PROPOSAL: Amend the Virginia Housing Trust Fund (VHTF)

Under current law, The Department of Housing and Community Development is required to use at least 80 percent the Virginia Housing Trust Fund to provide flexible financing for low-interest loans through eligible organizations. The remaining funds (up to 20 percent) may be used for (a) temporary rental assistance, not to exceed one year; (b) housing stabilization services in permanent supportive housing for homeless individuals and homeless families; (c) mortgage foreclosure counseling targeted at localities with the highest incidence of foreclosure activity; and (d) predevelopment assistance for permanent supportive housing and other long-term housing options for the homeless. The Expert Panel proposes amending § 36-142 to eliminate the mortgage foreclosure counseling as a permissible use of such funds and to require the Department to use the full 20 percent of the VHTF for (a) supportive services and predevelopment assistance for permanent supportive housing and other long-term housing options for the homeless and (b) temporary rental assistance, not to exceed one year.

3. LEGISLATIVE PROPOSAL: Strategies for housing individuals with serious mental illness

Charge the Department of Housing and Community Development (DHCD) to develop and implement strategies for housing individuals with serious mental illness. DHCD shall include other agencies in the development of such strategies including the Virginia Housing Development Authority, Department of Behavioral Health and Developmental Services, Department of Aging and Rehabilitative Services, Department of Medical Assistance Services, and Department of Social Services. DHCD shall consult and include stakeholders whose constituents have an interest in expanding supportive housing for people with serious mental illness (i.e. NAMI Virginia, Virginia Housing Alliance, and the Virginia Sheriff's Association). The bill also includes an annual report on such strategies to the House Appropriations and Senate Finance Committees.

4. LEGISLATIVE PROPOSAL: DMAS to recommend strategies for financing of supportive housing services through Medicaid reimbursement.

Financing of supportive housing service through Medicaid reimbursement is a critical component of strengthening Virginia's ability to ensure that permanent supportive housing is a primary means of housing for people with serious mental illness who otherwise would be incarcerated, living in short-term shelters, homeless, utilizing emergency room care, or living in state hospitals. In order to increase the number of permanent supportive housing units available, there must be a funding mechanism for the supportive housing services that are essential to the PSH model. The Expert Panel recommends budget language that requires DMAS to research and recommend strategies for the financing of supportive housing services through Medicaid reimbursement; DMAS shall include other agencies in the development of such strategies including the Department of Housing and Community Development, Virginia Housing Development Authority, Department of Behavioral Health and Developmental Services, Department of Aging and Rehabilitative Services, and include stakeholders whose constituents have an interest in expanding supportive housing for people with serious mental illness (i.e. NAMI Virginia, Virginia Housing Alliance, and the Virginia Sheriff's Association). A report shall be provided to the General Assembly, House Appropriations and Senate Finance Committees, and the SJ 47 Commission by September 30, 2017.